United Republic of Tanzania

Key indicators

Population (million)	47.7
GDP ($ billion)	46.2
GDP per capita ($)	969
Share of world GDP (PPP$, %)	0.1
Current account surplus/deficit, share of GDP (%)	-8.2
Tariff preference margin (percentage points)	6.8
Imports and exports (goods and services), share of GDP (%)	51.0
Services exports, share of total exports (%)	37.6
Geographic region	Africa
Development group	LDC
Income group	Low income

SME Competitiveness Grid Summary

Average scores [0-100]		Compete	Connect	Change
FIRM CAPABILITIES	Small	37.4	**9.2**	26.3
	Medium	46.1	24.1	47.9
	Large	**59.4**	**74.1**	**75.9**
	All	40.3	**13.4**	36.8
IMMEDIATE BUSINESS ENVIRONMENT		34.4	43.9	24.4
NATIONAL ENVIRONMENT		40.5	21.3	22.7

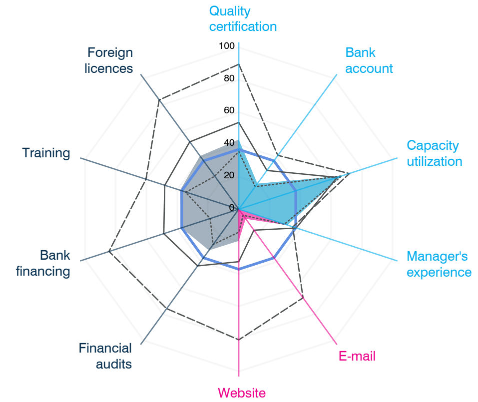
Reference level: 37.0 (a function of GDP per capita $)

Strengths are scores above: 55.6 | **Weaknesses are scores below: 18.5**

SME Competitiveness Grid

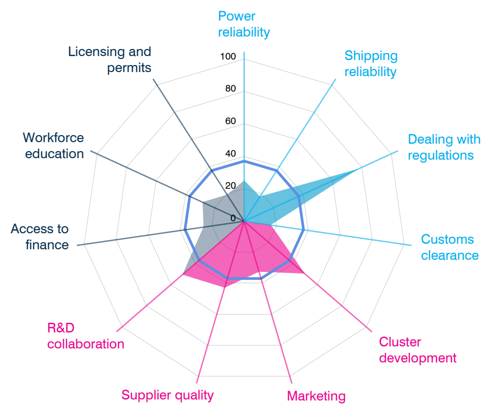
FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	35.7	53.7	**89.7**	43.1
Bank account	**17.3**	29.7	41.2	19.7
Capacity utilization	**66.9**	**63.9**	**71.9**	**66.6**
Manager's experience	29.7	37.3	35.0	31.6
Connect				
E-mail	**4.4**	**15.9**	**67.5**	**7.3**
Firm website	**14.0**	32.3	**80.6**	19.5
Change				
Audited financial statement	26.9	43.2	**75.6**	31.3
Investment financed by banks	**18.5**	48.7	**84.3**	37.1
Formal training programme	34.5	48.1	**60.2**	38.2
Foreign technology licences	25.3	51.5	**83.5**	40.8



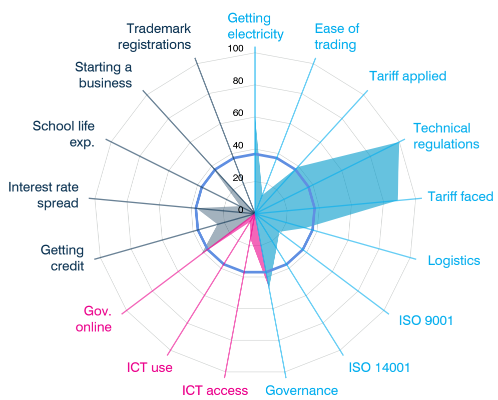
IMMEDIATE BUSINESS ENVIRONMENT (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	25.4	23.8	26.9	25.1
Domestic shipping reliability	**15.8**	33.9	26.1	**18.0**
Dealing with regulations	**79.3**	**73.0**	**66.7**	**77.6**
Customs clearance efficiency	-	**12.9**	**12.5**	**16.7**
Connect				
State of cluster development				49.6
Extent of marketing				32.6
Local supplier quality				42.9
University-industry collaboration in R&D				50.6
Change				
Access to finance	26.0	22.7	31.6	25.5
Access to educated workforce	30.1	23.1	22.4	28.3
Business licensing and permits	20.9	**13.0**	34.4	19.4



NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	**59.9**
Ease of trading across borders	**12.4**
Applied tariff, trade-weighted average	39.2
Prevalence of technical regulations	**99.8**
Faced tariff, trade-weighted average	**88.9**
Logistics performance index	32.5
ISO 9001 quality certificates	18.8
ISO 14001 environmental certificates	25.2
Governance index	47.1
Connect	
ICT access	**16.1**
ICT use	**5.9**
Government's online service	42.0
Change	
Ease of getting credit	24.3
Interest rate spread	36.7
School life expectancy	**10.4**
Ease of starting a business	42.3
Patent applications	-
Trademark registrations	**0.0**



Compete   Connect   Change

Reference level   Small   Medium   Large

Note: Scores range from 0 to 100, with higher score indicating a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.
Source: World Bank Enterprise Survey (2013) for firm level data; for other sources and methodology see Annex.

Tanzania is a low income country located in East Africa with a population of 47.7 million and GDP of $46.2 billion. Goods and services account for 62.4% and 37.6% of exports, respectively.

ITC's export diversification analysis for goods finds that diversification opportunities for Tanzania's exports lie in fresh and processed food, and raw and processed agro-based products. ITC identifies *wood in chips, bovine cuts, ground-nut oil,* and *lentils dried or shelled* as top products for diversification.

Existing export products also have increased export potential. Estimates from ITC's export potential analysis suggest that this is the case for a range of products in the nuts, textiles and coffee sectors. *Cashew nuts* have strong expansion opportunities to non-OECD countries.

The SME Competitiveness Grid reveals that Tanzania's national environment performs well on trade policy-related variables like tariffs and regulations, but underperforms on business licensing. The national environment also underperforms in the connectivity pillar, and this is reflected in small and medium-sized firms' poor use of internet tools. These connectivity constraints, however, do not apply to large firms. Firms of all sizes achieve good scores on capacity utilization, but only a few small firms have investments financed by banks or a bank account.

Diversification opportunities

		Rank				Development indicators		
Product description	Product code	World	Sub-Saharan Africa	non-OECD	OECD	Price stability	SME presence	Women employed
Wood in chips, non-coniferous	440122	2	34	7	1			
Bovine cuts boneless, frozen	020230	4	4	3	10			
Ground-nut oil, crude	150810	6	68	6	3			
Lentils dried, shelled, whether or not skinned or split	071340	7	8	4	11			
Soya-bean oil crude, whether or not degummed	150710	8	3	5	32			
Bovine edible offal, frozen	020629	9	6	8	48			
Technically specified natural rubber (TSNR)	400122	10	15	12	4			
Lobsters frozen, in shell or not, including boiled in shell	030612	12	20	14	6			
Natural rubber in other forms	400129	13	7	11	27			
Aluminium unwrought, not alloyed	760110	14	16	15	5			

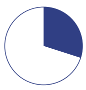
Unrealized potential: Existing export products

			Value of unrealized potential exports ($ million)			Development indicators			
Product description	Product code	Exports ($ million)	Sub-Saharan Africa (0–500)	non-OECD (0–500)	OECD (0–500)	Price stability	SME presence	Women employed	Technology
Cashew nuts, in shell, fresh or dried	080131	174.2							
Sesamum seeds, whether or not broken	120740	150.2							
Furnishing articles, of textile materials, knitted or crocheted	630491	65.1							
Cotton, not carded or combed	520100	128.3							
Twine, cordage, ropes and cables, of sisal textile fibres	560729	17.9							
Coffee, not roasted, not decaffeinated	090111	168.6							
Dried pigeon peas and other leguminous vegetables, shelled	0713Xb	67.2							
Cloves	0907	48.2							
Copper unrefined, copper anodes for electrolytic refining	740200	65.4							
Cocoa beans, whole or broken, raw or roasted	180100	30.2							

