

**A SURVEY OF NON-TARIFF BARRIERS THAT AFFECT
TANZANIAN IMPORTS AND EXPORTS WITHIN EAC, SADC AND
COMESA COUNTRIES**

Final report

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EXECUTIVE SUMMARY

Analysis of exports to EAC, SADC and COMESA regional blocs shows that while Kenya was a major export destination, taking an average 27% of total exports to the region during the period 2001 to 2005, Uganda was an insignificant market, taking a mere 4% of Tanzania's total exports. The analysis also indicates that while the Common External Tariff (CET) of EAC Customs Union allows for zero% tariff rates to be applied on intra-EAC trade excluding few selected items imported from Kenya which attract 10%, this preferential tariff arrangement has not yet had an effect in making Uganda a significant market for Tanzania's exports. The EAC/COMESA/SADC region took an average of 27% over the period 2003-2006. The analysis also shows that South Africa and Kenya were the main regional markets, which took an average of 53% and 27% of total exports to the region respectively over the period 2003-2006. On the other hand, the region contributed 20% of Tanzania's imports during the period. Analysis of imports from EAC countries show that while Kenya was a major import source during the period, Uganda contributed a mere 1.1% of Tanzania's imports from the region, despite the preferential import tariffs that exist under the EAC Customs Union.

During the 2005/06 EAC and 2004 SADC NTBs consultations, it was found out that a number of NTBs exist on Tanzania's exports to EAC and SADC countries. The EAC categorised the NTBs under Cumbersome inspection requirements; Varying trade regulations among the three EAC and SADC countries and Varying, cumbersome and costly transiting procedures in the three EAC countries. The survey had also identified a number of NTBs that directly affect imports, categorised Customs and administrative documentation procedures; Cumbersome inspection requirements; Police road blocks; and Congestion at Dar es Salaam Port. The 2004 SADC survey had identified NTBs related to exports and imports, which are categorised under Customs administrative and documentation procedures, obstacles in getting export and import permits, Export bans; and Cumbersome inspection requirements. These NTBs still exist although to a smaller extent since Customs has made a lot of improvements in imports clearance through application of ASYCUDA++ system at major entry points.

Current consultations indicate that the public and private sector both prefer a structured approach to dealing with NTBs the reporting, monitoring and elimination process. The template NTBs monitoring mechanism that was proposed during the 2005/06 EAC NTBs survey is therefore validated as still relevant, and that it should be applied to report and facilitate elimination of NTBs experienced on intra-SADC trade. The template, which appears as Table 10 to this report identifies the NTBs reported, their content, responsible agencies, approach to eliminating the NTBs, performance benchmarks, possible constraints to elimination and the success factor which should be used to eliminate such constraints. At the time of endorsing the EAC mechanism in early 2006, it had been agreed that the EAC ministries responsible for EAC matters would coordinate its application. However, although the Tanzania NTBs Monitoring Committee has not convened an inaugural meeting to-date, this Ministry is still preferred as the coordinator of NTB issues.

During consultations on the EAC NTBs Monitoring Mechanism, it had also been agreed that heads of key institutions involved in trade matters would constitute membership of the National Monitoring Committees. While this membership is still valid, Tanzania trade stakeholders propose that it should be expanded to include additional institutions that had not been included at the time. The proposed membership is shown under Table 10 of this report.

Regarding harmonization of transit traffic procedures, it is understood that the private sector is lobbying the Tanzania Government to consider rejoining COMESA. If this development takes place, the private sector recommends that the country should implement all operational COMESA transit

traffic schemes so as to facilitate regional cross-border transit traffic within the three regional trading blocs.

The analysis also shows that like her two EAC sister states, the recommended Action Plan for reporting, monitoring and eliminating NTBs in Tanzania should centre on four key issues, namely:

- The need for Partner States within EAC and COMESA to consolidate and demonstrate their political and technical goodwill to implement aspirations of the EAC and COMESA Treaties, so that decisions passed at Council levels are respected and domesticated through timely amendments of national laws, regulations and practices;
- The need for Partner States need to ensure that the legal and regulatory framework governing the integration process is properly enshrined in their national laws, clearly understood and complied with by all agencies responsible for enforcement of trade regulatory and administrative requirements.
- The need to build capacity at the coordinating ministry and business associations so as to enable the NTBs Monitoring Committee to play its role of facilitating reporting, monitoring and elimination of NTBs. An effective secretariat capacity will also help to kick-start application of NTBs monitoring and elimination mechanism without further delay.
- The need for harmonising the regional transit traffic schemes. This is especially because Tanzania belongs to both EAC and SADC trading blocs, while its EAC partner states also belong to COMESA, which means there may be some transit procedures that have contradictory elements and focus. Such conflicts can only be addressed effectively if the three regional trading blocs harmonised the applicable procedures.

1.0 INTRODUCTION

1.1 Overview

This assignment was commissioned by the Regional Trade Facilitation Programme (RTFP) on behalf of the COMESA/EAC and SADC Secretariats with an objective of identifying and analysing the nature and scope of Non-tariff barriers (NTBs) that hamper intra-regional trade within the member countries. A total of twenty-five countries which are members of COMESA¹, SADC² and/or EAC³ are being surveyed in this respect, Uganda included. All the three regional economic communities (RECs) are currently at various stages of developing formal/ structured mechanisms for identifying, monitoring and eliminating NTBs and are collaborating closely in this process, and the result is expected to be the adoption of a single NTB monitoring and elimination mechanism for the region.

The survey is divided into two parts, one for SADC and/or EAC⁴ countries that were surveyed in 2004 and 2005/06 respectively, and one for COMESA⁵ countries that have not been surveyed before. The survey for EAC and SADC countries is updating and validating the 2004 and 2005/06 NTB inventories while the survey for COMESA is compiling complete inventories for 11 COMESA countries that have not been surveyed before. This report should therefore be read as an update for the Tanzania EAC 2005/06 and SADC NTB surveys, and a review of Tanzania's willingness to implement harmonised transit traffic schemes such as the COMESA harmonised transit documentation and other related trade facilitation instruments.

1.2 Background to the EAC and SADC NTB surveys

The 2005/06 survey for EAC countries (Tanzania, Kenya and Uganda) identified a number of NTBs which were categorised under the following clusters:

- (a) Customs documentation and administrative procedures, which include un-standardised systems for imports declaration and payment of applicable duty rates, limited customs working hours, different interpretation of the COMESA Rules of Origin⁶, application of discriminatory taxes and other charges on imports originating from amongst the three countries, cumbersome procedures for verifying containerized imports, problems in blocking the marketing of counterfeit products, and diversion of transit goods into the region
- (b) Immigration procedures, which include un-standardised visa fees and procedures for application of work permits, cumbersome and duplicated immigration procedures.
- (c) Quality inspection procedures, which include delays in inspection of commercial vehicles, cumbersome and costly quality inspection procedures, unnecessary quality inspections (including of products certified by accredited laboratories and of imports originating from the EAC bearing certification marks issued by the three East African Standards Bureaus), un-standardised quality inspection and testing procedures and varying procedures for issuing certification marks.

¹ Common Market for Eastern and Southern African countries

² Southern African Development Community

³ Eastern African Community

⁴ Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe, Kenya and Uganda

⁵ Burundi, Comoros, DR Congo, Djibouti, Egypt, Eritrea, Ethiopia, Madagascar, Rwanda, Seychelles and Sudan

⁶ Where products are not wholly produced in the EAC and an EAC rule of origin has not yet been agreed, COMESA rules of origin are used in the interim.

- (d) Transiting procedures, including cumbersome, un-standardised and costly transport and other procedures for transit traffic.

Regarding SADC, the Protocol on Trade provides for the attainment of a Free Trade Area (FTA) in 2008 through the elimination of tariff barriers to trade. Whilst the process of eliminating tariff barriers within SADC is in progress and predictable, the success of the FTA hinges to a large extent on a systematic process of eliminating non-tariff barriers which hinder intra-SADC trade. The 2004 Inventory Report on NTBs in SADC countries defines NTBs as “any regulations to trade other than a tariff or other discretionary policies that restrict international trade”, and groups NTBs into three broad categories, namely:

- (a) Health, safety and environment NTBs: these barriers include exports bans, restrictive SPS requirements, standards and conformance requirements;
- (b) Trade policy NTBs: these barriers include broader policy measures including public export assistance, export taxes, import licenses, import quotas, production subsidies, state trading and import monopolies, tax concessions, trade remedy practices (such as anti-dumping, safeguard and countervailing measures);
- (c) Administrative NTBs: these barriers include customs clearance delays, lack of transparency and consistency in customs procedures, overly bureaucratic and often arbitrary processing and documentation requirements for consignments, high freight and transport charges, and generally, services that are not user-friendly.

1.3 Scope of Work and tasks for the survey

The objective of the study for Tanzania aims at updating the inventory of NTBs that hinder intra-EAC and intra-SADC trade identified in the 2005/06 survey. The specific tasks of the survey are to:

1. Prepare patterns of intra-SADC and intra-EAC trade using the most recent trade data, identify the country's exports and imports and the main traded commodities for the last 5 years for which data is available at HS⁷ 2 digit level (2002-2006).
2. Identify the scope and nature of NTBs that affect intra-EAC and intra-SADC trade utilising a standardised inventory approach under the WTO categorisation of NTBs.
3. Undertake consultations on the template form for reporting NTBs as proposed during the 2005/06 EAC NTBs survey consultations.
4. Undertake consultations with the private sector representative organisations and the public sector on the proposal that they designate a National NTBs Committee as the focal point for reporting, monitoring and facilitating elimination of NTBs, which will also liaise closely with EAC and SADC Secretariats.
5. Highlight those NTBs in the inventory which have been introduced since the 2005 EAC and 2004 SADC NTB studies.
6. Assess the importance of each NTB in terms of its impact on intra- EAC and intra-SADC trade, and on traders, such as the cost of the additional time incurred to ensure compliance, lost market opportunities, and prevalence of specific NTBs at EAC and SADC country exit and entry points
7. Assess NTBs that are identified with particular transport and transit modes, including air freight, sea freight, road freight, and other cross-border traffic services.

⁷ Harmonised System data

8. Identify EAC and COMESA enforcement agencies and laws, regulations, practices, and requirements in each country of study and in the importing/ exporting countries with which traders must comply.

Additionally, the survey also review Tanzania's willingness to implement harmonised transit traffic schemes such as COMESA's Harmonised Road Transit Charges, COMESA Carrier's License, Harmonised Axle Load and Maximum Vehicle Weight specifications, and the COMESA Yellow Card.

1.4 Methodology for undertaking the survey

In Tanzania, the survey included a detailed analysis of export and import data between 2002 and 2006, including EAC/SADC/COMESA destination countries, trends and major products traded. It also reviewed available literature on existence and impact of NTBs, which include the 2005/06 NTBs survey report, the 2004 Business Climate Index survey report and earlier reports compiled under the Regional Trade Facilitation Forum regarding obstacles that hinder export and import trade. Consultations were also held with relevant representatives of the private and public sector, which included the Confederation of Tanzania Industries, Tanzania Chamber of Commerce, Industry and Agriculture, Tanzania Clearing and Forwarding Association, Ministry of Industry Trade and Marketing, Ministry of East African Community Customs and Excise Department. These consultations entered around validation and update of NTBs identified during the 2004 and 2005/06 surveys, template for reporting NTBs, Focal point for coordinating reporting, monitoring and facilitating NTBs elimination, membership to the National NTBs Monitoring Committee and its capacity to coordinate work on NTBs. The report also used the WTO NTB codes to categorise identified NTBs into a standardised inventory.

This report has tried as much as possible to answer all the terms of reference as highlighted above under the scope of work and tasks for the survey.

2.0 OVERVIEW OF EXPORT AND IMPORT TRADE

2.1 EXPORT TRADE

2.1.1 Tanzania's exports to EAC/SADC/COMESA region

Total exports to the EAC/COMESA/SADC region grew from USD 130 million in 2002 to 196 million in 2003, to 267 million in 2004, 463 million in 2005 and to 514 million in 2006. The region therefore took an average of 14% of share of Tanzania's total global exports in 2002, 17% 2003, 20% in 2004, 30% in 2005, 32% in 2006 and an average 267% over the period 2003-2006. The major export markets within the region were South Africa and Kenya, with an average of 527% and 27% export market share respectively over the period 2003-2006. Analysis of exports to EAC regional bloc shows that while Kenya was a major export destination during the period at an average 27%, Uganda took a mere 4% of Tanzania's total exports to COMESA/SADC region. The analysis indicates that while the Common External Tariff (CET) of EAC Customs Union allows for zero% tariff rates to be applied on intra-EAC trade excluding few selected items imported from Kenya to Tanzania and Uganda at 10%, this preferential tariff arrangement has not yet had an effect in making Uganda a significant market for Tanzania's exports. Details of the Tanzania's export trends and market shares within EAC/SADC/COMESA region are shown in Table 1 below.

