MANGO EXPORTS FROM TANZANIA

BUSINESS PROCESS ANALYSIS FOR
ENHANCED EXPORT COMPETITIVENESS
Acknowledgments

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## Acronym and abbreviation

<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AMAGRO</td>
<td>Association of Mango Growers</td>
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<td>BPA</td>
<td>Business Process Analysis</td>
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<tr>
<td>CFA</td>
<td>Clearing and Forwarding Agent</td>
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<td>CIF</td>
<td>Cost, Insurance, Freight</td>
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<td>CO</td>
<td>Certificate of Origin</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>LC</td>
<td>Letter of Credit</td>
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<tr>
<td>MALF</td>
<td>Ministry of Agriculture, Livestock and Fisheries</td>
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<td>OSS</td>
<td>One-Stop Shop</td>
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<tr>
<td>TAEC</td>
<td>Tanzania Atomic Energy Commission</td>
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<tr>
<td>TCCIA</td>
<td>Tanzania Chamber of Commerce and Agriculture</td>
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<td>TRA</td>
<td>Tanzania Revenue Authority</td>
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<td>TZS</td>
<td>Tanzanian Shilling</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<tr>
<td>UN/CEFACT</td>
<td>United Nations Centre for Trade Facilitation and Electronic Business</td>
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<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
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<tr>
<td>UNESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
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<tr>
<td>UNNEXT</td>
<td>United Nations Network of Experts for Paperless Trade in Asia Pacific</td>
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<tr>
<td>US$</td>
<td>United States Dollar</td>
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### Exchange Rate Used

USD 1 = TZS 2,200
Background

The Promoting Intra-regional Trade in Eastern Africa Project

The International Trade Centre (ITC) is a joint agency of the United Nations and the World Trade Organization, focusing in particular on developing the export capabilities of small and medium-sized businesses in developing and transition economies. ITC is a 100% “Aid for Trade” organization, supporting trade that delivers inclusive and sustainable development results.

ITC is currently implementing the Project “Promoting Intra-regional Trade in Eastern Africa”, which aims to contribute to inclusive and sustainable export-led growth. Funded by Finland, the Project is working with local partners to promote participation of small and medium sized enterprises (SMEs) in selected agri-food sectors in regional and global value chains. Besides Tanzania, the Project is also being implemented since 2014 in Kenya and Zambia. The Promoting Intra-regional Trade in Eastern Africa Project aims to respond to:

The Promoting Intra-regional Trade in Eastern Africa Project aims to respond to:

- Value chain weaknesses that hinder export competitiveness of producers and SMEs in selected agro-value chains (mango, honey, spices);
- Deficiencies of TSIs to provide the required support to enable SMEs to upgrade their competitiveness and successfully engage in export development.

The two expected outcomes of the Project are as follows:

i. Outcome 1: Increased export competitiveness of SMEs in selected agro-food value chains

ii. Outcome 2: Enhanced performance for trade and business support service providers in selected agri-food value chains at national and regional levels

In Tanzania, the project is pursuing the following activities:

i. Developed Sector Roadmaps for honey, spices and mango sectors and the development of appropriate response strategies to enable those sectors to engage in export development;

ii. Providing advisory services in Quality Compliance and Food Standards and Supply Chain Management;

iii. Expanding SIDO’s packaging services to SMEs through setting up of a Packaging Services Centre. The upgrading of existing packaging capabilities will also be coupled with the implementation of branding strategies;

iv. Upgrading the service delivery of other TSIs such as Tanzania Honey Council (THC), Tanzania Forestry Services (TFS), SIDO, and Association of Mango Growers (AMAGRO).

v. Enabling National apex trade promotion bodies and business associations to advocate business interests and to influence business and trade policies affecting regional trade.

The principle ITC partner in Tanzania for the implementation of this project is the Small Industries Development Organisation (SIDO).
Business Process Analysis of mango in Tanzania

As part of the activity to enable national apex trade promotion bodies and business associations to advocate business interests and to influence business and trade policies affecting regional trade, ITC has carried out a Business Process Analysis (BPA) study. This also follows on from the Sector Development Roadmap for spices by specifically addressing export processes in the black pepper sector in Tanzania. ITC also organized a stakeholder workshop on 23 February 2016. The workshop “Enhancing Business Processes for Export Competitiveness” discussed the preliminary findings of the study, including the recommendations for simplifying and streamlining business procedures.

The BPA study provides the basis for advocacy, public private dialogue (PPD), and trade policy reform, including intra-regional trade policies. In particular, the BPA study includes a simple methodology to elicit, document, and analyse the existing “as-is” business processes involved in international trade, as well as aid in developing recommendations for further improvement. It suggests a set of practical steps and activities, from setting the scope of the business process analysis project, planning its implementation, collecting relevant data, and presenting it in an easily understandable manner; to analysing the captured data in order to identify bottlenecks and develop recommendations for improvement.

As a result, the TPOs and business associations will be able to use the BPA study to advocate their business interests and to influence business and trade policies affecting regional trade. Where appropriate, sectoral associations in Tanzania could also work with regional apex bodies in the region to address certain obstacles, including those which could be addressed in the context of the Tripartite FTA. Furthermore, businesses will also benefit, through enhanced trade performance, from a better understanding of their value chains.

Overview of mangoes

Global picture

Mango is the king of fruits. It is used in a variety of cuisines around the world such as in mango lassi, pickles, custards, puddings and even raw. For thousands of years, mangoes have been produced in South Asia and even in modern times, many South Asian countries such as India, Pakistan, and Bangladesh are major mango producers.

Mangoes are grown globally in over 60 countries and half of all the produced and traded tropical fruits are mango. Mangoes grow well in (warm) tropical climates, with long dry seasons (over three months) followed by sufficient rains.

Tanzania is the 17th largest producer in the world with over 300,000 ton per year. The Tanzanian production is, however, largely dominated (around 95%) by traditional varieties. Countries in the Northern hemisphere are both producing and consuming most of their mangoes domestically. The approximate production time in the Northern hemisphere is between April and September and in the Southern hemisphere between November and March. The lack of supply in the Northern part of the world during these months and their high demand provides an interesting export opportunity for Tanzania and other countries located below the equator. Although the EU is an attractive export market, the Middle-East and Turkey provide an even better market opportunity for Tanzania, due to their relative vicinity, their less stringent market access (compared to the European Union (EU)) and their growing economies and demand for mangoes. This is best exemplified by the fact that some exporters have already secured contracts for the next harvesting season (November 2016 to March 2017).

1 This study focuses on the more exotic (or improved) varieties that are globally traded.
Regional market perspective

To tap into this market, Tanzania has to compete within the region (South and Eastern Africa) with South Africa, Kenya, Mozambique and Madagascar. South Africa and, to a lesser extent, Kenya are very much ahead of Tanzania due to their higher productivity, enhanced marketing, and better logistics distribution networks and their comprehensive public-private partnership approach. Kenya is currently exporting approximately 5,000 tons annually (2012) to Tanzania, their second biggest export market and this is mainly when Tanzania is not able to produce its own mangos domestically. Aside from the export market, the increasing amount of local urban medium and high-income consumers provide another interesting market outlet for improved and processed mango products in Tanzania.

2 Opportunities for financing the mango value chain: A case study of lower Eastern Kenya (June 2015)
Methodology of the study

UN/CEFACT International Supply Chain Model

The objective of this study is to apply the Business Process Analysis (BPA) methodology to review and evaluate current business processes and procedures, their rationale, the time required to complete them, and the associated costs for the export and import of mangoes in Tanzania.

To conduct this BPA exercise, the Business Process Analysis Guide to Simplify Trade Procedures, Updated September 2012 (UNESCAP, 2012) has been used. This guide was jointly developed by the United Nations Network of Experts for Paperless Trade in Asia and the Pacific (UNNExT), UNESCAP, as well as the United Nations Economic Commission for Europe (UNECE).

The BPA employs the UN/CEFACT International Supply Chain model. Every business process is categorized and analysed through this framework (Keretho and Naklada, 2011). This model comprises of three process areas: (1) Buy, (2) Ship, and (3) Pay.

(1) Buy – Activities concerning the conclusion of trade terms up to a point where sales contract is established.

(2) Ship – Activities concerning the arrangement of inland and cross-border transportation and other actions necessary to meet regulatory requirements in both the exporting and importing countries, such as:

   a. Arrange transport (Air)
   b. Obtain radiation certificate
   c. Arrange transport (land), prepare and transport cargo
   d. Obtain certificate of origin (CO)
   e. Obtain phytosanitary certificate
   f. Obtain cargo insurance
   g. Screen cargo for security
   h. Obtain customs clearance and weighing the cargo
   i. Verify cargo specifications

(3) Pay – Activities concerning claims for payment of goods (Keretho and Naklada, 2011):

In Tanzania, this is the first time a BPA methodology has been applied in order to analyse trade processes (in conjunction with other products).

This study documents in great detail the “as is” (or current) trade processes for the export of mangoes from Tanzania to the United Arab Emirates (UAE) by air. This study develops policy recommendations based on the results of this study in order to simplify and harmonize trade processes in Tanzania.

