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Tanzania SMEs growth impresses EU

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Dar es Salaam, Oct. 8 -- THE European Union (EU) has hailed speedy growth of Small and Medium-sized Enterprises (SMEs) in Tanzania, pledging support for the country to reach out to new markets.

EU Ambassador to Tanzania and the East African Community (EAC), Mr Manfredo Fanti, who visited Med Food Arusha at its Njiro site, said the management deserves praise and the EU will continue collaborating with Tanzania in supporting SMEs.

Med Food Arusha is a spices producer that has been operating since 2007 and has developed production of 26 varieties of spices, ranging from Spanish paprika, tea masala to cloves powder and nutritious flour.

It supplies its products to the Tanzanian market and exports part of them to other EAC partner states, particularly Kenya.

Ambassador Fanti pledged support to ensure that the company and other SMEs produce quality and certified products so that they could access abroad markets, but will also see to it that they access new finances to improve themselves.

"Med Food Arusha is exemplary; they deserve praise and the EU will go on supporting them to achieve more success and reach out to new markets so that they can export their products that will be certified to meet international standards. It is also necessary that we see they get new finances to move on," said the envoy.

He divulged that the bloc is working with the government of Tanzania, the public and private sector, as well as the East African Business Council (EABC) and that their relations have been constructive. More support will be addressed to farmers so that they produce quality crops to meet international standards, promised the EU envoy.

The EU is working with SMEs by funding them through the Market Access Upgrade Programme (MARKUP) and works closely with the EAC. It started funding Med Food Arusha last year. Through the **International Trade Centre (ITC)**, has improved the capacity of the company for accessing finance, developing export strategies and improving quality.

Med Food Arusha General Manager, Mr Robert Likwawa said the company is improving in performance and is happy with the available market and how people have responded since its establishment. It gets its raw materials from farmers' groups across the country. He was thankful to the EU, **ITC** and MARKUP for the great support.

The Senior Regional Technical Advisor at **ITC**, Mr Safari Fungo, said the cooperation will ensure SMEs improve qualities of their products, and it supports them in financial management, accessing export markets, branding, labeling and packaging, as well as removing trade barriers.

He unveiled that only 10 per cent of SMEs have access to finance, especially in the agricultural sector, despite a reported access to liquidity in local banks.

Under the component, the focus is on improving firms' financial literacy - good business and financial management, accounting and business planning, records keeping, pricing and costing, taxation and available financial sources, and thereafter linking them with financial facilities.

Med Food Arusha Founder and Owner, Ms Joyce Mmari said they sell between 2.5 tonnes of spices per month to supermarkets in the country and export cereal products, particularly nutritious flour to Kenya.

In recent years, the government of Tanzania has created a conducive environment to encourage farmers to increase production and improve quality of spices for exportation. In the Northern Zone, reliable transportation of fragile products through Kilimanjaro International Airport (KIA) remains intact to its quality and market needs.

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