Table 1: Tanzania exports to EAC/SADC/COMESA countries between 2002 and 2006 (USD)

DESTINATION COUNTRY	2,002	2,003	2,004	2,005	2,006	TOTAL 2003-06	EAC/SADC/ COMESA MARKET SHARE
SOUTH AFRICA	16,711,855	37,757,498	114,989,177	292,270,522	299,578,865	744,596,062	52%
KENYA	35,727,238	114,461,900	84,511,276	80,305,356	115,067,705	394,346,237	27%
UGANDA	5,553,281	8,313,107	11,824,251	20,831,506	20,277,324	61,246,188	4%
MALAWI	17,959,226	1,416,932	12,545,300	8,035,181	18,944,806	40,942,219	3%
ZAMBIA	17,639,924	2,025,516	6,808,813	8,990,416	15,386,020	33,210,765	2%
DRC	16,008,677	737,140	10,232,034	12,694,400	4,381,571	28,045,145	2%
BURUNDI	7,089,045	326,320	7,606,614	7,718,966	6,631,172	22,283,072	2%
EGYPT	1,683,110	11,607,919	1,070,189	8,502,755	638,012	21,818,875	2%
MOZAMBIQUE	1,647,364	1,764,132	3,462,703	7,208,759	9,323,340	21,758,934	2%
SWAZILAND	376,865	12,345,187	2,877,758	560,413	1,899,113	17,682,471	1%
COMOROS	363,200	340	1,183,031	1,592,926	9,932,296	12,708,593	1%
RWANDA	3,913,490	811,087	2,946,160	3,134,225	3,733,011	10,624,483	1%
ZIMBABWE	1,419,051	1,190,001	1,249,242	1,566,262	1,198,431	5,203,936	0%
BOTSWANA	39,004	131,918	51,623	4,242,640	761,184	5,187,365	0%
ANGOLA	1,414,138	0	671,966	1,402,581	2,792,292	4,866,839	0%
ETHIOPIA	375,840	125,383	1,781,792	1,767,749	635,848	4,310,772	0%
MADAGASCAR	696,405	6,841	1,991,430	820,145	1,068,827	3,887,243	0%
MAURITIUS	293,606	1,782,742	540,583	466,092	916,231	3,705,648	0%
SUDAN	272,260	40,838	262,930	436,001	497,761	1,237,530	0%
NAMIBIA	31,253	786,138	12,987	47,369	325,992	1,172,486	0%
ERITREA	237,275	7,740	117,281	232,065	195,953	553,039	0%
DJIBOUTI	51,015	404,741	61,508	8,181	3,983	478,413	0%
SEYCHELLES	287,374	276,934	24,789	37,251	39,792	378,766	0%
TOTAL TO	129,790,496	196,320,354	266,823,437	462,871,761	514,229,529	1,440,245,081	100%

DESTINATION COUNTRY	2,002	2,003	2,004	2,005	2,006	TOTAL 2003-06	EAC/SADC/COMESA MARKET SHARE
EAC/COMESA/SADC							
TOTAL EXPORTS TO ALL WORLD COUNTRIES	905,771,690	1,132,043,399	1,329,820,571	1,544,517,953	1,589,613,469	5,595,995,392	
COMESA/SADC SHARE	14%	17%	20%	30%	32%	26%	26%

Source: Computed from TRA⁸ data

2.1.2 Tanzania's major exports to EAC/SADC/COMESA region

The major products exported to EAC/COMESA/SADC region during the period 2002 to 2006 were:

- a. Products of HS Chapter 71 - Natural and cultured pearls, precious and semi-precious metals, which took an average 28.9% of export market share
- b. Products of HS Chapter 72 – Iron and steel, which took an average of 16.6% export market share

The 10 major exports to the region are presented in Table 2 below.

⁸ TRA - Tanzania Revenue Authority (TRA)

Table 2: Major exports to COMESA/SADC countries between 2002 and 2006 (USD)

HS Chapter	Product Description	2,002	2,003	2,004	2,005	2,006	TOTAL 2003-06	PRODUCT EAC/SADC/ COMESA MARKET SHARE
71	NATURAL/CULTURED PEARLS, PREC STONES & METALS, COIN ETC	3,871,029	26,676,125	105,385,154	282,842,418	1,261,157	420,035,883	27%
72	IRON AND STEEL	1,238,457	5,150,483	10,302,005	11,347,031	212,054,217	240,092,193	15%
3	FISH & CRUSTACEAN, MOLLUSC & OTHER AQUATIC INVERTEBRATE	3,823,782	567,591	41,054,613	24,599,578	25,742,986	95,788,550	6%
9	COFFEE, TEA, MATE AND SPICES	805,516	346,238	18,849,314	16,109,711	39,439,081	75,549,860	5%
10	CEREALS	27,190,135	2,152,824	8,674,804	13,115,145	7,710,636	58,843,544	4%
52	COTTON	3,708,245	1,418,661	9,387,525	11,072,228	32,783,803	58,370,462	4%
28	INORGN CHEM; COMPDS OF PREC MET, RADIOACT ELEMENTS ETC	82,612	412,053	256,044	455,221	54,945,842	56,151,772	4%
27	MINERAL FUELS, OILS & PRODUCT OF THEIR DISTILLATION; ETC	724,934	46,875,228	1,637,111	1,622,245	3,236,315	54,095,833	3%
63	OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING ETC	2,784,239	1,816,375	9,285,597	10,332,334	10,273,683	34,492,228	2%
39	PLASTICS AND ARTICLES THEREOF	1,430,854	6,924,960	3,022,145	7,336,577	11,087,676	29,802,212	2%
TOTAL 10 MAJOR EXPORTS		45,659,803	92,340,538	207,854,312	378,832,488	398,535,396	1,123,222,537	72%
ALL OTHER PRODUCTS		84,130,693	103,979,816	58,969,125	84,039,273	115,694,133	446,813,040	28%
TOTAL EAC/SADC/COMESA		129,790,496	196,320,354	266,823,437	462,871,761	514,229,529	1,570,035,577	100%
Total exports to world markets		905,771,690	1,132,043,399	1,329,820,571	1,544,517,953	1,589,613,469	5,595,995,392	
EAC/SADC/COMESA SHARE OF TOTAL EXPORTS		14%	17%	20%	30%	32%	28%	

Source: Computed from TRA⁹ data

⁹ TRA - Tanzania Revenue Authority (TRA)

2.2 IMPORT TRADE

2.2.1 Tanzania's imports from EAC/SADC/COMESA region

Total imports sourced from EAC/COMESA/SADC countries steadily grew from USD 322 million in 2002 to USD 437 million in 2003, 526 million in 2004, 648 million in 2005 and to 803 million in 2006. The region however performed poorly in terms of the market share it enjoyed in the Tanzanian market during the period, which decreased slightly from 21% in 2002 to 20% in 2004. Thereafter the share increased back to 21% in 2005 before falling gain to 20% in 2005 and further to 18 in 2006. On average, the region contributed 20% of Tanzania's imports during the period. The major import source countries were South Africa and Kenya, which contributed an average of 64.7% and 24.1% respectively during the period. Analysis of imports from EA countries show that while Kenya was a major import source during the period, Uganda contributed a mere 1.1% of Tanzania's imports from EAC/COMESA/SADC region. The analysis indicates that like the case for exports, the preferential tariff rates of zero per cent under the EAC CET has not yet had a positive effect in making Uganda an important source of Tanzanian imports. However, the trend could be due to similar products being produced by the two countries which mean there is minimal opportunity for trade between Tanzania and Uganda. Details of import trends between 2003 and 2006 are shown in Table 3 below.

Table 3: Tanzania's imports from COMESA/SADC countries between 2002 and 2006 (USD)

IMPORT SOURCE COUNTRY	2002	2003	2004	2005	2006	TOTAL 2003-06	Market share
SOUTH AFRICA	190,837,390	277,084,300	333,819,012	404,005,796	546,760,150	1,561,669,258	64.7%
KENYA	96,247,694	117,112,184	131,467,576	174,727,363	157,430,894	580,738,017	24.1%
EGYPT	5,292,021	11,607,919	15,888,202	15,775,485	35,559,268	78,830,874	3.3%
SWAZILAND	15,788,163	12,347,729	17,396,533	23,843,781	16,762,690	70,350,733	2.9%
UGANDA	2,686,715	8,313,107	7,724,111	6,497,906	3,851,186	26,386,310	1.1%
ZAMBIA	4,368,125	2,025,516	6,209,570	4,539,926	11,582,977	24,357,989	1.0%
MOZAMBIQUE	31,541	926,277	1,572,002	2,011,079	17,150,901	21,660,259	0.9%
MAURITIUS	1,751,361	1,782,742	4,104,357	4,687,133	3,061,219	13,635,451	0.6%
MALAWI	1,462,538	1,416,932	2,865,390	3,826,742	3,705,653	11,814,717	0.5%
ZIMBABWE	1,998,327	1,190,001	1,484,200	1,978,280	1,301,651	5,954,132	0.2%
SYCHELLES	1,012	276,934	39,805	1,088,863	3,750,875	5,156,477	0.2%
BOTSWANA	264,115	603,400	585,607	732,837	1,084,893	3,006,737	0.1%
ETHIOPIA	693,883	125,383	1,055,277	1,056,936	163,386	2,400,982	0.1%
DEMOCRATIC REPUBLIC OF CONGO	374,522	737,140	807,938	613,649	180,595	2,339,322	0.1%
NAMIBIA	632,525	786,138	207,923	595,938	594,739	2,184,738	0.1%
DJIBUTI	2,450	404,741	275,456	1,233,680	0	1,913,877	0.1%
BURUNDI	7,797	326,320	16,173	305,977	5,517	653,987	0.0%
RWANDA	45,187	0	117,524	29,276	153,635	300,435	0.0%
MADAGASCAR	672	6,841	169,416	32,290	25,438	233,985	0.0%
ERITREA	6,728	7,740	112,199	6,225	21,139	147,303	0.0%
SUDAN	116,716	40,838	11,149	3,476	87,678	143,141	0.0%

IMPORT SOURCE COUNTRY	2002	2003	2004	2005	2006	TOTAL 2003-06	Market share
LESOTHO	0	0	0	678	64,199	64,877	0.0%
COMOROS	781	340	0	25,403	19,096	44,839	0.0%
ANGOLA	23	0	526	297	207	1,030	0.0%
TOTAL IMPORTS FROM COMESA/SADC	322,610,286	437,122,522	525,929,946	647,619,016	803,317,986	2,736,599,756	100%
TOTAL IMPORTS FROM WORLD COUNTRIES	1,511,300,000	2,164,324,178	2,551,859,324	3,274,673,786	4,440,030,847	13,942,188,135	
COMESA/SADC SHARE	21%	20%	21%	20%	18%	20%	

Source: Computed from TRA¹⁰ data

2.2.2 Major imports from EAC/SADC/COMESA countries

Tanzania's the ten (10) leading imports from EAC/SADC/COMESA region between 2002 and 2006 were mineral fuels, iron and steel, machinery and appliances, electrical machinery, vehicles, plastics articles, paper and paperboard, sugar and confectionery and essential oils and perfumery products, which combined contributed an average of 786% of total imports during the period. The import trends and market shares of the 10 major items during the period 2003 and 2006 are shown in Table 4 below.