Limitations

During this research, the research team faced a number of limitations as follows:

   a. Some stakeholders were uncooperative.
b. The research was conducted during elections and following the change in government modifications in the export process were made. Although an effort was made to take those modifications into account, some may not be reflected in this study.

c. Tanzania has not exported mangoes since 2006 and no current exporter could be identified. Therefore the study is based on a "mock"-export. However, since Tanzania has just overcome the fruit fly challenge, this study is therefore even more relevant to an increasingly interested number of potential exporters and can be of assistance in managing the export process.

d. There exists very limited documentation on mango production and the domestic market.
Business Process Analysis in Tanzania – mango to Dubai

The scope

This BPA will investigate the export process based on the following scope:

- The products investigated are fresh mangoes (variety Apple Mangoes, Alphonso, Keith and Kent). The HS-Code for this export item is 08045020. The consignment originates from Dar es Salaam and is destined for Dubai (United Arab Emirates).
- The consignment is approximately 3 tons with a value of US$ 4,500, based on the price per kg of US$ 1.50.
- The mangoes are packed in boxes of 9 to 12 mangoes. The size of the consignment is limited by the space available in the aircraft servicing the Dar es Salaam – Dubai route.
- The mangoes are transported in crates in a 3-ton open truck from farms in Mkuranga (Coastal Region) to the collection cum packing centre in Dar es Salaam and then from the collection centre to the Julius Nyerere Airport in Dar es Salaam.
- From the airport in Dar es Salaam, the consignment is airlifted to Dubai.
- The importers are usually traders, supermarkets, wholesalers, etc.
- Payment is done with a letter of credit.
- The Incoterms agreed between buyer and sellers are CIF.
- This BPA is based on a new business relationship as no formal mango exports have taken place over the past few years due to the fruit fly problem.
- It is further assumed that the consignment is only for one consignee and there is no consolidation of cargo.
- All stakeholders comply with existing legislation.

Figure 1: Map showing the mango export route
Pre-export requirements

Before a business can start the export process, a business license must be obtained in advance. This is an annually recurring process and is therefore not included in the business process analysis below. It is obtained from the city/town council where the business will be conducted. The license is valid for one year.

The following sections provide an overview of the present “as is” process of the export of mangoes from Tanzania to Dubai (by air transport).

Figure 2: Use Case Diagram for Mango exports from Tanzania to Dubai

1. The Buy Process

1.1 Conclude sales contract

This process involves the exporter, importer, the Association of Mango Growers (AMAGRO), Ministry of Agriculture, Livestock and Fisheries (MALF) as well as the bank. It should be noted that MALF and the bank are only needed to obtain the phytosanitary certificate, which is described in detail in process step 2.5 below.

The steps of concluding the sales contract starts with interested buyers contacting AMAGRO. The contact is often established via AMAGRO’s website through which AMAGRO receives many requests. After receiving the enquiry, AMAGRO notifies its members. Any member who has mangoes and the capacity to satisfy the request, contacts the potential buyer directly and sends a product sample to the importer for quality and size consideration. Before the sample can be sent to the UAE, a phytosanitary
certificate must be obtained from the plant health department in MALF (see process step 2.5 Obtain phytosanitary certificate).

If the importer is satisfied with the mango samples, price negotiations start. Otherwise, the activity is terminated. The importer then requests a price quotation from the exporter. The exporter prepares the price quotation as well as the sales terms by sending a pro-forma invoice to the importer. After the importer accepts and confirms the intent to purchase, the importer issues a purchase order. If the importer and exporter cannot agree, they may either renegotiate or terminate the process. Once the purchase order is received, the exporter prepares the mangoes for shipment.

On average, the sales negotiation takes up to 14 days for new customers and 5 days for existing customers. The phytosanitary certificate costs a total of US$ 150 (US$ 15.00 for the certificate and US$ 135.00 for courier fees).

It is worthwhile to note that some importing countries (in this case UAE) require a phytosanitary certificate for the sample shipment. However, this is rather unusual in international trade and adds approximately 3 days to the export process. In most countries, the phytosanitary certificate is only needed for the actual shipment. The process map and additional information for the process step “Obtain phytosanitary certificate” can be found in the ship process under process step 2.5.

2. The Ship Process

2.1 Arrange Transport (air)

This process step involves the exporter and the airline (or representative/agent).

After the sales contract has been concluded (process step 1.1) and the letter of credit opened (process step 3.1), the exporter books a cargo space for the mango consignment directly at the airline offices or through a representative/agent. The airline is chosen based on transport price, available space, connection as well as the lead time from origin to destination. The airline receives the booking request from the exporter and depending on the availability of space on the requested date, the booking will either be accepted or rejected. Once the airline has accepted the booking, a quote for the fare will be sent to the exporter. If it is rejected, the exporter could try to book on a different day or on a different airline/connection. The exporter will receive the quote from the airline and based on the quote, the exporter will pay the airline in cash. At the time of the study, the price for 3,000 kg from Dar es Salaam airport to Dubai was US$ 2,940, or US$ 0.98 per kg. After receiving the payment, the airline will issue an air waybill to the exporter.

This process takes on average of 3 hours, but could range from one hour to a whole day depending on the availability of space. No process-related costs are incurred during this step. At the time of research, the costs for the shipment of three tons of cargo is around US$ 2,940. For regular customers, payment is not immediately required and can be done at a later stage.

Between Dar es Salaam and Dubai there are seven regular connecting flights and one direct flight. It also needs to be noted that although the flight booking is made through agents, the exporter must follow-up with the airline directly to ensure the cargo is loaded on the day of departure. In the past it has occurred that some cargo did not leave on the day it was supposed to which, in the case of mangoes, would increase the risk of spoilage and quality deterioration.

2.2 Obtain radiation certificate

All imports and exports are required to obtain a radiation free certificate. This is based on the Atomic Energy Act 2002. The objective of this act is to prevent consumers in Tanzania and abroad from consuming radiated goods.

In this process step, the following stakeholders are involved: Tanzania Atomic Energy Commission (TAEC), exporter and bank.
The exporter requests for a radiation certificate, attaching the following:

- Commercial invoice (copy) and
- Product sample.

TAEC receives the request and issues a payment order. The exporter makes the payment through a bank transfer. The bank receives the payment and produces a payment receipt. The exporter takes the payment receipt to TAEC, who in turn starts the process of conducting the radioactivity analysis. Unless the test reveals radioactive contamination of the products, in which case the cargo is confiscated and destroyed, TAEC issues the radiation certificate. The exporter collects the radiation certificate.

This process takes on average 3 days and the certificate costs TZS 35,000 (US$ 15.91).

The analysis fee is computed at TZS 35,000 (US$ 15.91) for a consignment value up to TZS 20,000,000 (US$ 9,090.90). Above this value up to TZS 1 billion (US$ 454,545) the exporter is charged 0.2% of FOB value. Beyond TZS 1 billion (US$ 454,545), the fee is TZS 2,000,000 (US$ 909.10).

2.3 Arrange transport (land), prepare cargo and transport the cargo

It is important that transportation of the mangoes from the farms to the collection centre takes place a few days before the day they are sent to the airport.

This process involves the transporter and the exporter.

After the booking has been confirmed with the airline, it is imperative that the exporter identifies a transporter who can safely carry the cargo from the farm to the collection center. This process is often carried out verbally (i.e. phone) without any written documentation.

It is important that the exporter confirms with the transporter that all documents regarding the transporter’s business are in order (i.e. no outstanding tax payments, road license, etc.) because there are multiple traffic police checkpoints along the road. If a transporter is in default, it could delay the whole transport process by 1-2 business days. In that case the cargo is likely to significantly deteriorate on the truck (because of lack of cooling units on the truck) while waiting to resolve the situation with the relevant officer.

Once an appropriate transporter is identified, the exporter sends a request for transportation to the potential transporter who will receive an order to take the mangoes from the farm at Mkuranga to the collection center of the exporter at Upanga in Dar es Salaam, a distance of about 50 km. If in a position to render that service, the transporter confirms availability of the appropriate vehicle (usually an open 3-ton canter truck) and sends a price quotation for the service. The exporter receives the quotation and if it is not acceptable, the exporter will negotiate the price. If it is acceptable, the exporter will then make a down payment to the transporter in cash. The transporter will receive the payment in cash and mobilize the truck for the assignment.

The mangoes are packed in crates and carried in box trucks. The transporter takes the mangoes from the farm to the collection center and the exporter receives them at the collection center. After receiving the mangoes safely, the exporter pays the balance to the transporter in cash. At the collection centre some processing of mangoes is performed including washing the mangoes with clean warm water, disinfecting and sorting. Subsequently, the mangoes are cooled to 10°C before the mangoes are packed in boxes and stalks.

The cost for transport is TZS 100,000 (US$ 45.45) per trip and takes four hours including loading and unloading from Mkuranga (Coast region) to Dar es Salaam for a 3 ton truck.

The exporter contracts the same transporter to take the consignment from the collection centre to the airport on the booked flight departure date for a fare of TZS 50,000 (US$ 22.73). To enter the airport, only the export documents are needed (no additional documents). It takes a few hours to carry out the transport.
Although transport takes place in two different stages (from farm to collection center and from collection center to airport), for the purpose of this BPA the two transport activities have been combined into one process because it is the same transporter carrying out the two transport services. The second transport service is usually carried out after the certificate of origin has been obtained (see process step 2.4).