Note: Products listed are top 10 in decreasing order of their **unrealized export potential** to the world. **Exports** reflect the average value over 2010-2014. **Development indicators:** green reflects performance above a country's trade-weighted mean; red the opposite. **Technology:** green indicates sectors that use technology above a country's median; red the opposite. Products that are not yet exported but have high export potential and enhance the country's technology level are listed in the **Diversification opportunities** table. These opportunities are indicated by each product's **rank,** i.e. the lower the number, the higher is the probability of the country diversifying into this product. Blank spaces indicate data are not available.

Source: ITC Export Potential Assessment http://exportpotential.intracen.org, covering goods (services not included).

Imports subject to regulation



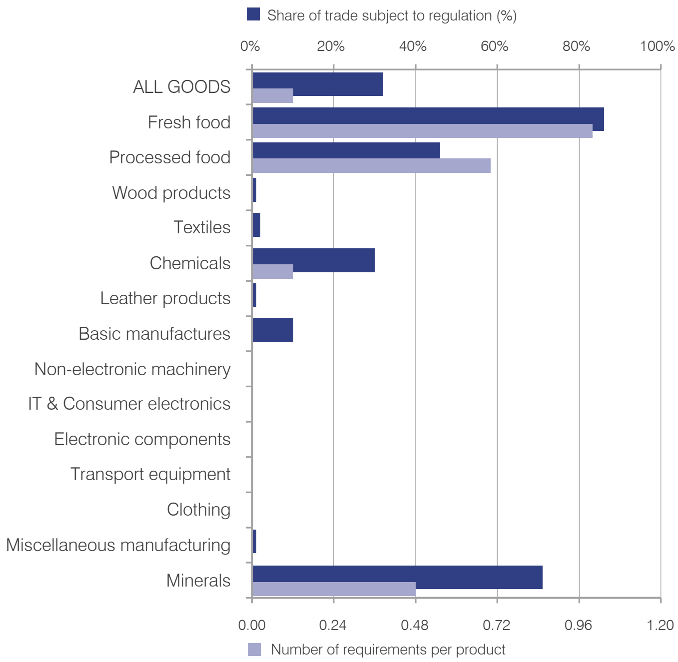
31.9%

Requirements per imported product

0.09

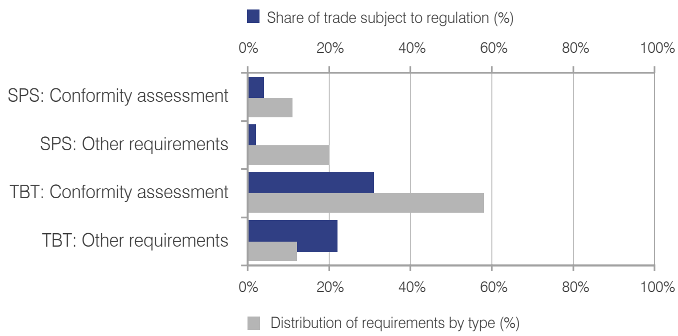
Regulatory environment by sector

Import regulations



Regulatory environment by requirement

Import regulations



Note: Requirements are based on the number of regulations and types of measures. Statistics are based on 23 technical regulations.

Source: ITC-UNCTAD-WB joint data collection, 2011. More data is available at www.macmap.org.

The business perspective on technical regulations

Key obstacles for small firms

Importing firms

Technical regulations: 41% of reported problems

Main procedural obstacle: Time constraints

Exporting firms

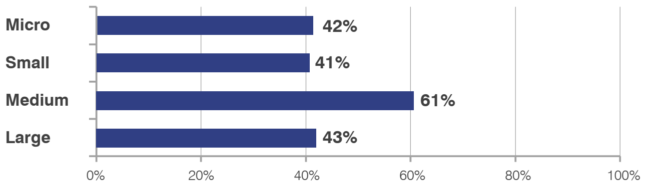
Technical regulations: 30% of reported problems