¹⁰ TRA - Tanzania Revenue Authority (TRA)

Table 4: Ten major imports from COMESA/SADC by products 2002-2006 (USD)

HS CHAPTER HEADING	PRODUCT DESCRIPTION	2002	2003	2004	2005	2006	TOTAL 2003-06	PRODUCT SHARE OF IMPORTS FROM EAC/ SADC/OMESA
27	MINERAL FUELS, OILS & PRODUCT OF THEIR DISTILLATION; ETC	31,775,564	78,256,542	71,989,002	86,062,011	65,015,089	333,098,208	14%
72	IRON AND STEEL	13,293,578	32,417,683	60,205,888	95,693,861	110,473,162	312,084,172	13%
84	NUCLEAR REACTORS, BOILERS, MCHY & MECH APPLIANCE; PARTS	39,235,364	38,545,355	53,226,859	65,676,326	62,553,403	259,237,307	11%
85	ELECTRICAL MCHY EQUIP PARTS THEREOF; SOUND RECORDER ETC	31,582,886	30,549,669	27,920,579	34,837,178	110,557,792	235,448,104	10%
87	VEHICLES O/T RAILW/TRANW ROOL-STOCK, PTS & ACCESSORIES	13,746,691	17,736,897	27,842,168	41,064,484	63,913,024	164,303,264	7%
39	PLASTICS AND ARTICLES THEREOF	20,156,318	21,684,568	27,510,841	34,340,725	39,399,615	143,092,067	5%
48	PAPER & PAPERBOARD; ART OF PAPER PULP, PAPER/PAPERBOARD	17,782,063	21,867,798	23,734,141	29,427,492	23,171,364	115,982,858	5%
73	ARTICLES OF IRON AND STEEL	13,780,388	18,397,594	22,117,207	27,357,553	30,035,637	111,688,379	5%
17	SUGARS AND SUGAR CONFECTIONERY	10,365,792	11,929,984	17,933,881	20,342,605	23,299,007	83,871,269	4%
33	ESSENTIAL OILS & RESINOIDS; PERF, COSMETIC/TOILET PREP	12,643,007	13,169,561	11,879,219	18,143,261	23,373,727	79,208,775	3%
SUB-TOTAL 10 MAJOR IMPORTS		204,361,651	284,555,651	344,359,785	452,945,496	551,791,820	1,838,014,403	78%
ALL OTHER PRODUCTS		118,682,178	154,262,493	78,256,542	71,989,002	86,062,011	509,252,226	22%
TOTAL COMESA/SADC		323,043,829	438,818,144	422,616,327	524,934,498	637,853,831	2,347,266,629	100%

Source: Computed from TRA data

3.0 NTB MEASURES DIRECTLY AFFECTING EXPORTS

3.1 INVENTORY OF NTBS APPLIED ON TANZANIAN EXPORTS TO EAC AND SADC COUNTRIES

During the 2005/06 EAC and 2004 SADC NTBs consultations, it was found out that a number of NTBs exist on intra-EAC and intra-SADC trade. Current consultations indicate that most of these NTBs still exist. A summary of the NTBs that affect Tanzania's exports are clustered under:

3.1.1 Cumbersome inspection requirements

Various NTBs experienced under this cluster include repeated and long inspection queues during inspection of Gross Vehicle Mass and axle loads, faulty weighing equipment at some stations, cumbersome and costly quality inspection procedures, lack of quality standards for plastics, quality inspection procedures in the other two EAC countries on some products that are already certified by TBS in Tanzania and varying quality inspection and testing procedures among EA and SADC countries.

3.1.2 Police road blocks

While this is not cited as a very serious obstacle to cross-border EAC and SADC trade, police officers still stop commercial vehicles at various inter-country road blocks and at border crossings even where there is no proof that goods being transported are of suspicious nature (for example smuggled goods and drugs, etc).

3.1.3 Varying trade regulations among the three EAC and SADC countries

Within EAC, Uganda and Kenya both use the harmonised COMESA axle load specifications at 16 tonnes for double axle, while Tanzania uses a higher legal limit of 18 tonnes under SADC. Also, the specified maximum Gross Vehicle Mass (GVM) for commercial vehicles differs among the three EAC countries, at 54 tones in Kenya, 46 tones in Uganda, and 56 tones in Tanzania, which limit the ability to undertake efficient transit traffic within the region. Also EAC countries have different parameters on weights, labelling, and quality, tolerance in measurements, and type and technology used in packaging, which limits ability of intra-EAC trade. Within SADC, the ability for maximising trade opportunities is limited by the lack of some members like Malawi and Zambia to deposit their trade instruments, which implies that the intra-SADC tariffs cannot be applied under the trade protocol.

3.1.4 Varying, cumbersome and costly transiting procedures in the three EAC countries

Under this cluster, the most serious NTBs are varying requirements among the three countries on the type of commercial trucks that should be used in transit traffic and application of insurance bonds on goods destined to the region, especially Kenya.

3.1.5 Immigration procedures

Some of the NTBs experienced under this cluster include requirements for work permits in the two other EAC states, visa for travelling to South Africa, and lack of an East African Passport by many citizens who cross borders in search of business opportunities.

3.2 EXPORT NTB INVENTORIES UNDER THE WTO CATEGORIZATIONS

The NTBs applicable on Tanzanian exports to EAC and SADC markets can be categorized under the WTO NTB Categorisation given in Table 5 below.

Table 5: WTO categorization codes on NTBs applicable to Tanzanian exports to EAC and SADC markets

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
PART II	Customs and Administrative Entry Procedures				
	C F	Customs Classification and Rules of origin	In some instances, Kenya Customs demands that Tanzanian exporters wishing to penetrate the Kenyan market have to produce an EA certificate of origin, or alternatively an international certificate of origin. An EA certificate of origin does not exist yet, since the EA countries are using the COMESA Certificate of Origin until they develop their own.	Exporters are denied access to Kenya market, and is mostly experienced by small-scale exporters of batiks and other textile products through Namanga and Lunga Lunga border points	Kenya Customs at border points
	G	Customs formalities	The limited customs open hours for verifying documents and clearing cargo is a hindrance to faster movement of goods across borders	1. Time lost to clear goods at borders since offices are closed at night 2. Cost of corruption at border crossings, in efforts to clear goods before close of the day's business	TRA - Customs Department
	G	Customs formalities	On a number of occasions, Kenyan Customs demands that products originating from Tanzania have to be unloaded for physical verification, which means destruction of the product packages. The importer has thereafter to repackage goods at own cost so as to fit original packages. Products most affected include tyres, textiles, konyagi spirit, and cigarettes.	Cost of repackaging and time lost during unloading, physical verification and reloading.	Kenya Customs Department
	G	Customs formalities	Kenyan customs often demand a customs insurance bond for transit goods that pass through Kenyan roads en-route to Uganda, Rwanda, Burundi and DRC.	The insurance bond costs an average of US\$ 200 for a 20 foot container and ends up tying business working capital.	Kenya Customs Department/ Kenya Revenue Authority
G	Customs formalities	Some SADC members like Malawi and Zambia have not deposited their trade instruments, which in effect means they have not ratified the SADC trade protocol. This means they cannot apply the SADC trade protocol tariffs on goods imported from Tanzanian.	Non-ratification of the SADC trade protocol means Tanzanian originating products are charged duty, making them more expensive than would have been the case if SADC preferential tariffs were applied.	Malawi and Zambian Governments	

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
Part III	Technical Barriers to Trade				
	B	Technical regulations and standards	Differences in axle load and GVM ¹¹ amongst EAC countries mean that Tanzania trucks transiting through Kenyan roads en-route to Uganda have to strip off excess cargo so as to avoid financial penalties on overloaded trucks. Sometimes, this may mean hiring of additional trucks to transport the stripped-excess weight	Cost of possible financial penalties if the transport truck exceeds the specified axle load limits or GVM in Kenya or Uganda ¹² . Also hiring additional trucks to transport excess load is an extra cost to the transporters and consequently to importers in Kenya and Uganda.	Weighbridge Departments the three EAC countries ¹³
	B	Technical regulations and standards	EAC has not yet harmonised their quality standards for plastics articles, which restricts penetration of export markets.	A lot of plastics articles destined to the Kenyan market have been denied entry on allegations that they do not meet applicable Kenyan standards even when they have a TBS mark.	KEBS/ TBS
	C	Testing and certification arrangements	Weighing equipment in some stations is sometimes faulty, meaning that even when a truck has a proper seal, weight readings at different stations vary. Also, there are numerous stations along the major highways, which do not respect seals even when it is clear that such seals have not been tampered with. The most notorious stations are along Moshi and Kibaha on Nairobi-Dar es Salaam road. highway	Faulty weighing equipment means the transporters could be accused and charged of exceeding allowed axle loads and GVM. Most result to bribing officials at weighing stations to avoid such consequences.	Weighbridge Departments
	C	Testing and certification arrangements	Too much time is lost during cross-border pre-shipment inspection and certification for Kenyan bound cargo	Time lost during inspection of export cargo destined to Kenya, since KEBS ¹⁴ undertakes either sampled and in some cases 100% inspection before goods are allowed into the Kenyan market, instead of recognising TBS certification mark on goods originating from Tanzania. The process of inspection means that some goods may have to be unloaded, while the inspection may involve laboratory analysis, a process that can only be undertaken in Nairobi since most border points do not have laboratory facilities. These procedures result to lost business time and cost.	KEBS

¹¹ GVM means Gross Vehicle Mass.

¹² Uganda and Kenya both use the harmonised COMESA axle load specifications at 16 tonnes for double axle, while Tanzania uses a higher legal limit of 18 tonnes under SADC. Also the specified maximum Gross Vehicle Mass (GVM) for commercial vehicles differs among the three EAC countries, at 54 tones in Kenya, 46 tones in Uganda, and 56 tones in Tanzania

¹³ In Tanzania, Tanroads is the agency responsible for enforcement of weighbridge requirements, in Kenya it is the Weighbridges Department and in Uganda the Roads Department.

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
PART III	C	Testing and certification arrangements	EAC and SADC countries have different parameters on weights, labelling, quality, and tolerance in measurements, type and technology used in packaging. These procedures make entry of Tanzanian originating goods into the other two EAC countries difficult. It is also an obstacle to exports to SADC markets.	Differences in parameters translate into Technical Barriers to Trade (TBT), which are impediments to penetration of Kenyan and Ugandan markets for Tanzanian products in some instances (<i>for example cement</i>). The difficulty experienced in penetrating these markets becomes a source of frustration, bribery, time loss, and theft of goods kept by traders at the borders while awaiting clearance by relevant agencies.	EAC agencies responsible for weights and measures, and Standards Bureaux
PART IV	Sanitary and Phytosanitary Measures				
	B C	SPS measures including chemical residue limits, disease freedom, specified product treatment; Testing, certification and other conformity assessment	Exports go through unnecessary, onerous and costly testing and documentation procedures, since the TBS, TFDA ¹⁵ , Ministry of Health and Tanzania Atomic Energy Authority ¹⁶ each have to issue export certification on every export consignment, a function that could be carried out by one body in consultation with the others.	Exporters of food products incur a lot of costs, and are forced to spend a lot of unnecessary business time during the certification process. For example, Tsh. 30,000 is payable for quality inspection certificate by TBS, Tsh. 30,000 - 40,000 for radiation certificate, and Tsh. 30,000 for health certificate. In total, a food products' exporter spends not less than Tsh. 200,000 on every export consignment. In addition, exporters experience a lot of frustration having to repeat the same documentation on each export consignment since any previous export is not recognised as a reference for good quality practice.	TBS, TFDA, TAEA, Ministry of Health
Part VII	Other				
	E	Other <i>EAC passports</i>	Many Tanzanians do not yet have an East African passport to facilitate business travel to Kenya and Uganda.	Many people (<i>especially small business people</i>) cross borders through undesignated routes, which is illegal, and could attract substantial costs if one is arrested as an immigrant. The lack of the passport restricts	Tanzanian Immigration Department

¹⁴ KEBS – Kenya Bureau of Standards

¹⁵ TFDA – Tanzania Food and Drugs Authority

¹⁶ TAEA – Tanzania Atomic Energy Authority

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
				business travel in search of business opportunities, marketing and sales	
	E	Other Work permits	EAC countries have not yet adopted proposals for acceptance of cross-border movement of people, since the Common Market stage of EAC integration process has not been agreed. This means that Tanzanians crossing Kenyan and Ugandan borders in search of business opportunities have to apply for work permits	Applications for work permits is a cumbersome process. The current procedure allows for one month stay without a work permit using a national or EAC passport, after which one has to acquire a work permit, which is not a transparent process.	EAC Immigration Departments
	D	Business practices or restrictions in the market	Currently, mainland Tanzania and Zanzibar have different legal requirements for registration of businesses	Businesses operating in mainland Tanzania in have to register as foreign businesses in Zanzibar. This restricts the ability of businesses to penetrate the Zanzibar market freely.	Attorney General's Chambers, Central Government
	E	Other	The three EA countries are categorised as either developing or LDC countries. This categorisation is a potential impediment to cross border trade when viewed under the WTO TRIPS ¹⁷ agreement.	Under the TRIPS agreement, Kenya as a developing country can patent its products, while the other two EAC countries cannot do so. The implication is that Kenyan patented products (<i>for example pharmaceuticals</i>) can access the markets of the other two countries without facing TBT restrictions, while the other two cannot access the Kenyan market. This is a potential NTB to exports.	EA focal points for TRIPS agreement
	E	Other	The three EAC countries have varying requirements on the type of commercial trucks that should be used in transit traffic. Uganda for example requires that transit trucks should have closed bodies to avoid diversion of un-customed goods into the domestic customs territory.	While the Ugandan requirement on closed body trucks is a genuine requirement, it translates into costly transport for goods destined to DRC, Rwanda and Burundi.	Ministry of Infrastructure Development