Exporters also reported that there are many ad-hoc police checkpoints that inspect both the truck and related documents such as road license. Unlike for other products (e.g. spices) there is no land transport permit needed.

There are presently no refrigerated vehicles available for the transports of mangoes which can severely affect the quality of mangoes on longer journeys. However, stakeholders reported that they expect refrigerated vehicles to be in place for the start of the next mango export season (2016/17).

### 2.4 Obtain certificate of origin

This process step involves the exporter, bank and the Tanzania Chamber of Commerce, Industries and Agriculture (TCCIA).

A Certificate of Origin (CO) is an international trade document attesting that a specific product has been obtained, produced, manufactured, or processed in a particular country. A CO is only needed if a country grants special treatment to one or more countries. Otherwise the standard tariff rate would apply regardless of the origin of a product. Traditionally, COs are issued manually.

The process starts with the exporter making payment for the CO via bank transfer. Making the payment before even requesting a CO will shorten the duration of the process. The bank executes the payment and issues a payment receipt, which is handed to the exporter. Subsequently the exporter requests a CO for the mangoes from TCCIA offices by completing the application form. It should be noted that currently there are no work stations to complete the application form in the TCCIA offices (i.e. with a computer or typewriter). The following documents then need to be attached to the application form:

- Payment receipt,
- Commercial invoice,
- Sales contract, and
- Farm registration certificate.

The TCCIA receives the request from the exporter and scrutinizes the documents to verify the actual origin of the mangoes. The TCCIA interviews the exporter with targeted questions in order to establish the origin of the mangoes. For the exporter/farmer, it is important to bring the farm registration certificate or even sales contract of the mangoes, as they may check those documents during the interview. The whole process step is completed at the TCCIA offices in order to facilitate export of the consignment without many hurdles. If TCCIA is satisfied and believes that the mangoes originate from Tanzania, TCCIA issues the CO to the exporter for the mango consignment. This process step ends with the exporter receiving the CO. If TCCIA is not satisfied with the proof provided, they do not issue a CO and the process is terminated.

The whole exercise can take between one to six hours depending on the clarity of the documentation. The CO processing fee is TZS 20,000 (US$ 9.09).

### 2.5 Obtain phytosanitary certificate

This process involves the exporter, the bank and MALF.

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3 The road license relates to the owner of the truck. It is issued once annually and from the TRA. Driving a vehicle without it amounts to tax evasion.

4 Sample questions: When did you plant your mangoes? Who is your district commissioner at the place where you have your mango farm? What is the distance between your farm and Dar es Salaam?
The exporter may request the phytosanitary certificate by completing the application form. It must be physically obtained from the Plant Quarantine Inspector at MALF stationed at the airport. The following documents have to be attached:

- Commercial invoice;
- Packing list; and,
- Mango samples.

MALF receives the request and the Plant Quarantine Inspector of MALF records the application and requests the phytosanitary services fees. The phytosanitary certificate fee is fixed at US$ 15.00 per consignment. MALF requires the exporter to pay the fees. The exporter receives the payment order and instructs the bank to pay the services fee. The bank receives the payment order, executes the payment as advised, and then issues the payment receipt with the stamp to confirm payment. The plant quarantine inspector from MALF conducts a physical inspection of the mangoes. The inspector is mainly looking for any visible flaws. If there are no flaws, the ministry of agriculture livestock and fisheries issues the phytosanitary certificate for the mango consignment and hand it to the exporter. If the mangoes do not pass the test then the process is terminated. The phytosanitary certificate is issued in quadruplet where two copies accompany the consignment, one copy is for the exporter and one copy remains with the ministry.

Under normal circumstances this step does not take more than one hour and costs US$ 15 per consignment.

2.6 Obtain cargo insurance

This process involves the insurance broker and the exporter.

In the case of a CIF shipment, the exporter is responsible to obtain insurance coverage until the point of unloading in Dubai. The exporter requests insurance coverage from the insurance broker's office at the airport by completing the respective form and attaching the following documents:

- Packing list; and,
- Commercial invoice.

The broker receives the insurance application form and attaches the two documents. The insurance broker calculates the insurance premium based on the value of the mangoes in the packing list and commercial invoice. The insurance broker hands over a payment order to the exporter in the amount of the premium assessed. Cargo insurance costs a minimum of US$ 18 or 0.5% of the consignment value, whichever is higher. In the case of this BPA, the insurance premium is US$ 36.75. The exporter receives the payment order for the insurance premium and pays the insurance broker for the premium assessed in cash. The broker receives the payment, issues a payment receipt and cargo insurance coverage. The exporter receives the cargo insurance documents.

This step takes an hour on average. The insurance premium for this mango consignment is US$ 36.75. There are no process-related costs incurred.

2.7 Screen cargo for security

This process involves the airport police and the exporter.

The exporter takes the mango consignment for the mandatory security check at the airport. The security check is performed in order to prevent hidden enclosures or dangerous items in the cargo.

First, the mango boxes are passed through the x-ray scanners for security checks. Then, random checks are performed on a few, selected boxes, which are opened. If any prohibited items are found in the consignment, the exporter is apprehended for further legal actions and the consignment is condemned. If no security threat is found in the consignment, a security stamp is put on the
consignment documents and the cargo tagged to indicate that it has passed the security check. It is then handed over to the exporter. At this point, the exporter may not take the cargo outside the secure area without repeating the security check upon re-entry. After the cargo has been x-rayed/inspected, it is transferred directly from the inspection area to the cold storage room where the cargo remains until it is loaded into the aircraft.

The whole process takes approximately 10 minutes and is completed at no cost. The time taken might vary depending on whether there is a queue or not.

### 2.8 Obtain customs clearance and weighing the cargo

This process involves the exporter, the CFA (as representative of the exporter) and the Customs department of the Tanzania Revenue Authority (TRA). Customs procedures and formalities must be completed by a CFA that holds a Customs broker license.

In order to obtain Customs clearance, the exporter submits the following documents to the TRA for Customs clearance. It should be noted that mangoes were not exported for several years due to the fruit fly infestation. Before the fruit fly infestation, the submission of documents for the export of mangoes was done manually. However, in the meantime an electronic Customs system, TANCIS, is in use and submission of documents is electronic.

The following documents are submitted:

- Air waybill,
- Commercial invoice,
- Packing list,
- CO,
- Phytosanitary certificate, and
- Insurance certificate.

Once TRA receives the files, TRA checks if all the required documents are uploaded, or, if not, TRA informs the CFA. If all required documents are uploaded, TRA officer checks the accuracy and completeness of the documents. After that, the mango consignment is screened at the x-ray. Presently all cargo is x-rayed at the airport. If TRA find a discrepancy between the documents and the cargo they will do an additional physical inspection of the mangoes. If they find any serious problem in the consignment, they hand it over to the police for further legal action, otherwise they continue with the normal process of weighing the consignment. The TRA officials then assess the consignment for taxes and record the trade volume for statistical purposes. Since mangoes are exempt from taxes, a TRA official clears the consignment and prints the release order. The release order together with the mango consignment are handed back to the exporter. The exporter acknowledges the release of the consignment by signing the document. The TRA then closes and seals the file.

This procedure takes about an hour to be completed if no physical inspection is involved. There are no costs incurred in this step.

All border agencies are represented at the airport such as the police, Ministry of Industry, Trade and Investment, TAEC and MALF. It is usually the CFA that coordinates the involvement of agencies. It should be noted that other actors are only involved in the export process if TRA finds any discrepancies or suspects any wrongdoing. Otherwise, TRA will issue the release order as described above.

TANCIS, the electronic Customs system, is presently not operational at all border stations as it is still being rolled out. Nevertheless, the private sector reported that the system is often not accessible due to

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5 If the consignment is liable for taxes, the tax payment process must be followed.
system downtimes, power cuts and failing internet connection. According to stakeholders, there is no formal coordination mechanism in place. This also makes the coordination of the different government agencies challenging.

It is not possible yet to pay taxes, fees and charges at the airport via e-payment or mobile payment. However, TRA is planning to introduce e-payments and i-tax in the TANCIS system.

### 2.9 Verify cargo specifications

This process involves the airline and the exporter.

The exporter submits the following documents to the airline:

- Commercial Invoice,
- Packing list,
- Insurance,
- CO,
- Phytosanitary certificate.

The airline receives the documents and cargo. An airline staff verifies the documents for authenticity in addition to verifying the cargo. The airline staff weighs the cargo in order to check if the amount paid matches with the actual weight of the consignment, produces the air waybill and tags the consignment with an identification tag. The airline staff hands the documents to the exporter. The cargo is then loaded onto the aircraft by the ground staff of the airport (currently Swissport). The exporter receives (back) the following documents from the airline:

- Air waybill,
- Commercial invoice,
- Packing list,
- CO,
- Phytosanitary certificate and
- Insurance.

The process is free of charge and takes between ten minutes to half an hour depending of the clarity of the documents.

There is no separate fee for cargo handling as this is included in the airline’s transport price.