Main procedural obstacle: Time constraints

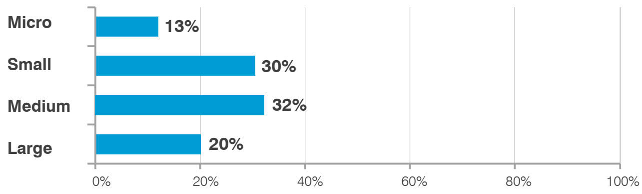
Main regulatory obstacle: Export inspection

Share of problems by company size

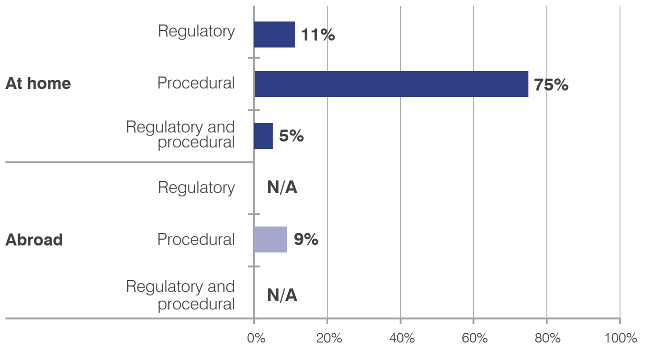
Importing firms

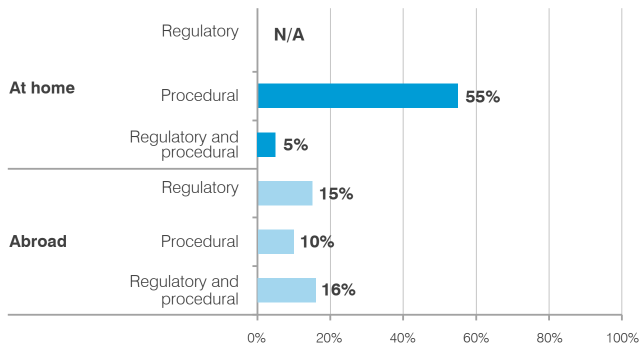


Exporting firms

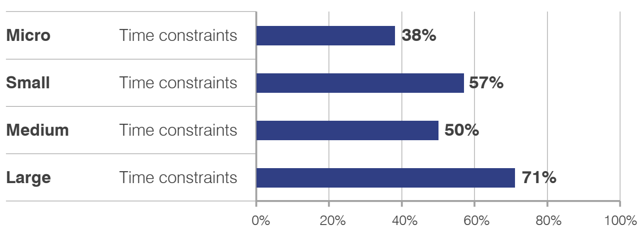


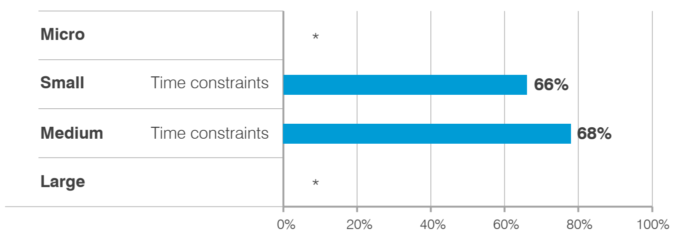
Obstacles at home and abroad



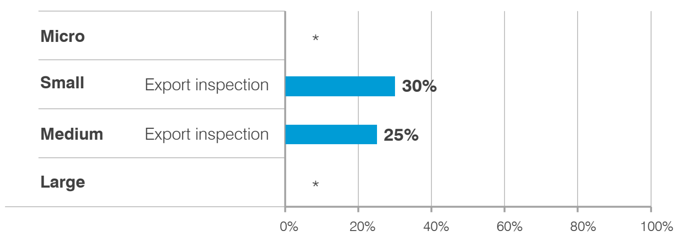


Main procedural obstacle





Main regulatory obstacle



Note: Low frequency data (<5 observations): indicated by an asterisk (*). N/A: "not reported".

Source: ITC Business Surveys on NTMs, http://ntmsurvey.org/tanzania. Survey field work ended in 2013, with 504 companies in phone interviews. Of those, 373 companies (74%) reported facing regulatory or procedural trade obstacles. Of firms contacted by phone, 224 also gave face-to-face interviews.