¹⁷ TRIPS – Trade Related Intellectual Property Rights Agreement of the WTO

Table 6: Specific Official Regulations Affecting Exports

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part II C&F Customs Classification and Rules of origin	All products; However specifically textile batiks and other textile products	Kenya Customs Department	Requirement for an EAC certificate of origin, which does not exist
Part II G Customs formalities	All products	EAC Customs Departments	Verification of export/import documents and clearing cargo at borders is done only during day light hours
Part II G Customs formalities	Tyres, konyagi spirit, cigarettes	Kenya Customs Department	Requirement for physical verification of imports
Part II G Customs formalities	All transit products en-route to Uganda, DRC, Rwanda, Burundi	Kenya Customs Department	Requirement for a customs insurance bond on transit goods that pass through Kenyan roads en-route to Uganda, Rwanda, Burundi and DRC.
Part II G Customs formalities	All products	Malawi and Zambia Governments	Import duties applied on 3 rd country rates without an preferential treatment to SADC members
Part III B Technical regulations and standards	All products	Uganda and Kenya Weighbridge Departments	Requirements to weigh transport trucks on axle load and GVM specifications
Part III B Technical regulations and standards	Plastics items	EAC Bureaus of Standards, specifically KEBS	Requirement by KEBS imports of plastics articles have to meet Kenyan standards
Part III C Testing and certification arrangements	All products	EAC weighbridge departments	All transport trucks must be weighed at each station even when the seal issued in an earlier station has not been tampered with
Part III C Testing and certification arrangements	all products, and especially cement	Kenya and Uganda Weights and Measures Departments	Weights and measures assessments
Part VII E Other – Passports and work permits	All products	EAC Immigration Departments	Requirement for a valid passport for travel and work permit to work to in any EAC country
Part IV B & C SPS measures; Testing, certification and other conformity assessment	Food items	TBS, TFDA, Ministry of Health and Tanzania Atomic Energy Authority	Testing for chemical residues, diseases, product treatment, conformity assessments and export certification
Part VII E Other – transiting procedures	All products	EAC Customs and Police Departments	Procedures for transit commercial traffic
Part V G Export restraints	Maize	Ministry of Agriculture and Food Security	Requirement for an export permit
Part IV B Part IV B & C SPS measures; Testing, certification and other conformity assessment	Maize seed	Ministry of Agriculture and Food Security	Phytosanitary certificate
Part V G	Rice	Ministry of Agriculture	Requirement for an export permit

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Export restraints		and Food Security	
Part V G Export restraints	Beans	Ministry of Agriculture and Food Security	Requirement for an export permit
Part V G Export restraints	Sugar	Ministry of Agriculture and Food Security	Export permit
Part V G Export restraints	Logs and wood products	Ministry of Natural Resources and Tourism	Export ban
Part V G Export restraints	Scrap metal	Ministry of Industry Trade and Marketing	Export ban
Part V G Export restraints	Jute bags	Ministry of Industry Trade and Marketing	Export permit
Part V G Export restraints	Hides and skins	Ministry of Industry Trade and Marketing	Export permit
Part V G Export restraints	Mineral products	Ministry of Energy and Minerals	Export permit
Part V G Export restraints	Fish and Fishery products	Ministry of Natural Resources and Tourism	Export permit
Part V G Export restraints	Animal trophies	Ministry of Natural Resources and Tourism	Export permit
Part V G Export restraints	Rhinoceros horns	Ministry of Natural Resources and Tourism	Export ban
Part V J&L Export taxes & Other	Cash crops: cotton, coffee, sisal, tea, cashew nuts, tobacco	Ministry of Agriculture and Food Security	Permits Agricultural cess Cooperative levies
Part V G Export restraints	Arms and ammunition	Ministry of Public Safety and Security	Export ban
Part V G Export restraints	Obscene literature	Ministry of Information Culture and Sports	Export ban
Part IV B SPS measures Testing, certification and conformity assessment	Livestock	Ministry of Livestock Development	SPS certification
	Live animals	Ministry of Natural Resources and Tourism	Export permit
Part IV B SPS measures Testing, certification and conformity assessment	Beeswax and honey	Ministry of Natural Resources and Tourism	Export permit
Part V G Export restraints	Dangerous drugs	Ministry of Health	Export ban

4.0 NTB MEASURES DIRECTLY AFFECTING IMPORTS

4.1 INVENTORY OF NTBS THAT APPLY TO TANZANIAN IMPORTS

During the 2005/06 EAC and 2004 SADC NTBs consultations, it was found out that a number of NTBs exist which directly affect imports into Tanzania. Current consultations indicate that most of these NTBs still exist. The only area where progress has been made is on customs documentation through introduction of ASYCUDA++ at Dar es Salaam Port. However the problem still exists in other entry border points. NTBs on imports can be categorised under the following clusters:

4.1.1 Customs and administrative documentation procedures

Examples of NTBs under this cluster include varying systems for imports declaration and payment of applicable duty rates at entry points, limited customs working hours, and cumbersome inspection procedures used by TRISCAN¹⁸.

4.1.2 Cumbersome inspection requirements

Various NTBs experienced under this cluster include repeated and long inspection queues during inspection of Gross Vehicle Mass and axle loads, faulty weighing equipment at some stations, cumbersome and costly quality inspection procedures.

4.1.3 Police road blocks

While this is not sited a very serious obstacle to cross-border EAC and SADC trade currently, police officers still stop commercial vehicles at various inter-country road blocks and at border crossings even where there is no proof that goods being transported are of suspicious nature (for example smuggled goods and drugs, etc).

4.1.4 Congestion at Dar es Salaam Port

The use of old equipment like cranes used to offload cargo from delivery vessels has led to serious clogging at the port, lack of warehousing space, slow turn-around time of the vessels and consequently to exorbitant charges for deliveries to Dar es Salaam port and demurrage charges on cargo.

4.2 IMPORT NTB INVENTORIES UNDER THE WTO CATEGORIZATIONS

NTBs on imports are categorised under the WTO categorisations tabulated in Table 7 below.

¹⁸ TRISCAN has been sub-contracted by Cotecna, which itself is contracted by TRA to undertake pre-shipment inspection on quantity and dutiable value on imports.

Table 7: WTO categorization codes on NTBs applicable to Tanzanian imports

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
Part II	Customs and Administrative Entry Procedures				
	B I	Customs valuation and Destination Inspection	TISCAN has been sub-contracted by TRA, to undertake inspection on dutiable quantity and value so as to facilitate charging of correct import duties. However, TISCAN sends its preliminary report to Cotecna South Africa for approval before the report can be given to TRA Customs. While the procedure is too cumbersome and time-consuming, it contradicts the overall objective of ASYCUDA++, which is to facilitate clearance of imports based on their degree of risk.	Unnecessary time wasted before an importer can pay applicable duty so as to get the goods cleared and released from customs area	TRA – Customs Department
	D	Customs formalities and documentation	The ASYCUDA ¹⁹ ++ system is operational at Dar es Salaam International Airport, Dar es Salaam Customs Service Centre, Dar es Salaam Port, Zanzibar, Tanga, Tunduru, Kasulu, Holili. KIA and Mwanza. The rest of the stations will be completed by July 2007 except five stations i.e. Namanga, Tarakea, Hororo, Sirari and Mtukula, which are scheduled for upgrade in the 2007/2008 financial year	Unnecessary time wasted to clear imports at border stations due to manual processes. Average days to declare imports, classify them, pay import duty, carry physical verification under Red Channel, clear them from customs area, and release them to importer is minimum of 7 days at Dar es Salaam International Airport.	TRA - Customs Department

¹⁹ ASYCUDA – Automated System of Customs Data. The system has more modules than ASYCUDA 2.7 system, for example has modules for automatic classification of goods into green (for automatic release), yellow (for scanning and thereafter proceed for release or physical verification), or red (for physical verification). The classification depends on the degree of risk of imports. The degree of risk depends on country of origin and whether the importer is known to have engaged in any trade malpractices. Further, the system has a transit module, which means information can be transmitted electronically by customs in exporting to destination country and vice versa. This enables insurance bonds on exports to be cancelled much faster than if the documents regarding an export were to be posted, which is what happens under ASYCUDA 2.7.

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
PART II	G	Customs formalities	The limited customs open hours for verifying documents and clearing cargo is a hindrance to efficient importation	3. Time lost to clear goods at borders since offices are closed at night. This has a negative effect on importation of raw materials, and makes manufacturing in Tanzania uncompetitive. 4. Cost of corruption at border crossings, in efforts to clear goods before close of the day's business	TRA - Customs Department
	B	Customs Valuation	The EA Customs officials sometimes have different interpretation of tariff lines especially on raw materials, which have an implication on duty payable on imports. This is especially applicable on imports from Kenya.	Tanzanian importers of raw materials from Kenya sometimes pay higher than would be applicable duty rates, which results to higher prices of the finished product. This makes it impossible for Tanzanian manufactured products to compete on an equal footing in the Tanzanian market with equivalent products originating from Kenya and Uganda, on which raw materials have duty exemption.	The EAC Customs Departments
Part III	Technical Barriers to Trade				
PART III	A	General	Many institutions operate at entry points, and may demand that cargo be unloaded for physical verification before clearance to enter the Tanzanian market.	Business time lost at borders during unloading and reloading of cargo – 24% of all cargo cleared at Tanzanian borders takes more than 1 week to unload for inspection and reload onto delivery trucks	Various bodies – Customs, Police, Inspection bodies e.g. TBS ²⁰
PART III	C	Testing and certification arrangements	EAC and SADC countries have different parameters on weights, labelling, quality, and tolerance in measurements, type and technology used in packaging. These procedures make it difficult for EAC and SADC originating goods to enter into the Tanzanian market.	Differences in parameters translate into Technical Barriers to Trade (TBT), which are impediments to penetration of Tanzanian. Food items are affected by these requirements. The difficulties experience in penetrating these markets become a source of frustration, bribery, time loss, and theft of goods kept at the borders while awaiting clearance by relevant agencies.	EAC agencies responsible for weights and measures, and Standards Bureaux
Part IV	B&C	SPS measures Testing, certification, conformity assessments	Testing of chemical residue limits, prevalence of diseases on plants and food imports, and subsequent certification by TFDA and Tanzania Atomic Energy Authority is a requirement on foods, plants and chemical products prior to importation	The procedures involved in testing and certification lead to time loss	TFDA Tanzania Atomic Energy Authority
Part VII	Other				

²⁰ TBS – Tanzania Bureau of Standards.

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
E		Other EAC passports	Many Ugandans and Kenyans do not yet have an East African passport to facilitate business travel to Tanzania.	Many people (<i>especially small business people</i>) cross borders through undesignated routes, which are illegal, and could attract substantial costs if one is arrested as an immigrant. The lack of the passport restricts business travel to Tanzania to market and sell their products	Uganda and Kenya Immigration Departments
D		Business practices or restrictions in the market <i>Business registration and licensing procedures</i>	While the search and registration for a business name can be done online, payment for a business certificate is still done manually, and a new applicant has to travel to Dar es Salaam to pay and obtain a business certificate from the Attorney General's Office. Under the new Business Activities Registration Act of January 2007 which repealed the Business Licensing Act of 1972, all business activities in the regions and districts are registered at those levels and records of such registrations are then sent to the BRELA registry for records and control purposes. The new Act has however removed the licensing function from the Ministry of Industry, Trade and Marketing and placed on BRELA. 2. Electronically generated documents cannot be used to register limited companies	1. Time and cost of travelling to Dar es Salaam to pay and obtain a business license. Registration of new businesses takes an average of 5 days, but more than 2 weeks for 17% of all new locally based applications. The procedure could therefore be very time consuming and expensive to foreign businesses .to open new entities or Tanzania branches. For example, business registration across the EAC borders takes between 6 days to over 2 weeks 2. The requirement by Courts that electronically generated documents cannot be used to register limited companies means one has to engage a lawyer for registration of limited companies, which is an expensive undertaking.	BRELA Ministry of Industry, Trade and Marketing Attorney General's Chambers
C		Distribution constraints	There are a multiplicity of fees and charges levied by different Local Authorities on the same business entity, if such a business distributes its products in different localities. While this practice affects local businesses more seriously, it also affects importation from other EAC and SADC countries. A new Business Activities Registration Act was enacted by Parliament in January 2007, which has repealed the Business Licensing Act of 1972. Under the new Act Local Authorities	The previous multiplicity of fees and charges by Local Authorities has been a source of frustration to efficient importation since a delivery truck had to pay charges to every local authority whenever through which it passed en-route to its destination. It is hoped that the new requirement not to charge business licenses will be implemented without delay.	Local authorities

INVENTORY CATEGORY	DESCRIPTION				
	WTO Inventory Code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses and trade	Responsibility/ Source of NTB
			will not charge any fee for business licences.		