### 2.10 Finalize airfreight documents

This process involves the exporter, exporter’s bank, importer and importer’s bank.

The exporter hands over an envelope with the following documents to the exporter’s bank:

- Air waybill,
- Commercial invoice (copy),
- Insurance,

---

To date there are few taxes that can be paid electronically such as Motor vehicle license and Provisional Driving license. Customs duties and other taxes still have to be paid using bank transfers.
The importer's bank receives all the above documents from the exporter's bank. The importer's bank verifies that the documents meet the criteria set out in the letter of credit. If all documents are in order, the importer's bank informs the importer and executes the payment as specified in the letter of credit. In such a case, the exporter's bank receives the money and notifies the exporter about the received payment. If the documents do not meet the requirements, the importer's bank sends them back to the exporter's bank and requests rectification of any errors by the exporter.

This process step takes on average 1 day and costs approximately US$ 135 in courier fees.

### 3. The Pay Process

#### 3.1 Open letter of credit

This process involves the exporter, importer, exporter’s bank and importer’s bank.

The opening of a letter of credit should be completed before the goods are shipped and it is a condition before the sales contract is concluded. The cost of opening the letter of credit is 1% of the invoice amount with a minimum charge of US$ 150. The invoiced amount is usually based on the pro-forma invoice from step 1.1.

The importer requests the importer's bank to open the letter of credit in favor of the exporter by completing the application form and attaching the commercial invoice. The importer's bank receives the letter of credit application form and commercial invoice. The importer's bank evaluates the line of credit for the letter of credit application. If the letter of credit amount is below the line of credit, then the importer's bank will issue the letter of credit without any additional requirements. If the letter of credit amount is above the line of credit (or the importer's bank doubts the creditworthiness), the bank may demand the full amount plus related charges to be deposited as a security. In such a case, the importer deposits the full amount plus letter of credit charges at the importer's bank.

Once the importer's bank receives the money deposited by the importer or if the importer’s credit line is sufficient to cover the letter of credit amount, the importer's bank gives out the draft letter of credit and sends it to the exporter's bank. The exporter’s bank receives the draft letter of credit and reviews it for its authenticity. If the draft does not correspond with the terms in the commercial invoice, the exporter's bank will reject the draft letter of credit and send it back to the importer's bank to make necessary amendments. If the draft corresponds with the terms in the commercial invoice, the exporter’s bank approves the draft letter of credit and the exporter's bank forwards the draft letter of credit to the exporter for review and approval.

The exporter reviews the draft letter of credit. If the letter of credit terms are acceptable, the importer approves the draft letter of credit and submits it to the importer's bank. The importer's bank issues the letter of credit and informs the exporter's bank that the letter of credit is ready. The exporter's bank in turn informs the exporter. If the letter of credit terms are not acceptable, the importer amends the draft letter of credit and submits it to the importer's bank.

At a minimum this step takes 14 days since it involves banks in different countries. For mangoes weighing 3 tons valued at US$ 4,500 the importer will be charged the minimum amount of US$ 150.00 since 1% is lower than the minimum amount set.
**3.2 Conclude payment process**

This process step involves the exporter and the importer.

Once each party (buyer and seller) has fulfilled their commitments (seller: sending the shipping documents; buyer: making the payment), the pay-process is considered to be completed. The payment process for the mangoes is started in process 3.1 Opening Letter of Credit. It is concluded in process 2.10 Finalize Airfreight Documents. Therefore, no extra graph is drawn.

This process step can take up to three days because the money and documents are transferred between two countries.

**Summary of findings**

A graphical illustration of the time required at each process can be found in Figure 2 below:

**Figure 3: As is time chart for the export of mango to Dubai**

![As is Time Chart for the Export of Mango to Dubai](image)

**Assumptions:**
- Cargo is ready to load at the exporters premises.
- Cash payment minimum one day (up to maximum 3 days).
- The letter of credit is obtained while the sales contract negotiations are ongoing and the negotiations are concluded before the letter of credit is fully opened.
Recommendations

The current export process for mangoes from Tanzania by air involves 16 stakeholders, takes 28 days and costs US$ 325 (total costs are US$ 3,369.93). Of the 28 days, approximately 23 days are spent concluding the sales contract and the payment process. The shipping process takes up to 5 days. Within the current supply chain structure and existing infrastructure, a mango lasts for approximately 5-7 days before its quality deteriorates. This indicates that the current export process for mangoes by air does not meet the product requirement without avoiding spoilage and deteriorating quality. However, as indicated above, this study is based on a “mock”-shipment because Tanzania has not exported mangoes since 2006 because of the fruit fly infestation in the past.

There are few recommendations that could improve the functioning of the supply chain. The following section provides both mango specific as well as general recommendations to facilitate trade in Tanzania. The proposed recommendations aim to (a) facilitate trade by simplifying processes and procedures, and (b) strengthen the supply chain and, thereby, improve Tanzania’s ability to participate in global trade. In particular, the section on facilitating trade by simplifying processes and procedures addresses constraints and bottlenecks identified in the above business process analysis.

These recommendations respond directly to specific business processes and, where possible, provide information on benefits/reductions in terms of number of documents required, time (in days), or costs (in TZS). However, in many cases quantification of these benefits is not possible or would not do justice to their importance. For example, introducing an electronic communication and data exchange system will not necessarily reduce the number of documents but may reduce the number of copies needed or expedite interaction between stakeholders. The recommendations are complemented at times with suggestions that would generally improve the overall trading environment and, thus, competitiveness.

It is important to note that not all recommendations enjoy the same priority and the recommendations need to be carefully sequenced. Therefore, a section on prioritization and options for implementation is included.

1. Facilitate trade by simplifying processes and procedures

<table>
<thead>
<tr>
<th>Process/Steps</th>
<th>Recommendation</th>
<th>Benefits/Reduction of Docs</th>
<th>Time (Days)</th>
<th>Cost (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Buy process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Conclude sales Contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-Ship Process</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Arrange transport (air)</td>
<td></td>
<td>• Eliminate radiation certificate</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>2.2 Obtain radiation certificate</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Arrange transport (land), prepare and transport cargo</td>
<td></td>
<td>• Encourage the use of refrigerated vehicles and temperature-controlled warehouses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Including transport costs for air transport, land transport and insurance
## MANGO EXPORTS FROM TANZANIA

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
</table>
| 2.4 | **Obtain certificate of origin**  
- Allow document to be submitted electronically through email or a specific designed electronic application (and possibly the online submission of the CoO/GSP certificate)  
- CoO and GSP be provided electronically (including ensure all documents and information is available online on TCCIA website)  
- Allow online or mobile payments |
| 2.5 | **Obtain phytosanitary certificate**  
- Allow online or mobile payments |
| 2.6 | **Obtain cargo insurance** |
| 2.7 | **Screen cargo for security**  
- Link security x-ray with Customs x-ray system |
| 2.8 | **Obtain customs clearance and weighing the cargo.**  
- Link security x-ray with Customs x-ray system  
- Connect all border agencies with TANCIS |
| 2.9 | **Verify cargo specifications** |
| 2.10 | **Finalize airfreight documents** |

### 3-Pay Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td><strong>Obtain letter of credit</strong></td>
</tr>
<tr>
<td>3.2</td>
<td><strong>Conclude payment</strong></td>
</tr>
</tbody>
</table>

### Explanatory notes on the recommendations:

#### 1.1 Eliminate radiation-free certificate

Currently, all exporters and importers must obtain a radiation certificate from TAEC to ensure that the goods exported or imported are not contaminated (or below allowed levels) with radioactive radiation. The process takes around 3 days in Dar-es-Salaam.

It is recommended that this process is eliminated in the export process unless it is required by the importing country. For imports it should be restricted to high-risk areas of cargo origin (i.e. Japan, Ukraine, and others). The impact of this measure would be to reduce the time taken in the export process by 3 days, 6 documents and costs of US$ 15.91. In addition, it has been reported by many exporters that this process is associated with considerable uncertainty as delays occasionally occur.

#### 1.2 Enhance trade information by providing trade information and forms online

Making government services, forms and related trade information available online and potentially even transmitting certificates via secure connections will minimize exporters’ time spent away from work. This would not only help increase transparency and information sharing (i.e. communicating more effectively
In the case TCCIA, there are a number of improvements that could be made:

1. The first option is to enable all forms as well as the CO to be transmitted online. This is also the most advanced option and would have the largest impact for exporters.

2. The second option could be to provide the template of the different COs online. That way exporters could purchase the forms in advance and bring them already completed to the office for verification and signature/stamps. This would reduce the time exporters spend away from the office and allow them to complete the forms on their own terms. In addition TCCIA could provide public work stations on which exporters could complete their forms and print on the spot. One major advantage of providing the template online would be that regular exporters would not need to complete fields such as exporter name, address, etc. but use the same template for every shipment instead of filling in the form from scratch each time. In addition, typing errors would be more easily be corrected and information may be changed in a timely manner.

3. The third option, which would be the least expensive but also the least time saving, would be to provide typewriters in the facilities of TCCIA where exporters could complete their COs. This option is least preferred because the time saved is very little and there are still ample possibilities for typing errors.

1.3 Enable mobile and e-payments (including electronic payment receipts)

Exporters are required making cash payments at the airport and making payments using the conventional banking system. However, in many cases banks are not located near government offices and the queues in banks are often long. These issues prevent exporters from using their time for more productive activities. Enabling mobile or e-payments to i.e. TCCIA or MALF could reduce the time exporters have to spend away from their office.

The stakeholder workshop held in February 2016 revealed that the TRA is in the planning stages of introducing e-payments within the TANCIS. Other agencies should follow this example, especially considering that introducing additional payment options is not a large challenge in the country (from a technical perspective) as many companies already offer this.

In addition, banks could be encouraged to establish express lanes for quick services (i.e. issuing payment receipts for money transfers) in order to reduce waiting times. Electronic banking may underpin this effort because electronic payment receipts should be available in electronic payment systems. This recommendation should receive priority and attention because this has been repeatedly reported as a bottleneck by the private sector.

The impact of this measure is difficult to quantify as how much time such a measure will save would depend on the branch office of the bank.

1.4 Link x-ray machines of security and customs

Currently all cargo shipped via Dar es Salaam airport is scanned by x-ray twice: the first time by police (to conduct a security inspection) and the second time by customs (to verify whether the cargo matches the information in the documents).

If security and customs would conduct their screening at the same location simultaneously, only one x-ray scan would be necessary provided that both agencies can access the same information (scans). Then each agency could fulfill their mandate and, if necessary, even conduct a joint inspection.

However, the impact of this recommendation is relatively small because the x-ray scans do not take a long time on either occasion.
2. Recommendations to strengthen the supply chain

2.1 Encourage the use of cold chain vehicles and other supply chain infrastructure

Currently, mangoes are transported in open trucks and transloaded/stored in open areas where the fruits are exposed to outside influences. This harms product quality significantly. In order to maintain the quality of the fruits throughout the supply chain, investments in cold chain infrastructure are needed. For example, a freshly picked mango has a shelf life of approximately 5-7 days if exposed to outside influences. However, if kept at a temperature of 5-10 degrees Celsius, the shelf life extends to 10-15 days (Ksoll, 2012). Therefore, investments in cold chain trucks (stakeholders reported that trucks with cooling units will be available in the next harvest season 2016/2017) as well as temperature-controlled storage rooms at farm collection centers could not only extend the shelf-life of Tanzanian mangoes (and thereby make it more attractive for the global market), they would also reduce spoilage and quality deterioration during transport. At the same time, collection centers could be upgraded to perform value-added activities such as hot-water treatment, quality control, sorting, grading, packaging, consolidation and others. The consolidation function should not be underestimated because presently Tanzanian farmers face challenges of servicing large quantity orders due to supply-side issues. Consolidation of supply would allow Tanzanian farmers to satisfy larger customers and a wider customer group.

2.2 Expedited processing of perishable and other urgent cargo

Trade in perishables requires short, reliable lead times from farm to market in order to maintain product quality and reduce spoilage. Although the current ship process takes only 5 days, it may still be too long given the current infrastructure and supply chain set-up where mangoes stay fresh between 5-7 days. In order for Tanzania to be competitive in the mango export business, all supply chain actors must work together to reduce the current ship time. One way to move goods faster through the export process could be to establish special windows for expedited processing of perishables and other urgent cargo at different government agencies and service providers such as MALF, TRA, TAEC, banks and others.

3. General recommendations

3.1 Introducing a trade portal

Trade facilitation happens when information is available to all stakeholders involved (Ksoll 2012). Making such information available e.g. via a trade portal, can significantly enhance transparency of processes and procedures as well as reduce the "search-costs” for the private sector. A clear advantage of such a trade portal is the versatility. For example, the portal could be used to:

1. Timely disseminate laws, rules, and regulations.
2. Inform about processes and procedures including the costs and time required to complete them and thereby improve transparency and predictability for the private sector.
3. Enhance communication between the public and private sector – the Government could make registration to portal mandatory before the above information can be accessed (even with just minimal information such as name, company name, email). With that, the Government could build an active trade community and better target the dissemination of trade information.
4. Eventually issue licenses and permits.

Similar trade portals have already been established in Asia and Africa such as in Lao PDR, Botswana and other countries to great effect. The key challenge of such a portal is to maintain the information up to date because of the large number of agencies and stakeholders involved. Additionally, many pieces of legislation are relevant for trade although their main objectives are not and agencies do “forget” to publish such information. Unfortunately, such a portal is only useful if its information is always up to date.
date. In Lao PDR, this challenge was met by making the publication of any legislation in the Lao trade portal, in addition to the official gazette, mandatory. If legislation is not published in both the gazette and the portal then it does not become law. Thus, all agencies are required to maintain an updated account while the private sector has access to updated and useful information.

Although it is understood that a trade portal this accurate would require a serious and continual effort by all stakeholders, experience from other countries shows that it is feasible and greatly benefits the private sector long-term. The expected impact of establishing a trade portal in Tanzania is difficult to anticipate but experience from other countries has shown that the private sector benefitted from much reduced “administrative cost” due to a more transparent trade environment, simpler access to and easier compliance with legislation.

### 3.2 Improve dissemination of trade information

Stakeholder consultations throughout the BPA process revealed that many stakeholder do not have access or only access to outdated information on trade processes and legislation. This can be in part attributed to the weak information dissemination through associations. While a trade portal (see recommendation 5.2.1) would help exporters accessing trade information directly, also dissemination channels through associations and other TSI should be strengthened. This could be done by improving the human capacity of association personnel as well as providing technical assistance to associations (i.e. to strengthen dissemination channels). It is important to note that this recommendation is not a short-term measure but needs long-term commitment to achieve tangible results. It is also not a substitute to recommendation 2.1 rather than a complementary action.

### 3.3 Expand the scope of the current TANCIS system

Although not relevant for this study (because the airport uses already the TANCIS system), the roll-out of the TANCIS system to all border stations should be expedited. Simultaneously, more border agencies should be connected to the TANCIS system to facilitate and foster cooperation and coordination of border agencies. It is recognized that connecting other agencies to the TANCIS is in many cases challenging because many have not introduced IT systems yet. However, this offers a unique opportunity to create first stepping stones for the introduction of a single window system.

### 3.4 Improve the current TANCIS infrastructure

During stakeholder consultations it became apparent that many users of the TANCIS experience frequent inaccessibility of the system. This can be attributed to downtime of the system and is exacerbated by power cuts and internet downtime. In such cases, no documents can be submitted and declarations uploaded. At many border stations, there are back-up generators, but still this causes many delays and introduces uncertainty in the supply chain. It is recommended that network operability as well as the supporting power infrastructure is strengthened to ensure that critical systems such as TANCIS are online and available 24/7.

### 3.5 Establish one-stop shops

Currently, exporters cover large distances between various government offices and logistics service providers to complete the different export steps as exemplified in the use case diagram in Figure 1. Government offices and logistics service providers are located across several locations. Getting from one office to the next is often challenging with the increased traffic congestion in major urban areas in Tanzania. The schedule must be carefully planned in order to manage opening hours of the different offices. Overtime is not possible in most cases and forms and other materials are not available online or require physical visits.

Physical One-Stop Shops (OSS) could be a solution in order to minimize the time wasted in traffic and reduce the distances travelled by exporters. Such OSS could be located in major industrial areas or key logistics services knots such as dry ports, the airport or in the town centre. Physical OSS can be implemented quickly and at relatively low cost. For example, in Burkina Faso the costs totalled only US$ 200,000 while in Azerbaijan it amounted to US$ 5 million. The reform in Azerbaijan took less than
a year, setting up the OSS less than 6 months and it continues saving businesses millions of US$ annually (World Bank and IFC, 2009).

The OSS should include all relevant stakeholders in order to fully reap the benefits. Although not conclusive, the use case diagram (Figure 1) provides an initial list of stakeholders that could be included. The impact of a functioning OSS is that it essentially eliminates most travel. Office hours can be streamlined to ensure availability of all services during regular business hours. In addition, an overtime policy should be considered because global trading operations do not necessarily stop when offices in Tanzania close. Other countries have benefited from offering this service for an additional “overtime fee” if requested a certain time in advance. For the implementation of such an OSS, the Ministry of Industry, Trade and Investment (possibly together with the TCCIA) should take the lead. However, other agencies, as appropriate, could take this role. In addition, the input and cooperation of all stakeholders would be required to fully take advantage of establishing an OSS.

4. Prioritization and options for implementation

The overarching objective of any trade facilitation program should be the reduction of cost and time to trade and increase the predictability of trade processes for the business community. Time to market is particularly important for this industry due to the highly perishable nature of fruit such as mango.

Implementing trade facilitation reforms can be challenging because of the large number of stakeholders involved and the different objectives of each stakeholder. High ownership among all stakeholders and support from highest political levels is often identified as the key to making a national trade facilitation reform project a success.

The following section provides a possible road map for the implementation of the above recommendations. It should be noted that these steps and necessary actions are not complete but represent an integral step towards a national, electronic single window. The approach consists of two distinct steps which are in brief described below:

4.1 Basic simplification of processes and procedures

The objective of the first step is to eliminate redundant procedures and simplify trade processes. The analysis of every process in this paper offers an ideal platform for discussion among policy makers, government agencies, and the private sector to identify and eliminate unnecessary steps. In addition, preliminary measures to introduce basic automation could help reduce the number of office visits required (i.e. via the submission of electronic documents, via making online or mobile payments), the number of days and/or costs it takes for processes to be completed.