Table 8: Specific official regulations affecting imports

WTO Inventory Category	Product Group	Government Controlling Agency	Regulatory Procedure
Part II B Customs valuation Part II I Destination Inspection	All products	TRA – Customs Department	Destination inspection on dutiable quantity before levying of applicable import duties.
Part II D Customs formalities and documentation	All products	TRA – Customs Department	Assessment of degree of risk and consequent classification either under green, yellow and red channels under ASYCUDA system
Part II D Customs formalities	All products	TRA – Customs Department	Customs office hours are only open during day time
Part II B Customs Valuation	All products	TRA – Customs Department	Interpretation of tariff descriptions and codes
Part III General	All products	TRA TBS Police TFDA	Unloading of cargo for physical verification
Part IV B & C	Plants, fresh foods, chemical and pharmaceutical products	TFDA, TBS Tanzania Atomic Energy, Ministry of Agriculture and Food Security	Testing for prevalence of diseases, chemical residue levels
Part III C Testing and certification arrangements	All products	Weights and Measures Agency	Assessment of weights and measures parameters such as weights, labelling, quality, tolerance in measurements, type and technology used in packaging.
Part VII Other - EAC passports	All products	Immigration Department	Requirement for passports, work permits and visas ²¹
Part D Business practices or restrictions in the market	All products	BRELA Ministry of Industry, Trade and Marketing Attorney General Chambers	Business registration Licensing
Part VII C Distribution constraints	All products	Local Authorities	Payment of local authorities fees and charges
Part II G Customs formalities	All products	TRA - Customs Department	Customs documentation and procedures
Part II H Import licensing	Agricultural products like tea, coffee, tobacco and tobacco products	TRA - Customs Department	Import licenses/ permits

²¹ Visas apply for Mozambique and South African citizens

5.0 KEY ISSUES FOM INTERVIEWS AND RESEARCH

5.1 FOCAL POINT FOR REPORTING NTBS

To ensure that NTB complaints are reported, monitored and actions taken without delay, businesses through their membership organizations (CTI²² and TCCIA²³) have re-affirmed that the institutional mechanism agreed during the 2005/06 EAC NTBs consultations should be applied without further delay. This mechanism should also be applied to report and facilitate elimination of NTBs experienced on intra-SADC trade. At the time of endorsing the EAC mechanism in early 2006, it had been agreed that the EAC ministries responsible for EAC matters would coordinate its application. However, the Tanzania NTBs Monitoring Committee has not convened an inaugural meeting to-date. In the course of current consultations, it emerged that the said meetings have been delayed by lack of secretariat capacity to coordinate issues related to NTBs. The same sentiments have been expressed in Kenya and Uganda, where the business community propose for a “super mechanism” to track existence of NTBs and facilitate their elimination. It would therefore seem that for the Monitoring Committees to be effective, their secretariat capacities need to be built up, probably through technical support by development partners.

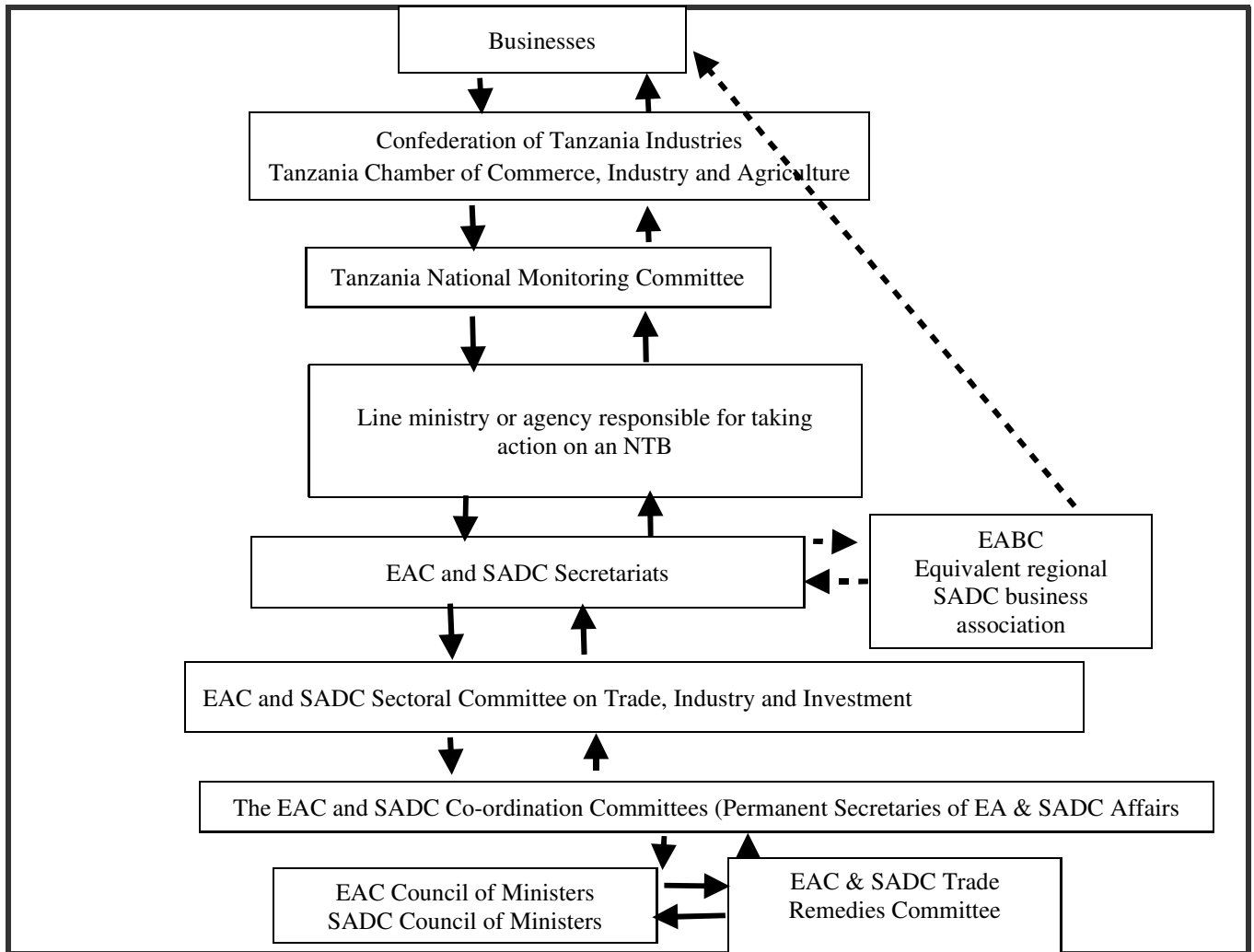
The NTBs Monitoring Committee Structure that should be used to report on existence of NTBs and facilitate their elimination for EAC and SADC countries is given under chart 1 below.

²² CTI – Confederation of Tanzania Industries

²³ TCCIA – Tanzania Chamber of Commerce, Industry and Agriculture

Chart 1

Institutional framework for reporting, facilitating elimination and feedback on NTBs



↓ Reporting ↑ Feedback ⋮ Liaison

5.2 MEMBERSHIP TO NATIONAL MONITORING COMMITTEE - THE NTBS FOCAL POINT

During consultations on the EAC NTBs Monitoring Mechanism, it had been agreed that heads of key institutions involved in trade matters would constitute membership of the National Monitoring Committees. In the course of current consultations, stakeholder proposed that membership of the Tanzania Monitoring Committee should be constituted of persons listed under Table 10 below. This membership should also be adopted to facilitate NTBs reporting and elimination for intra-SADC trade.

Table 10: Membership of Tanzania NTBs Monitoring Committee

No	Member and institution	No	Member and institution
1	Permanent Secretary Ministry Industry, Trade and Marketing	15	Chief Executive Tanzania Food and Drugs Authority
2	Permanent Secretary Ministry of East African Community	16	Chief Executive Officer Weights and Measures Agency
3	Commissioner General Tanzania Revenue Authority	17	Chief Executive Confederation of Tanzania Industries
4	Commissioner of Customs and Excise	18	Chief Executive Tanzania Freight Forwarders Association
5	Commissioner of VAT	19	Chief Executive Tanzania Chamber of Commerce, Industry and Agriculture
6	Chief Executive Tanzania National Roads Agency (Tanroads)	20	Director General Board of External Trade
7	Executive Director Tanzania Bureau of Standards	21	Managing Director of a manufacturing company with substantial exports to the other 2 EAC countries
8	Chief Executive Tanzania Ports Authority	22	Town Clerk of relevant local authority
9	Chief Executive Tanzania Railways	23	Permanent Secretary Ministry of Finance
10	Commissioner of Police	24	Permanent Secretary Ministry of Foreign Affairs
11	Executive Director Private Sector Foundation	25	Permanent Secretary Ministry of Agriculture and Food Security
12	Faculty of Commerce and Management, University of Dar es Salaam	26	College of Business Education
13	Tanzania Farmers Association	27	Permanent Secretary, Ministry of Natural Resources and Tourism
14	Surface, Marine Transport Regulatory Authority (SUMATRA)		

5.3 INSTITUTIONAL RESPONSIBILITIES FOR REPORTING NTBS AND MONITORING THEIR ELIMINATION

5.3.1 Businesses

Responsibilities of businesses will be to identify existence of NTBs and report to their membership business associations, chambers of commerce, transporters associations, or clearing and forwarding associations. They will also monitor whether actions planned by line ministries and agencies responsible for enforcement are being implemented.

5.3.2 Business Associations/ Chambers of Commerce, Clearing and Forwarding Associations

The responsibilities of business associations, chambers of commerce, transporters associations, and clearing and forwarding associations will be to:

- a. Receive NTB complaints.
- b. Where possible verify with relevant ministries about the genuineness of cases reported (e.g. by drivers), and whether applied regulations, procedures and practices are backed by law.
- c. Prepare reports on reported cases and forward them to the NMC members, line ministry in charge of EAC and SADC matters and the EAC and SADC secretariats for action and elimination.
- d. Built a database on reported NTBs.
- e. Act as watchdogs on the progress of eliminating NTBs.
- f. Follow-up on progress achieved in eliminating or minimizing NTBs at NMC meetings.
- g. Inform their members on the progress made to resolve NTBs at national and regional level.

5.3.3 Line ministry or agency responsible for enforcing an NTB

The responsibilities of the line ministry or agency responsible for enforcing an NTB will be to:

- a. Receive NTBs complaints from individual businesses, business associations and chambers of commerce.
- b. Verify the genuineness of reported cases, review the justification for the enforcing the applicable law, regulation or procedure, and whether such laws, regulation or procedure contravenes any EAC, SADC or international requirements (for example WTO agreements).
- c. Prepare quarterly reports on reported NTBs, actions taken, and table them to NMC meetings.

5.3.4 National Monitoring Committees on NTBs (NMCs)

The NMC will be the national Focal Point of the EAC/SADC Trade Industry and Investment Committees (TIIC). It will only focus on NTBs that hinder the free flow of trade in goods and services, and persons that accompany such goods within the EAC and SADC Partner States. It will act as the watchdog in monitoring the progress of eliminating NTBs experienced at the national, EAC and SADC levels. It will hold quarterly meetings to receive such reports and make necessary decisions, and will be hosted by the line ministry in charge of EAC and/or SADC matters. Its functions will be coordinated by a secretariat, including quarterly meetings, verification of NTB cases, monitoring progress of rectifying NTBs and reporting to EAC/SADC secretariats. The specific Terms of Reference for the NMC will be to:

- a. Receive copies of NTB cases that have been sent by business associations, chambers of commerce, transporters associations, clearing and forwarding associations and individual business people to the line ministry or agency responsible for enforcing a Non-Tariff-Measure (NTM) that ends up as an NTB.
- b. Receive a plan for rectifying such an NTM including the proposed timeframe.
- c. Monitor progress of implementing proposed NTB actions.
- d. Discuss whether actions taken by the line ministry or agency responsible for enforcement are sufficient.
- e. Initiate bilateral discussions with counterpart NMCs in the other two EA and SADC Partner States regarding NTB cases that are of a cross-border nature, and initiate an elimination process. Where necessary, equivalent agencies (*such as Bureaux of Standards, Customs, etc*) responsible for enforcing trade regulations will be brought together to negotiate a harmonization process, if the NTB in question is in form of varying trade requirements between EAC and SADC states. Bilateral dispute resolution will always be used before any NTB cases are referred to the EAC and SADC Secretariats for policy action.
- f. Forward reports to the EAC and SADC Secretariats on national actions taken by line ministry or agency responsible for taking an NTB action for information and onward dissemination to other relevant NMCs.
- g. Disseminate information to the business associations, chambers of commerce, transporters associations, and clearing and forwarding associations for feedback to the business community on actions taken on reported NTBs.
- h. Refer cases to EAC and SADC Secretariats, where no satisfactory solution in form of a planned review, amendment or withdrawal has been proposed by the agency responsible for enforcing an NTB within one calendar month from the date of reporting. The Secretariats will thereafter initiate a dispute resolution process through the respective Trade, Industry and Investment Committee (TIIC). NTB cases that cannot be resolved by the TIIC will be forwarded to the Trade Remedies Committee for dispute resolution.
- i. Hold an annual regional forum where members can share experiences on the NTBs elimination process, review achievements made, challenges faced and necessary initiatives for improving the efficiency of the Monitoring Mechanism.