As part of this step, the following recommendations should be implemented:

- Eliminate radiation-free certificate;
- Enhance trade information by providing trade information and forms online;
- Enable mobile and e-payments (including electronic payment receipts); and
- Link x-ray machines of security and customs.

These efforts do not require much technical expertise but rather the will of each organization to adapt and better serve its “customers”. Most measures can be obtained by reviewing the processes and procedures within only one agency. The above recommendations proposed under step 1 aim to reap the benefits of “low-hanging fruits” and thereby create a momentum for more advanced trade facilitation reforms.
4.2 Advanced delivery of government services

The second step aims to improve trade processes by enhancing existing systems or the introduction of new ones. System integration (i.e. combining the different IT systems of border agencies including risk management by all government agencies) should be considered. Those systems will enable better delivery of government services, increasing transparency in processes as well as making trade information more accessible. In addition, the proposed measures below have a significant human capacity building component which will require inter-agency cooperation across different levels. The following recommendations could be attempted in the third step:

- Introducing a trade portal;
- Improve dissemination of trade information;
- Expand the scope of the current TANCIS system;
- Improve the current TANCIS infrastructure; and
- Establish one-stop shops.

4.3 Recommendations to strengthen the supply chain and product quality

Strengthening the mango supply chain should complement the trade facilitation efforts. The recommendations below are not directly related to trade-facilitation but will have a significant impact on strengthening export competitiveness by i.e. reducing the quality of logistics services:

- Encourage the use of cold chain vehicles and other supply chain infrastructure; and,
- Expedited processing of perishable and other urgent cargo.

These recommendations mostly require investments in infrastructure and/or human capacity and are therefore long-term endeavours. Since many have a longer time-horizon to take effect, implementation should complement trade facilitation efforts by the government and be rolled-out simultaneously.

The time graph below provides an overview on how the implementation of the above measures may affect the time it takes to complete the export process. It should be noted that many of the recommendations made throughout the report will have an impact on the number of documents, the time or cost it takes to export mangoes from Tanzania by air. However, in many cases it is difficult to exactly quantify the impact (which may be underestimated in the time graph).
Figure 4: To be time chart for the export of mango to Dubai

<table>
<thead>
<tr>
<th>Process</th>
<th>Time in days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Conclude Sales contract</td>
<td>10 days</td>
</tr>
<tr>
<td>1.1.1 Conclude Sales contract</td>
<td>10 days</td>
</tr>
<tr>
<td>1.2 Obtain Letter of Credit</td>
<td>14 days</td>
</tr>
<tr>
<td>1.2.1 Obtain Letter of Credit</td>
<td>14 days</td>
</tr>
<tr>
<td>2.1 Arrange Transport (Air)</td>
<td>0.3 days</td>
</tr>
<tr>
<td>2.1.1 Arrange Transport (Air)</td>
<td>0.3 days</td>
</tr>
<tr>
<td>2.2 Obtain radiation certificate</td>
<td>Eliminated</td>
</tr>
<tr>
<td>2.2.1 Obtain radiation certificate</td>
<td>Eliminated</td>
</tr>
<tr>
<td>2.3 Arrange Transport (Land), prepare and transport cargo</td>
<td>2 days</td>
</tr>
<tr>
<td>2.3.1 Arrange Transport (Land), prepare and transport cargo</td>
<td>2 days</td>
</tr>
<tr>
<td>2.4 Obtain Certificate of Origin</td>
<td>0.3 days</td>
</tr>
<tr>
<td>2.4.1 Obtain Certificate of Origin</td>
<td>0.3 days</td>
</tr>
<tr>
<td>2.5 Obtain Phytosanitary Certificate</td>
<td>1 hour</td>
</tr>
<tr>
<td>2.5.1 Obtain Phytosanitary Certificate</td>
<td>1 hour</td>
</tr>
<tr>
<td>2.6 Obtain Cargo insurance</td>
<td>1 hour</td>
</tr>
<tr>
<td>2.6.1 Obtain Cargo insurance</td>
<td>1 hour</td>
</tr>
<tr>
<td>2.7 Screen cargo for security</td>
<td>0.2 hours</td>
</tr>
<tr>
<td>2.7.1 Screen cargo for security</td>
<td>0.2 hours</td>
</tr>
<tr>
<td>2.8 Obtain customs clearance and weighing cargo</td>
<td>0.3 hour</td>
</tr>
<tr>
<td>2.8.1 Obtain customs clearance and weighing cargo</td>
<td>0.3 hour</td>
</tr>
<tr>
<td>2.9 Verify cargo specifications</td>
<td>0.2 hours</td>
</tr>
<tr>
<td>2.9.1 Verify cargo specifications</td>
<td>0.2 hours</td>
</tr>
<tr>
<td>2.10 Finalize air freight documents</td>
<td>1 day</td>
</tr>
<tr>
<td>2.10.1 Finalize air freight documents</td>
<td>1 day</td>
</tr>
<tr>
<td>3.1 Conclude Payment</td>
<td>3 days</td>
</tr>
<tr>
<td>3.1.1 Conclude Payment</td>
<td>3 days</td>
</tr>
</tbody>
</table>

Assumptions:
- Cargo is ready to load at the exporter's premises
- Cash payment minimum one day (up to maximum 3 days)
Appendices

Appendix I: sector overview

Production of world tropical fruits has strongly increased in the past decade. During the period 2004-2014, there has been an annual increase of 1.7%. This production is now estimated to reach 82 million tons by the end of 2014. While 90% of these fruits are produced in developing countries, a large part of the fruits are exported to the developed countries, where the demand is increasing rapidly. The major tropical fruit produced and traded is mango. Studies indicate that mangoes account for 50% of the tropical fruits traded globally. In Tanzania, there is only one harvesting season which is from November through March of the following year. Other countries have the advantage of longer harvesting seasons enabling them to offer mangoes to the markets for a longer period. While this may be seen as an obstacle, it offers an opportunity for mango stakeholders to explore interventions for longer supply seasons.

Tanzania ranks 17th in world mango production with an annual production of more than 300,000 tons (Match Maker Associates, 2011). There are two kinds of varieties of mangoes in Tanzania:

1) Traditional/local varieties, and
2) Improved/exotic varieties.

The traditional varieties existed in the country for a long period of time; they include varieties like Dodo, Bolibo, Muyuni, Viringe and Bonyoa. Mainly small scale farmers grow these varieties without selecting the type.

The improved/exotic varieties which were introduced ten years ago include varieties like Apple, Keith, Kent, Alfonso, etc. They account for around 1% of the total production of mangoes in Tanzania and are mostly grown by medium and large scale farmers.

Nearly the whole production of Tanzanian fresh mango is sold in the local markets with some informal export activity. Tanzanian mangoes are exported to Kenya through the Holili border, and some export deals have been made with Dubai and several other Middle Eastern countries in the past. However, there are no records suggesting any official mango exports currently going out of Tanzania. In the past three years, the processing market has developed in Tanzania. The few processing companies process mango pulp which has a lucrative market in and out of the country. The mango export market in foreign countries offers several opportunities to the producing countries. However, export operations are challenging because each target market has its own requirements.
### Appendix II: “As-is” Business processing mapping

**Process 1.1 Conclude Sales Contract.**

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Conclude Sales Contract</td>
<td>5-14 days</td>
<td>US$ 150.00</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**

Incoterms

**Process participants**

- Exporter (or representative)
- Importer
- AMAGRO
- Banks
- Ministry of agriculture, livestock and fisheries

**Input criteria to enter/begin the business process**

- Importer has demand for mangoes
- Exporter has sufficient, export quality mangoes

**Activities and associated documentary requirements**

1.1.1 Importer request to buy mangoes from AMAGRO.
1.1.2 AMAGRO receives the enquiry for mangoes.
1.1.3 AMAGRO notifies its members of the enquiry for the export of mangoes.
1.1.4 The exporter (AMAGRO member) receives the enquiry for mangoes.
1.1.5 The exporter prepares mango samples to be sent to the importer.
1.1.6 The exporter obtains phytosanitary certificate for the samples (For detailed
1.1.7 The exporter contacts directly the importer and sends a product sample to the importer for quality and size consideration.
   If the importer does not agree with the mango size or quality the activity terminates.
   If the importer agrees with the mango size and quality, price negotiation starts.
1.1.8 The importer then requests for a sales contract from the exporter.
1.1.9 The exporter prepares the sales contract and a proforma invoice to the importer.
   If the importer disagrees, the importer may negotiate and ask for revised terms of the contract.
   If the importer accepts,
1.1.10 The importer confirms the intent to purchase by signing the sales contract, issuing a purchase order and request for opening of a letter of credit in favor of the exporter.
1.1.11 The importer’s bank in conjunction with the exporter’s bank open the letter of credit in favor of the exporter. (for detailed process refer to process 3.1)
1.1.12 Once the purchase order and a signed sales contract is received, and a letter of credit is opened, then the exporter prepares the mangoes for shipment.