5.3.5 EAC and SADC Secretariats

The EAC and SADC Secretariats will:

- a. Receive quarterly progress reports from NMCs on resolved and unresolved cases.
- b. Prepare progress reports for the respective TIIC and Co-ordination Committee for information on resolved cases.
- c. Monitor actual practices at major exit/ entry points.
- d. Initiate dispute resolution by the TIIC and Trade Remedies Committee on cases that have not been resolved at the national level or through bilateral discussions at the regional level.
- e. Facilitate an annual verification of actual practices by TIIC.

5.3.6 The Trade, Industry and Investment Committee

This is a key Committee in the cross-border NTBs elimination process. Its responsibilities will be to:

- a. Prepare a comprehensive implementation program and priorities relevant to cross-border NTBs elimination.
- b. Monitor and constantly review implementation of planned NTBs elimination process.
- c. Submit reports and recommendations to the Co-ordination Committee on implementation of NTBs.
- d. Undertake annual verification of actual practices at border points where NTBs are practiced.

5.3.7 The Co-ordination Committee

The Co-ordination Committee (Permanent Secretaries level) will be involved in monitoring progress of NTBs elimination as part of its mandate on trade promotion under the EAC and SADC Treaties. Its specific responsibilities will include:

- a. Submitting reports and recommendations to the Council of Ministers regarding implementation NTBs elimination.
- b. Coordinating implementation of NTB decisions made by the Council.
- c. Directing investigations on specific NTB cases that remain unresolved.
- d. Referring any cases that cannot be resolved by the TIIC to the Council of Ministers for policy guidance. If resolutions cannot be agreed at the council's level, the cases will be forwarded to the EAC and/or SADC Trade Remedies Committee (EACTR), whose decisions on trade disputes will be final.

5.3.8 East African Business Council and equivalent SADC business association

The responsibilities of EABC and its equivalent SADC association will be to:

- a. Disseminate information on NTBs elimination progress to business people through their websites.
- b. Undertake an annual Business Climate Index (BCI) Survey for the region. The results will indicate whether the business climate is improving and whether new initiatives are required to deal with NTBs.
- c. Convene an annual regional NMC forum so as to share experiences on NTBs elimination process.

5.4 TEMPLATE FOR NTBs ELIMINATION

Consultations with the business community through their umbrella organisations (Confederation of Tanzania Industries, and Tanzania Chamber of Commerce, Industry and Agriculture) and the Ministries of Industry Trade and Marketing, and East African Community show that a structured approach to reporting, monitoring, and facilitating elimination of NTBs is still preferred. For NTBs that cannot be resolved at the national level, they should be referred to the regional organs to initiate the elimination process. Also, a feedback mechanism should be applied to inform the business community of NTBs that have been resolved so that they are regularly updated on importation and exportation regulations and requirements.

The EAC NTBs reporting, monitoring and elimination mechanism that was endorsed in early 2006 was therefore endorsed and should be applied without delay. The same format should also be used to report NTBs applicable on Tanzania exports and imports within SADC region. The tabulation of the Tanzania NTBs reporting, monitoring and elimination mechanism is given in Table 9 below.

Table 9: Tanzania NTBs reporting and elimination mechanism

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part II D	Customs documentation and administrative procedures	<p>The newly introduced ASYCUDA ++ system is only operational in Dar es Salaam International Airport, which means that at other import entry points, delays are experienced in declaring and clearing imports using ASYCUDA 2.7 system.</p> <p>Tanzania Freight Forwarders Association is also of the opinion that Tanzania Customs needs to move to the higher ASYCUDA WORLD which has more modules than ASYCUDA ++</p>	<p>On average, declaration of imports, assessment of classification of goods and import duty payable, physical verification of goods where applicable, payment of dutiable value, and release of goods from the customs area takes an average of 7 days at Dar es Salaam International Airport, two weeks at Dar es Salaam port, and 1 day at other major import entry points. Consequently, it costs US\$ 6,500 to transport a 14 foot container load of cargo from Dar es Salaam to Kampala, which is double the cost for transporting similar cargo from New Jersey to Dar es Salaam, a journey that takes an average of 18 days.</p>	Customs Department	<p>Introduce ASYCUDA++ at all major import entry points, by end of 2007²⁴ as planned so as to reduce time taken from imports declaration to release of goods.</p> <p>Continue with current initiatives of recruiting new staff so as to increase efficiency in customs clearance.</p> <p>Continue with ongoing initiative of compulsory customer services training in customs training programs</p> <p>Using the comparison of time taken and cost incurred to transport a 14-foot container from Dar to Kampala (7 days at US\$ 6,500), with transport from New Jersey to Dar (18 days at about US\$ 3,200), target a reduction of time from Dar to Kampala to 3 days and cost to about US\$ 1,600, by using the most efficient and cost effective transport system.</p> <p>Ensure efficient</p>	<p>ASYCUDA++ operational at all import entry points, so as to reduce time taken on imports to 6 hours.</p> <p>Substantial reduction in transport time and cost, using the most efficient and cost effective transport system; <i>Target reduction of transport time from 7 day to 3 days, and transport cost from US\$ 6,500 Dar-Kampala to not more than 3 days, and from US\$ 6,500 to a much smaller amount for a 14-foot container</i>²⁵.</p> <p>Target imports clearance from current average of 17.5 days to Latvia's 1.2 days, the best world case country²⁶.</p>	<p>Annual reports by Customs on average clearance time at entry points.</p> <p>EAC BCI 2006/07 to report on time and cost comparisons between 2004 & 2006 for transporting cargo between Dar and Kampala</p>	<p>Insufficient financial resources to roll out ASYCUDA++ at all import entry points.</p> <p>Lack of efficient railway system.</p>	<p>Sufficient government resource allocations to enable rolling out of ASYCUDA ++ at all import entry points</p> <p>Timely orientation and sensitization of customs officials and clearing agents on operations of new system²⁷.</p> <p>Simplified customs procedures by upgrade imports clearance to ASYCUDA ++</p> <p>Timely communication with border officials whenever areas of customs harmonisation are agreed by the Council of Ministers.</p> <p>Modernisation of railway system, to</p>

²⁴ TRA has already started the process of upgrading to ASYCUDA ++. So far, stations upgraded include Dar es Salaam Customs Service Centre, Dar es Salaam Port, Zanzibar, Tanga, Tunduma, Kasulu, Holili, KIA and Mwanza. The remaining stations are scheduled to be completely upgraded by July 2007. Namanga, Tarakea, Hororo, Sirari and Mtukula stations will be upgraded in the next financial year.

²⁵ If a 14-foot container takes 18 days from New Jersey to Dar at about US\$ 3,200, then one day should cost about US\$ 180, which means 3 days target to transport a similar container from Dar to Kampala could cost much less than the current US\$ 6,500, if transported by rail instead of by road – which is the current transport mode used.

²⁶ Comparisons on average number of days to clear customs for various countries of the world are given in the World Development 2005 report of the World Bank.

²⁷ At the moment TRA is planning to add a web based module to ASYCUDA ++ and to include it in the training modules for courses run at its College for all clearing and forwarding agents

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
					communication with officials at import entry points whenever areas of customs harmonisation are agreed by the Council (<i>e.g. customs procedures/ taxes</i>)				enable change from road to rail transport

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part II C&G		While Tanzania and Uganda have both introduced the ASYCUDA++ system, Kenya has decided to implement the Simba system.	Customs Tanzania has a contention that ASYCUDA and Simba systems are not compatible although both are web based. This could affect sharing of information between the EA Customs, and has possibility of disrupting the efficient implementation of the EA Customs Union, since if online sharing of customs information is not possible, imports/ exports cannot be cleared online. Consequently this would delay duty payment and clearance of imports, since importers have to wait for import documents ²⁸ to arrive before lodging them for declaration and import clearance. Also, in case of imports from Kenya, relevant insurance bonds cannot be cancelled until the exports leave the Kenya customs territory, which ties up the exporter's working capital, and may end up delaying an intended import.	The three EAC Customs Departments	The initiative by Uganda to test an interface for intercommunicating between the two systems is commendable and needs to be finalized soonest in order for the EAC countries to agree on the way forward regarding sharing of web-based customs information	Importers fully sensitised on operations of ASYCUDA ++ and Simba systems	Publication on how the Simba and ASYCUDA systems work and share information online	Customs Tanzania could regard fears by businessmen as unfounded and therefore does not warrant spending on a publication on how the systems operate	Sensitise Customs officials on usefulness of the publication in facilitating compliance by importers, and faster importation of raw materials for manufacturing
		There is a lot of shuttling between the Port of Dar es Salaam and TBS to certify acceptance of specified products.	Time lost travelling to Dar es Salaam and in chasing clearance documents between TBS and Dar Port	TRA Dar Port	TBS should open a sub-office at Dar es Salaam port and introduce a similar service in urban centres such as Mwanza, Kigoma, Mbeya, Mtwara, Tanga and Arusha)	Business time in documentation and impost clearance reduced substantially			
		The lodgement module of ASYCUDA ++ is available 24 hours and installed with clearing and forwarding agents who have the facilities to accommodate its application. However, the limited customs open hours for verifying documents and clearing	Time lost to clear goods at borders Cost of corruption at border crossings, in efforts to clear goods before close of the day's business	Tanzania Customs Department	Respect and immediate implementation of Council decision to operate customs on 24-hour basis at borders by 1 st quarter 2006 ²⁹ . Finalise the ongoing joint effort at the Namanga and Sirari stations to use only one	Border crossings open 24 hours per day	Report by Customs on operating hours	Lack of "service attitude" by customs officers, which may not view a 24 hours operation as necessary Insufficient number of	1. Orientation of customs officers to view customs as a business service institution 2. Increase number of customs

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part II C&F		In some instances, Kenya Customs demands that Tanzanian exporters wishing to penetrate the Kenyan market have to produce an EA certificate of origin, or alternatively an international certificate of origin. An EA certificate of origin does not exist yet, since the EA countries are using the COMESA Certificate of Origin until they develop their own.	The problem is mostly experienced by small-scale exporters of batiks and other textile products, who are denied access to the Kenyan market through Namanga and Lunga Lunga border points.	Kenyan Customs Officials at border points, mostly Namanga and Lunga Lunga	Customs Authorities in each partner state need to communicate to border officials on decisions of the Council, so that harmonised laws are implemented without delay.	Immediate domestication of harmonised laws once decisions are made by EAC Council of Ministers	Regular verification on actual practices at borders by EAC Secretariat.	Resistance to implement harmonised laws since rent-seeking opportunities will be lost.	EA Customs Departments need to introduce penalty measures on errant officials who do not implement Council Decisions
Part II B&C		The EA Customs officials sometimes have different interpretation of tariff lines especially on raw materials, which have an implication on duty payable by importers if such materials originate from Kenya.	Tanzanian importers of raw materials from Kenya sometimes pay higher than applicable duty rates, which results to higher prices of the finished product. This makes it impossible for the finished products to compete on an equal footing in the Tanzanian market, with equivalent products originating from Kenya and Uganda, on which raw materials have duty exemption.	The EAC Customs Departments	Customs Officials at borders need to be sensitised properly on tariff coding so that they can classify products in the correct tariff lines. Publish an EA Gazette on the Intra EAC tariffs and CET to enable similar interpretations of tariff codes and rates.	Customs officials from any two EA countries that share a border entry/ exit point to be housed in the same building, so that interpretations of tariff lines can be agreed face to face. The pilot customs office at Malaba which jointly houses officials from Kenya and Uganda should be replicated at all EAC border stations.	Quarterly reports to the Council on border stations with joint sharing of customs offices.	Lack of resources, since the joint sharing of offices proposal may entail building new customs office blocks at borders points.	Sufficient allocation of resources under an itemised "joint EAC projects budget".
Part II G		On a number of occasions, Kenyan Customs demands that products originating from Tanzania have to be unloaded for physical verification, which means destruction of the product	Cost of repackaging and time lost during unloading, physical verification and reloading.	Kenya Customs Department	A joint investment in scanners by Kenya and Tanzania customs departments in the major border points. Prior assessment of type of scanner required before	Consensus on a joint scanner project between Kenya and Tanzania customs departments, and assessment report	A joint report by Kenyan and Tanzania Revenue Authorities to the	Lack of sufficient resources to invest in the proposed joint project between Kenya and	The project could be budgeted under the EAC budget, to enable timely .sourcing for funds from the development

²⁸ Import documents include exporter's invoice and bill of lading, which are either posted or delivered by the transporters.

²⁹ TRA is actually considering undertaking a feasibility study to facilitate opening up the borders station on 24 hour. The study will take into the cost involved, facilities to accommodate the required number of staff to run 24 hr services, and the amount of traffic involved. This will enable a decision to be made on which border stations merit a 24 hr service.

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
		packages. The exporter has thereafter to repackage at own cost, since the importer may have ordered goods in specified packages. Products most affected include tyres, textiles, konyagi spirit, and cigarettes.			procurement is necessary to avoid investment in “white elephants”.	prior to any investment.	Council of Ministers	Tanzania customs departments.	partners.
Part II G		SADC Trade protocol	Some SADC members have not ratified the SADC trade protocol, which means SADC preferential tariffs cannot be applied on goods originating from member countries, Tanzania included	Malawi and Zambia Governments	Deposit trade instruments with SADC secretariat and ratify trade protocol	SADC secretariat report on ratification of trade protocol	SAD report on ratification of trade protocol	Fear of customs revenue loss by central governments of Zambia and Malawi	Malawi and Zambia Governments should carry an impact assessment of ratifying the trade protocol
Part VIIG	Police checks at boarder crossings and road blocks	Police officers stop commercial vehicles at various border crossings, while officially, they are only supposed to stop vehicles based on proof that goods being transported are suspicious (<i>e.g. that vehicle exceeds allowed axle load, goods are smuggled, vehicle is carrying drugs or other dangerous products like arms, documentation does not conform to goods being transported, etc</i>)	Police checks are a source of rent-seeking opportunities while precious time is wasted on pretence that verification of goods is being done. On average, 12% of all police checks at border crossings take over 1 hour	Police Department	<p>Introduce scanners at major border points, using the example of Dar Port, where scanners have increased clearance from previous 60 to 20 containers per day. Also, introduce sniffer dogs for vehicles suspected to be involved in trade malpractices, and tracking system for transit vehicles.</p> <p>Introduce heavy financial and other penalties for transporters involved in trade malpractices (<i>e.g. withdrawal of driving license</i>).</p> <p>Introduce clearly laid down procedures on which police checks are undertaken at border points for commercial vehicles and inform businesspeople accordingly.</p>	Future police checks to use scanners or sniffer dogs on suspected commercial vehicles, while tracking system to be used for transit trucks	Daily records on vehicles inspected at border points, methods used and reasons for inspection	<p>Lack of resources to introduce or purchase sniffer dogs³¹ or scanners at border points, and tracking system for transit traffic.</p> <p>Resistance by police to implement scanners due to fear of loss or rent-seeking opportunities.</p> <p>Police checks are often justified for security reasons.</p>	<p>Central Government allocation of sufficient resources for sniffer dogs or scanners as a major long term investment at major border points and tracking gadgets for transit trucks</p> <p>Keep up war on insecurity, especially at borders</p> <p>Keep up war on anti-corruption</p>

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
					Introduce EAPCCO ³⁰ motor vehicle clearance certificate for vehicles crossing borders in each EAC country, and enforce the carrying of the certificate by all drivers so as to facilitate faster movement of goods across EAC borders.				
Part VIIE		Kenyan police stop Tanzanian originating commercial vehicles at various road blocks, instead of stops based on proof that goods being transported are suspicious – <i>ref above</i> . Consequently, police checks in Kenya hinder access to the Kenyan market by Tanzanian originating goods.	Police checks are a source of rent-seeking opportunities while precious time is wasted on pretence that verification of goods is being done.	Police	Apply same measures as 2.1 above for road blocks in the three EAC countries. This requires harmonisation of police checks within EAC.	Use same benchmark as 2.1 above and report on progress of harmonisation to the EAC Council of Ministers	Same records as 2.1 above and a joint report by EAC Police Chiefs to Council of Ministers	Same bottlenecks as 2.1 above	Apply same solutions as 2.1 above

³⁰ EAPCCO – EA Police Chiefs Cooperative Organisation, in which comprises of 9 states of Eastern Africa are members, including the 3 EA countries. Major transporters are also part of the organization.

³¹ One sniffer dog costs an average of US\$ 50,000, same cost as a scanner.

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part II G	Transiting procedures on exports	Differences in axle load and GVM ³² amongst EAC countries mean that Tanzania trucks transiting through Kenyan roads en-route to Uganda have to strip off excess cargo so as to avoid financial penalties for overloading. Sometimes, this may mean hiring of additional trucks to transport the stripped-excess weight	Cost of possible financial penalties if the vehicles exceeds the specified axle load limits or GVM. Also, cost of hiring additional trucks if excess load is stripped to required weight.	Kenya Weighbridge Department, Roads Department in Uganda, and Tanroads in Tanzania	Harmonise EAC axle load and GVM specifications, either under COMESA or SADC specifications ³³ .	Harmonised axle load limits and GVM specifications	A joint quarterly report by EAC Departments responsible for weighbridges to EAC Council on progress of harmonising axle load and GVM specifications and cargo weighing procedures	Ideological differences among EAC countries on whether to harmonise axle load limits and GVM either under COMESA or SADC specifications may delay the harmonisation process.	Council should give direction on whether to harmonise under COMESA or SADC
		Unnecessary time lost to unload and reload cargo during physical verification; and too many agencies involved in verification of imports.	Business time lost at borders – 24% of all cargo cleared at borders takes more than 1 week to unload for inspection	Various bodies – Customs, Police, Inspection bodies (e.g. TBS ³⁴)	Establish common clearance business centres at major border stations, since the Council has already reached a decision on the matter. Introduce mechanised unloading/ reloading of cargo In future, undertake inspection on samples but not 100% inspection	Unloading and reloading time reduced to minimum 1 day for all cargo, from current average of more than 1 week for 24% of goods where physical verification takes place, since verification by exit/ entry inspection agencies will be carried out jointly.	Daily records on cargo unloaded/ reloaded; & a quarterly report by inspection agencies regarding progress in joint verification of export/ import cargo.	Cost of establishing joint business centres at border stations. Cost of mechanised unloading & reloading o Resistance to establish joint operations by various officers who benefit from manual unloading through rent-seeking practices	Sufficient budgetary allocation by EAC Governments for joint business centres

³² GVM means Gross Vehicle Mass.

³³ The harmonisation should be guided by the targeted size of the potential market within COMESA or SADC, i.e. which trade bloc has the biggest potential market for EAC countries, is it COMESA or SADC?

³⁴ TBS – Tanzania Bureau of Standards.

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part VIII E		Kenyan customs often demand for a customs insurance bond on transit goods destined to Uganda, Rwanda, Burundi, or DRC, which costs about US\$ 200 for a 20 foot container.	The insurance bond ties up business working capital.	Kenya Customs Department/ Kenya Revenue Authority	The EA Revenue Authorities need to dialogue and find a practical way of waiving the insurance bond if the goods are on transit to neighbouring countries, since there are no implications on customs duty revenue. However, such a mechanism should ensure the goods are not diverted into the Kenyan market or other transiting country since there are implications on VAT revenue.	A consensus to waive the insurance bond on transit goods between EAC Revenue Authorities	A joint report by EAC Revenue Authorities to the Council	Kenya Revenue Authority may resist waiving the bond, due to potential danger that goods on transit may be diverted into the Kenyan market, which would have implications on VAT revenue.	The VAT element that would be affected needs a practical way to deal with, while still pursuing the objective of waiving the insurance bond.
		Businessmen allege that goods originating from Tanzania and destined to Uganda or vice versa and which use Kenyan roads must be transported using Kenyan trucks during transit through Kenya.	This denies Tanzania transporters the opportunity to undertake long distance transit transport, and also denies Tanzanian exporters and importers the chance to choose their own transporters, based on cost of freight and efficiency in delivery.	It is not clear which is the responsible agency in Kenya that requires this practice.	The Kenyan EAC desk needs to verify the genuineness of this allegation and require a satisfactory answer on reasons for insisting on the requirement. EAC should be viewed as one territory after coming into force of the Customs Union.	A report to the Council on reasons why the requirement is practiced.	Report by Kenyan EAC desk to Council	Kenyan transporters may resist requirement that any EAC transporters can undertake transit transport through Kenyan roads for fear of potential business loss.	The Council should resist any pressure to delay the EAC integration process.

1	2	3	4	5	6	7	8	9	10
NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part II B&C	Quality inspection procedures	Exports go through unnecessary, onerous and costly documentation procedures, since the TBS, TFDA ³⁵ , Ministry of Health and Tanzania Atomic Energy Authority each have to issue export certification on every export consignment, a function that could be carried out by one body in consultation with the others.	Exporters of food products incur a lot of costs, and are forced to spend a lot of unnecessary business time during the certification process (<i>for example, Tsh. 30,000 is payable for quality inspection certificate TBS, Tsh. 30,000 to 40,000 for radiation certificate, Tsh. 30,000 for health certificate.</i> In total, a food products' exporter spends not less than Tsh. 200,000 on every export consignment. In addition, exporters experience a lot of frustration having to repeat the same documentation on each export consignment since any previous export is not recognised as a reference of good quality practice.	TBS, TFDA, TAEA, Ministry of Health	Quality inspection bodies should collaborate in issuance of the various inspection certificates by designating one of them to issue one certificate covering all inspection requirements. Exporters who have a credible export history should not be required to undergo through the inspection procedures on every export consignment before issuance of the necessary certificates, but their products should be stamped as certified automatically. However, occasionally, they could be inspected by the relevant agencies just to confirm that good manufacturing practices are used.	Harmonised inspection procedures among the inspection agencies and a designated agency to issue the inspection certificate covering all requirements on behalf of others	A joint EAC publication on inspection procedures available to exporters of food products and the responsible agency	Disagreements may arise as to which body to designate the responsibility of issuing the inspection certificate.	The Central Government needs to offer guidance on the harmonisation of inspection requirements and designate of one agency to issue the export certificate.
Part IIIC		Government inspection/ regulatory Agencies e.g. TBS & TFDA levy Charges on transshipment companies based on percentage value of imported items.	The transshipment levy is too high, and companies sometimes end up paying as high as Tsh. 400,000 or more. This means the higher the value of the import items the higher the fee, which has to be passed on to consumers, making Tanzanian goods uncompetitive.	TBS, TFDA	Inspection companies should charge a nominal specific amount per consignment and not on value of cargo	Payment for import inspection based on a shipment and not on import value	Report by TBS and TFDA on amendment of inspection charges	Resistance by TBS and TFDA to amend the inspection procedures due to fear of revenue loss	Future import inspection charged on the shipment as opposed to current charge on import value
		Too much time lost during cross-border pre-shipment inspection and certification for Kenyan bound cargo	Time lost during pre-inspection of export cargo destined to Kenya, while KEBS also undertakes either sampled and in some cases 100% inspection before goods are allowed into the Kenyan market, instead of recognising TBS certification mark on goods originating from Tanzania. The process of	TBS/ KEBS	EAC Standards Bureaux should mutually recognise each other's certification marks for products where standards have been harmonised, without undertaking 100% inspection, as this was the main objective of the SQMT ³⁶ Protocol	Immediate recognition by EA Standards Bureaux of each other's certification marks for products where standards have been harmonised	Monthly reports of EA Standards that are mutually recognised, those where sampled or	1. The EA Standards Bureaux may insist on undertaking continued inspection of imports as the	The Council of Ministers should monitor through the Secretariat, that any EA harmonised procedures are respected, implemented and consistently