<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>Purchase Order, a signed sales contract and a letter of credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete this business process</td>
<td>10 days for new customers 5 days for existing customers</td>
</tr>
</tbody>
</table>
Process 2.1 Arrange Transport (Air)

<table>
<thead>
<tr>
<th>2. SHIP</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of business process</td>
<td>2.1 Arrange transport (Air)</td>
<td>3 hours – 1 day</td>
</tr>
<tr>
<td>Related laws, rules, and regulations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process participants</td>
<td>• Exporter (or representative) • Airline (or representative)</td>
<td></td>
</tr>
<tr>
<td>Input criteria to enter/begin the business process</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Activities and associated documentary requirements | 2.1.1 Exporter books cargo space for the mango consignment directly at the airline or a representative/agent.  
2.1.2 The airline receives the booking request from the exporter. Depending on the availability of space requested on that specific date, the booking is either accepted or rejected. If it is rejected, the exporter can try to book on a different day.  
2.1.3 If the airline has accepted the booking, a quote for the fare will be sent to the exporter.  
2.1.4 The exporter receives the quote from the airline.  
2.1.5 Based on the quote, the exporter pays the airline in cash.  
2.1.6 The airline will receive the payment and issue the ticket.  
2.1.7 The exporter receives the ticket from the airline. |  
| Output criteria to exit the business process | Air waybill |  
| Average time required to complete this business process | 3 hours |
Process 2.2 Obtain Radiation Certificate

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2 Obtain Radiation Certificate</td>
<td>3 days</td>
<td>TZS. 35,000 (US$ 15.91)</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations:
- Atomic energy Act no.7, 2003
- Control of radioactivity contaminated foodstuff regulation 1998

Process participants:
- Exporter (or representative)
- Tanzania Atomic Energy Commission (TAEC)
- Bank

Input and criteria to enter/begin the business process:
- Commercial invoice
- Product sample
### Activities and associated documentary requirements

2.2.1 The exporter requests for a radiation certificate, attaching copies of necessary documents and product sample.
2.2.2 The Tanzania Atomic Energy Commission receives the request.
2.2.3 The Tanzania Atomic Energy Commission issues a payment order.
2.2.4 The exporter pays through bank.
2.2.5 The bank receives the payment.
2.2.6 The bank releases payment receipt.
2.2.7 The exporter takes the payment receipt to the Tanzania Atomic Energy Commission.
2.2.8 The Tanzania Atomic Energy Commission receives the payment and conducts radioactivity analysis.
   - If the analysis results are not acceptable, the Tanzania Atomic Energy Commission does not issue the certificate and the process is terminated.
   - If analysis results are acceptable, then
2.2.9 The Tanzania Atomic Energy Commission issues the radiation certificate.
2.2.10 The exporter collects the radiation certificate.

### Output criteria to exit the business process

| Radiation certificate |

### Average time required to complete this business process

| 3 days |
Process 2.3 Arrange Transport (Land), prepare and transport cargo

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>2.3 Arrange transport (land), prepare and transport cargo</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2 days</td>
<td>- 1 day TZS 100,000 (US$ 45.45) - 1 day TZS 50,000 (US$ 22.73)</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations

Process participants
- Exporter (or representative)
- Transporter

Input criteria to enter/begin the business process

Activities and associated documentary requirements
2.3.1 Exporter identifies a transporter who can safely carry the cargo from the farm to the collection center. The exporter then sends a request for transportation.
2.3.2 The transporter receives and order to take mangoes from the farm to the collection center from the exporter.
2.3.3 The transporter confirms availability of the appropriate van for the task and sends a price quotation for the service.
2.3.4 The exporter receives the quotation.
2.3.5 - If it is not acceptable, the exporter will try to
MANGO EXPORTS FROM TANZANIA

| Output criteria to exit the business process | • Transport arranged  
|                                            | • Cargo received  
|                                            | • Transporter received payment  |

| Average time required to complete this business process | 2 days  
|                                                        | 1 day from farm to collection centre  
|                                                        | 1 day from collection centre to airport |

- If it is acceptable, the exporter will make a down payment to the transporter in cash.
2.3.6 The transporter will receive the payment for mango transportation.
2.3.7 The transporter takes mangoes from the farm to the collection center.
2.3.8 The exporter receives mangoes at the collection center from the transporter.
2.3.9 The exporter pays the transporter the remaining payment in cash.
2.3.10 The transporter receives payment.
**Process 2.4 Obtain Certificate of Origin**

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>2.4 Obtain certificate of origin</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Bank</td>
<td>2.4.2 Execute payment</td>
<td>1 day</td>
<td>TZS 20,000</td>
</tr>
<tr>
<td>Exporter (or representative)</td>
<td>2.4.1 Make payment</td>
<td>1 day</td>
<td>US$ 9.09</td>
</tr>
<tr>
<td>Tanzania Chamber of Commerce Industries and Agriculture (TCCIA)</td>
<td>2.4.4 Request certificate of origin online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial invoice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment receipt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application form</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farm registration certificate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4.5 Receive request for certificate of origin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4.6 Scrutinize Documents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4.7 Interview the exporter</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Original</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not original</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tanzania Chamber of Commerce Industries and Agriculture (TCCIA)</td>
<td>2.4.8 Issue certificate of origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certificate of origin</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations:
- Exporter (or representative)
- TCCIA
- Private Bank

Process participants:
- Exporter (or representative)
- TCCIA
- Private Bank

Input criteria to enter/begin the business process:
- Commercial invoice
- Farm registration certificate
- Sales contract
| Activities and associated documentary requirements | 2.4.1 The exporter sends instructions to the bank to pay for the application to TCCIA.  
2.4.2 The Bank executes the payment to TCCIA as instructed by the exporter.  
2.4.3 The Bank stamps the payment receipt to confirm payment to TCCIA.  
2.4.4 The exporter requests a certificate of origin for the mangoes from TCCIA offices by completing the application form and attaching the necessary documents.  
2.4.5 The TCCIA receives the request from the exporter.  
2.4.6 The TCCIA scrutinizes the documents to establish the actual origin of the mangoes.  
2.4.7 The TCCIA does a random interview with the exporter to find out the origin of the mangoes.  
   If TCCIA is not satisfied with the proof provided, they do not issue a certificate of origin and the process is terminated.  
   If TCCIA is satisfied and believes that the mangoes originate from Tanzania, then  
2.4.8 TCCIA issues the certificate of origin to the exporter for the mango consignment.  
2.4.9 The exporter receives the certificate of origin. | TZS 20,000 (US$ 9.09) |
| Output criteria to exit the business process | Certificate of origin |
| Average time required to complete this business process | 1 day |
Process 2.5 Obtain Phytosanitary Certificate

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>2.5 Obtain phytosanitary certificate</th>
<th>1 hour</th>
<th>US$ 15</th>
</tr>
</thead>
</table>

Related laws, rules, and regulations

Process participants
- Exporter (or representative)
- Ministry of agriculture, livestock and fisheries
- Bank

Input criteria to enter/begin the business process
- Commercial invoice
- Packing list
- Mango samples
<table>
<thead>
<tr>
<th>Activities and associated documentary requirements</th>
<th>2.5.1 The exporter requests the phytosanitary certificate by completing the application form obtained from the plant quarantine inspector at the ministry of agriculture, livestock and fisheries. The application form and supporting documents are then submitted.</th>
<th>US$ 15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.5.2 The ministry of agriculture livestock and fisheries receives the request.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5.3 The plant quarantine inspector of the ministry of agriculture, livestock and fisheries records the application and calculates the phytosanitary services fees.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5.4 The ministry of agriculture, livestock and fisheries orders the exporter to pay the fees.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5.5 The exporter receives the payment order.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5.6 The exporter instructs the bank to pay the services fee. 2.5.7 The bank receives the payment order.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5.8 The bank executes the payment as advised by the exporter.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.5.9 The bank then issues the payment receipt and stamps it to confirm payment.</td>
<td></td>
</tr>
</tbody>
</table>
|  | 2.5.10 The plant quarantine inspector of the ministry of agriculture, livestock and fisheries conducts a physical inspection of the mangoes.  
   If the tests do not satisfy the criteria given for export, no phytosanitary certificate is issued and the process is terminated.  
   If the tests meet all criteria for export, then 2.5.11 The ministry of agriculture, livestock and fisheries issues the phytosanitary certificate for the mango consignment.  
   2.5.12 The exporter receives the phytosanitary certificate. |  |

<table>
<thead>
<tr>
<th>Output criteria to exit the business process</th>
<th>Phytosanitary certificate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average time required to complete this business process</td>
<td>1 hour</td>
<td></td>
</tr>
</tbody>
</table>
Process 2.6 Obtain Cargo Insurance

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.6 Obtain cargo insurance</td>
<td>1 hour</td>
<td>US$ 36.75 (0.5% of the value of the cargo)</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations