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NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part III C		In July 2005, after the phase out of Pre-shipment Programme in Kenya, the Kenya Bureau of Standards introduced a new import inspection procedure that was found to be difficult and expensive to implement, requiring that imports will only be allowed into the country if accompanied by a quality inspection certificate from an internationally accredited laboratory ³⁷ .	Although the quality inspection by KEBS has now been waived for imports originating from EAC states, it had been introduced without tripartite consultations with the other EAC Standards Bureaux, while in the Customs Union any trade requirements should involve tripartite discussions and consensus. The requirement had led to confusion among Tanzanian exporters and suspicion the Kenya is not a serious trade partner.	KEBS	Any future trade requirements should go through a process of tripartite discussions and consensus since EAC is now one customs territory.	A decision by EAC Council that any new trade requirements should go through tripartite discussions, consensus and approval by Council	Council guidelines on process of introducing trade requirements by any EAC partner state	Resistance by enforcement agencies, which may regard requirement as taking away their authority as enshrined in national laws.	EAC Governments goodwill to the integration process by directing enforcement agencies to respect Council guidelines.
		Some regional buyers do not accept quality assurance certificates issued by regional bodies like TBS. They instead insist on certification of products by internationally accredited organisations	Lost business opportunities to Tanzania businesses		Ministry of Industry, Trade and Marketing to coordinate efforts sensitise relevant authorities in Uganda, Kenya, SADC and regional buyers accept TBS certified products	Tanzanian products accepted by regional buyers	Reports by manufacturers on sales turnover to various markets	Changing biased opinions of regional buyers that locally made products are of inferior quality	Proper sensitisation of regional buyers to accept products certified by TBS. Sufficient budgetary allocation needs to be made by Central government for this activity
Part IIIC		EAC countries in some instances have different parameters on weights, labelling, quality, tolerance in measurements, type and technology used in packaging, which makes entry of Tanzanian originating goods difficult in the other two EA countries and vice versa.	Differences in parameters translate into Technical Barriers to Trade (TBT), which are impediments to penetration of Kenyan and Ugandan markets for Tanzanian products in some instances (<i>for example cement</i>). The difficulties experienced in penetrating these markets become a source of frustration, bribery, time loss, and theft of goods kept by traders at the borders while awaiting clearance	EAC agencies responsible for weights and measures, and Standards Bureaux	Finalise the EAC SQMT Bill, and thereafter domesticate it in each EAC country without delay, so that issues related to TBT can be harmonised.	SQMT Bill finalised and domesticated into the laws of each partner state	Quarterly reports to Council on progress of finalising and domesticating the SQMT Bill	Domestication of the SQMT into national laws may be delayed by differences in calendars of national parliaments, while enforcement of harmonised practices may	The Council to give priority to finalisation of the SQMT Bill A plan by EAC Secretariat to domesticate the Bill once finalised

³⁵ TFDA – Tanzania Food and Drugs Authority

³⁶ SQMT – Standardization, Quality Assurance, Metrology and Testing

³⁷ While an agreement has been reached regarding the application of PVOC for EAC originating goods, its application needs to be monitored to ensure it does not disrupt imports from the other 2 EAC countries.

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NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
			by relevant agencies.					not get entrenched as fast as planned in the SQMT Bill, due to entrenchment of practices that cut across many government organisations/ bodies	
Part VIII E	Immigration procedures at border crossings	Clearance of travel documents through immigration involves cumbersome procedures, with a requirement to fill exit/ entry forms even where scanning of passports is undertaken.	The requirement to fill exit/ entry forms even at entry/ exit stations where scanning of passports is used seems a duplicated function, since the scanning should give automatically record information on the travellers. The current duplicated function means unnecessary time spent at border crossings. Currently, on average, 12% of border crossings by Tanzanians take more than 1 hour.	Immigration Department	Optimise immigration procedures by removing requirement to fill entry/exit forms in exit/ entry points where computerised scanning of passports is already operational Make the immigration counters for East Africans more efficient by increasing the number of officials manning them, and enhance their training on use of the scanners, so as to increase efficiency.	Average time for crossing EA borders for East Africans reduced to not more than 15 minutes at all entry/ exit points	Annual Business Climate Index Survey report by EABC on time taken and procedures for crossing borders	Resistance by Immigration Department to phase out exit & entry forms	Sensitize immigration officials on essence of time to business people and on efficiency of using only computerised scanning of travel documents to record travellers' data. Government budget allocations for introduction of passport scanners at all entry/ exit points.
Part III E		Many East Africans do not yet have an East African passport, while even for those who have it, the Immigration Departments still insist on stamping it at every exit or entry	Many people (<i>especially small business people</i>) cross borders through undesignated routes, which is illegal, and could attract substantial costs if one is arrested as an immigrant	Immigration Departments in the three East African countries	Immigration Departments should speed up issuance of the EA passport by simplifying the application procedures, minimising application fees, decentralising the issuance process to major urban areas, and sensitising the citizens on the passport's existence. Further, the requirement to stamp the passport at every entry/ exit should be removed, by	Illegal immigrants reduced to bare minimum	Monthly reports by Immigration Departments on number of EA passports issued.	Time to design new application forms for an East African passport	Sufficient resource allocation by EAC governments for issuance of EA passport

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NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
					respecting the Council's decision to issue an automatic 6 months multiple entry visas and pass without delay. In the long run, EAC partner states should accept the national identity card as a valid document for crossing borders, once issuance of identity cards in Uganda and Tanzania is completed.				

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NTB Inventory under WTO code	Problem Area	Description of the most severe NTBs	Impact of NTB to businesses	Responsible Ministry/ Department	Possible approach to eliminate NTB	Performance Benchmarks	Means of Verification	Constraints	Success factor
Part IVD	Business registration & licensing procedures	While the search and registration for a business name can be done online, payment for a business certificate is still manual, and a new applicant has to travel to Dar es Salaam to pay and obtain a business certificate from the Attorney General's Chambers. Business licensing it of is separated from business registration, and is carried out by the Ministry of Commerce and Industry, while the two functions should be undertaken under one agency. In addition, various Local Authorities in the past used to charge separate fees from the same business entity, if such an entity distributes its products in different localities. This requirement has now been changed through the new Business Activities Registration Act of January 2007, which has repealed the Business Licensing Act of 1972. Under the new Act business licensing has been removed from the Ministry of Industry, Trade and Marketing and Local Authorities will not charge any fee for business licenses	Time and cost of travelling to Dar es Salaam to pay and obtain a business license Registration of new businesses takes an average of 5 days, but more than 2 weeks for 17% of all new applications. The requirement to have separate agencies responsible for business name search and registration, payment and issuance of business certificate, and business licensing, is cumbersome and unattractive to new investors. The previous multiplicity of fees and charges by Local Authorities has been a source of frustration to efficient importation since a delivery truck had to pay charges to every local authority whenever through which it passed en-route to its destination. It is hoped that the new requirement not to charge business licenses will be implemented without delay. The current requirement by Courts that electronically generated documents cannot be used to register limited companies means one has to engage a lawyer for registration of limited companies, which is an expensive undertaking.	BRELA, Ministry of Commerce and Industry, Attorney General's Chambers, Local authorities.	Streamline business name search and registration, payment and issuance of business certificate, licensing and related local authorities' charges under BRELA Review the Evidence Act to allow electronically generated documents to be admissible in court as evidence Introduce online payment of new businesses certificates so as to remove current requirement that involves travel to Dar es Salaam for physical payment and issuance of certificate. Reform legal requirement by courts on registration of limited companies, so as to allow for registration using electronically generated documents.	Business name search, registration, payment of business certificate, licensing and business charges under one agency (BRELA) Electronically generated documents used to register limited companies A new Evidence Act allowing electronically generated documents to be admissible in courts of law. An EAC harmonised business law on administrative requirements	Half year reports by BRELA on harmonised procedures for business registration, licensing, and issuance certificates, charges, and electronically generated documents	Resistance by officials at various agencies currently responsible for business licensing, registration, payment and issuance of business licenses, due to fear of jobs loss. Insufficiency of resources for computerisation to enable online payment for business certificates and registration of limited companies. Resistance by local authorities on one business law due to fear of revenue loss.	Sufficient Central Government allocation of financial resources for comprehensive reforms of business laws and computerised registration. The central government needs to give guidance on a long-term and comprehensive policy that would form the framework for business reforms. This could for example be in the form of a private sector development strategy.
Part IVD									
Part IVE		Currently, mainland Tanzania and Zanzibar	Businesses operating in Zanzibar have to register as	Attorney General's	Central Government to harmonise business	A harmonised business	One business	Resistance between	Sensitize the people of

Source: Consultations with Tanzania trade in 2005/ 2006 and Feb 2007

³⁸ TRIPS – Trade Related Intellectual Property Rights Agreement of the WTO

6.0 ASSESSMENT OF PROCEDURES FOR HARMONIZATION OF TRANSIT TRAFFIC BETWEEN COUNTRIES IN THE REGION

During the course of current consultations, it emerged that representatives of the business community (CTI and TCCIA) are lobbying the Tanzania Government to consider rejoining COMESA. It is however notable that Tanzania has implemented the COMESA Carrier's License, which allows commercial goods vehicles to transport goods throughout all COMESA member states under one license.

If Tanzania rejoins COMESA, the business community recommends that the country should implement all other operational COMESA schemes in order to facilitate regional cross-border transit traffic. Tanzania should also convince other SADC members to harmonize their transit traffic schemes with COMESA schemes so that commercial trucks transiting within the region do so speedily and at minimal costs. The COMESA schemes that are already operational are:

6.1 Harmonized Axle Loading and Maximum Vehicle Weight. This scheme aims at preserving road infrastructure by limiting the load on freight vehicles. COMESA has harmonised the axle load at 16 tonnes for double axle and Gross vehicle Mass (GVM) specifications at a maximum of 54 tonnes.

6.2 COMESA Yellow Card. The COMESA Yellow Card is a motor vehicle insurance scheme which covers third-party liabilities and medical expenses. A yellow card issued in one COMESA country is valid in all other member countries and is mostly applicable along the Northern Corridor route.

6.3 Harmonized road transit charges system. The system requires that heavy goods trucks with more than three axles pay a charge of US\$10 per 100km while trucks with up to three axles pay US\$6 per 100km. Buses with a capacity of more than 25 passengers pay US\$5 per 100km.

6.5 Other planned COMESA programs include:

6.5.1 COMESA Bond Guarantee scheme

The COMESA bond will be a unique bond accepted by all the member countries for transit traffic. The objective is to reduce the cost associated with nationally executed customs bond guarantees for transit traffic. Since current bonds are country specific; implementation of this scheme will mean that transport operators do not have to get a new bond whenever their trucks cross borders.

6.5.2 COMESA Customs Declaration Document (CD-COM)

This is a system of declaration which is used for imports, exports and in transit of goods processes. The aim is to avoid creation of new documentation at every border point for goods in transit. It can reduce the cost and delays for economic operators and facilitate information sharing between customs. The CD-COM is compliant with the widely

accepted standards (UN keys and ASYCUDA). It is being partially used on the northern corridor.

7.0 RECOMMENDED ACTION PLAN FOR MONITORING AND FACILITATING ELIMINATION OF NTBS

The following recommendations emerge from the analysis on NTB monitoring and elimination process.

7.1 Need for goodwill and commitment by member states

Partner States within EAC and SADC need to consolidate and demonstrate their political and technical goodwill to implement aspirations of the respective EAC and SADC Treaties, so that decisions passed are respected and domesticated through timely amendments of national laws, regulations and practices. Any intended introduction of laws, regulations and practices that may have an impact on trade need to be discussed by all member states, and consensus reached before they are enforced. For EAC countries, they need to recognize that with the coming into force of the Customs Union, they have lost their sovereignty on trade issues. For SADC members, they should recognize and implement aspirations of the Trade Protocol. This recognition is important so that policy makers do no delay implementation of actions that hinder rather than promote inter-regional trade. Goodwill and commitment will also minimize the time often lost during protracted discussions on trade issues and subsequent delays in implementation of agreed actions.

7.2 Legal and Regulatory Framework

Partner States need to ensure that the legal and regulatory framework governing the integration process is properly enshrined in their national laws, and clearly understood and complied with by all agencies responsible for enforcement of trade regulatory and administrative requirements. This is important so that such agencies do not introduce laws, regulations, practices and procedures that may contradict aspirations of the EAC and SADC Treaties.

7.3 Capacity for monitoring and facilitating NTBs elimination

While the EAC endorsed its NTBs monitoring and elimination mechanism early in 2006, its application has been hampered by lack of capacity by the coordinating ministries. This is because while the responsible ministries may have the goodwill to apply the mechanism, their staffing capacity is only sufficient to deal with daily operational issues, which leaves little room to handle cross-border and behind-border obstacles in a structured manner as proposed under the NTBs monitoring and elimination mechanism. It is therefore imperative that the partner states source for technical assistance from development partners to enable them to kick-start application of the mechanism. This initiative could be facilitated by EA and SADC Secretariats.

7.4 Harmonisation of regional transit traffic schemes

Tanzania belongs to both EAC and SADC trading blocs. Its EAC partner states also belong to COMESA. In order to trade effectively in the three regional blocs, Tanzania should be in the forefront of lobbying for harmonized transit traffic schemes. This is necessary so that the country does not end up implementing different schemes that may have contradictory elements and focus. Also, Tanzania stands to benefit if the regional blocs harmonized their transit traffic schemes, since she would minimize duplication of effort and maximize use of scarce personnel and financial resources.