Process participants
- Exporter (or representative)
- Insurance broker

Input criteria to enter/begin the business process
- Commercial invoice
- Packing list
| Activities and associated documentary requirements | 2.6.1 The exporter requests insurance coverage from the insurance broker’s offices at the airport by completing the respective form and attaching necessary documents.  
2.6.2 The broker receives the insurance application form and attached documents from the exporter.  
2.6.3 The insurance broker calculates the insurance premium based on the value provided in the packing list and commercial invoice.  
2.6.4 The insurance broker sends a payment order to the exporter in the amount of the premium assessed.  
2.6.5 The exporter receives the payment order for the insurance premium.  
2.6.6 The exporter pays the insurance broker for the premium assessed.  
2.6.7 The broker receives the payment.  
2.6.8 The broker confirms receipt of the premium and issues the cargo insurance.  
2.6.9 The exporter receives the cargo insurance documents. | US$ 36.75 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output criteria to exit the business process</td>
<td>Cargo insurance</td>
<td></td>
</tr>
<tr>
<td>Average time required to complete this business process</td>
<td>1 hour</td>
<td></td>
</tr>
</tbody>
</table>
Process 2.7 Screen Cargo for Security

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7 Screen cargo for security</td>
<td>10-60 Minutes</td>
<td>No costs</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations

Process participants
- Exporter (or representative)
- Airport Police

Input criteria to enter/begin the business process
### MANGO EXPORTS FROM TANZANIA

| Activities and associated documentary requirements | 2.7.1 The exporter takes the mango consignment for the mandatory security check at the airport.  
2.7.2 The Police receives the mango consignment.  
2.7.3 The Mango boxes are passed through the security scanners for security checks  
2.7.4 The Police picks samples of some few boxes and opens them to check the mangoes for any unauthorized dangerous items.  
If any prohibited items are found in the consignment, the exporter is apprehended for further legal actions and the consignment is condemned.  
If no any security threats is found in the consignment, the security stamp is put in the consignment documents.  
2.7.5 The Police tags the consignment to indicate that it has passed the security checks and hands over the consignment to the exporter for the next step.  
2.7.6 The exporter takes the consignment for the next step but without going back beyond the security checkpoint. |
| Output criteria to exit the business process | Security clearance tags |
| Average time required to complete this business process | 10 Minutes |
Process 2.8 Obtain Customs Clearance and Weighing the Cargo

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>2.8 Obtain Customs clearance and weighing the cargo</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related laws, rules, and regulations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process participants</td>
<td>• Exporter (or representative)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Tanzania Revenue Authority (TRA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Input criteria to enter/begin the business process</td>
<td>• Commercial invoice</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Packing list</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Certificate of origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Phytosanitary certificate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Radiation certificate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Airway bill</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Insurance document</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Activities and associated documentary requirements | 2.8.1 The exporter submits all necessary documents to the Tanzania Revenue Authority for Customs clearance.  
2.8.2 The TRA officials receive the documents and consignment ready for clearance.  
2.8.3 The TRA officials verify the documents for their authenticity and also against the mango consignment.  
2.8.4 The TRA officials screen the consignment for any undeclared cargo.  
If they find any serious problem in the consignment they hand it over to the police for further legal action.  
If the consignment is without a problem, then  
2.8.5 The TRA officials weigh the consignment.  
2.8.6 The TRA officials exempt the consignment from paying any duties since it is export of mangoes.  
2.8.7 TRA records the trade volume.  
2.8.8 The TRA officials prepare the release order.  
2.8.9 The documents together with the mango consignment are handed back to the exporter.  
2.8.10 The exporter receives the consignment and documents. |  |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Output criteria to exit the business process</td>
<td>Release order</td>
</tr>
<tr>
<td>Average time required to complete this business process</td>
<td>1 day</td>
</tr>
</tbody>
</table>
Process 2.9 Verify Cargo Specifications

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.9 Verify cargo specifications</td>
<td>10-30 Minutes</td>
<td>No costs</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations

Process participants
- Exporter (or representative)
- Airline

Input criteria to enter/begin the business process
- Commercial invoice
- Packing list
- Insurance
- Certificate of origin
- Phytosanitary certificate
### Activities and associated documentary requirements

| 2.9.1 | The exporter submits all necessary documents to the airline. |
| 2.9.2 | The airline receives the documents and consignment ready for verification. |
| 2.9.3 | The airline staff verifies the documents for their authenticity and also against the cargo. |
| 2.9.4 | The airline staff weighs the cargo. |
| 2.9.5 | The airline staff tags the consignment with an identification tag. |
| 2.9.6 | The airline staff hands the documents to the exporter. The cargo is loaded onto the aircraft. |
| 2.9.7 | The exporter receives the documents. |

### Output criteria to exit the business process

- Air waybill
- Cargo identification tag

### Average time required to complete this business process

15 Minutes
### Process 2.10 Finalize Airfreight Documents

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.10 Finalize Airfreight Documents</td>
<td>1 day + 3 days</td>
<td>US$ 135</td>
</tr>
</tbody>
</table>

**Related laws, rules, and regulations**

**Process participants**
- Exporter (or representative)
- Importer
- Exporter’s Bank
- Importer’s Bank
- (Courier)

**Input criteria to enter/begin the business process**
- Commercial Invoice
- Packing list
- Insurance document
- Airway bill
- Certificate of origin
- Phytosanitary certificate
- Radiation certificate
- Release order
| Activities and associated documentary requirements | 2.10.1 The exporter submits all export documents to the exporter’s bank. |
| | 2.10.2 The exporter’s bank receives the documents from the exporter. |
| | 2.10.3 The exporter’s bank dispatches the documents to the importer’s bank. |
| | 2.10.4 The importer’s bank receives the documents. |
| | If the requirements are not met, the importer’s bank sends the documents back for rectification to the exporter’s bank. |
| | If the requirements are met, |
| | 2.10.5 The importer’s bank hands over the documents to the importer. |
| | The importer’s bank processes the payment. |
| | The exporter’s bank receives the documents back (if the requirements are not met). |
| | 2.10.6 The importer receives the documents. |
| | The exporter’s bank receives the payment. |
| | The exporter receives the bank for rectification from the exporter’s bank (if the requirements are not met). |
| | 2.10.7 The exporter’s bank notifies the exporter about the payment. |
| | 2.10.8 The exporter receives the payment. |
| Output criteria to exit the business process | • Documents received by the importer. |
| | • Payment received by the exporter. |
| Average time required to complete this business process | • 1 day for finalizing the documents |
| | • 3 days to complete the payment (see also process 3.2) |
| | US$ 135.00 |
Process 3.1 Open Letter of Credit

<table>
<thead>
<tr>
<th>Name of business process</th>
<th>3.1 Open letter of credit</th>
<th>Lead Time (Max-Min)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>14 days</td>
<td>US$ 150.00</td>
</tr>
</tbody>
</table>

Related laws, rules, and regulations

Process participants

- Exporter (or representative)
- Exporter’s bank
- Importer’s bank
- Importer

Input criteria to enter/begin the business process

Commercial invoice
| Activities and associated documentary requirements | 3.1.1 The importer requests his bank to open the letter of credit in favor of the exporter by filling in the application forms and attaching to it the Commercial Invoice. 3.1.2 The Importer's bank receives the letter of credit application form and the attached documents from the importer. 3.1.3 The Importer's bank evaluates the line of credit of the importer for the letter of credit application. If the letter of credit amount is below the line of credit, then the Importer's bank will issue the letter of credit without any additional assurance. If the letter of credit amount is above the line of credit (or the Importer's bank doubts the creditworthiness), the bank may demand the full amount plus related charges to be deposited as a security. 3.1.4 The importer deposits the full amount plus letter of credit charges with the Importer's bank. 3.1.5 The Importer's bank receives the money deposited by the importer. 3.1.6 The Importer's bank gives out the draft letter of credit and sends it to the Exporter's bank in the country of the exporter. 3.1.7 The Exporter's bank receives the draft letter of credit. 3.1.8 The Exporter's bank reviews the draft letter of credit for its authenticity. If the draft does not correspond with the terms in the commercial invoice, the exporter will reject the draft letter of credit and sends it back to the Importer's bank to make amendments. If the draft corresponds with the terms in the commercial invoice, the Exporter's bank approves the draft letter of credit and 3.1.9 The Exporter's bank forwards the draft letter of credit to the exporter for review and approval. 3.1.10 The exporter reviews the draft letter of credit. 3.1.11 If the letter of credit terms are not acceptable, the importer amends the draft letter of credit and submits it to the Importer's bank (see process 3.1.6). If the letter of credit terms are acceptable, the importer approves the draft letter of credit and submits to the Importer's bank. 3.1.12 The Importer's bank issues the letter of credit. 3.1.13 The Importer's bank informs the Exporter's bank that the letter of credit is ready. 3.1.14 The Exporter's bank informs the exporter that the letter of credit is ready. 3.1.15 The exporter receives the information about the letter of credit being ready. | US$ 150.00 |
| Output criteria to exit the business process | Open letter of credit |
| Average time required to complete this business process | 14 days |  |  |
Bibliography

Ksoll, C.; Aung Khin Myint; Thein Gi Lwin (December 2013). Export of Rice and Mango, and Import of Palm oil in Myanmar, Final Report.


The United Republic of Tanzania Ministry of Industry and Trade. Harmonized cargo clearance Guidelines: A simple guide to clearance of cargo across Tanzania’s borders

