

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/LLDC/W/14
14 September 1984

Limited Distribution

Sub-Committee on Trade
of Least-Developed Countries
18-19 October 1984

AD HOC CONSULTATIONS BETWEEN INDIVIDUAL LEAST-DEVELOPED COUNTRIES AND THEIR TRADING PARTNERS

United Republic of Tanzania

Note by the Secretariat

Table of Contents

	<u>Page</u>
<u>INTRODUCTION</u>	3
<u>BASIC ECONOMIC DATA</u>	3
<u>CHAPTER I. GENERAL ECONOMIC BACKGROUND</u>	7
1. Structure of the economy	7
2. Development Planning and Strategies	15
<u>CHAPTER II. EXTERNAL SECTOR</u>	21
1. Foreign Trade	21
2. Balance-of-Payments	30
3. Export Development	34
<u>CHAPTER III. TRADE REGIME AND COMMERCIAL POLICY</u>	45
1. Import Regime	45
2. Export Regime	47
<u>CHAPTER IV. TARIFF AND NON-TARIFF MEASURES AFFECTING EXPORTS OF TANZANIA IN SELECTED DEVELOPED COUNTRIES</u>	48
<u>ANNEX I:</u>	51
Non-Tariff Measures maintained by some developed countries on products of export interest to Tanzania	53
<u>ANNEX II¹:</u>	
Information on Tariff and Trade Flows	

¹ Being issued as an addendum to this document.

List of Tables

		<u>Page</u>
1.	Volume of officially marketed production of principal export crops and marketed production of food crops, 1970/71-1982/83	8
2.	Known mineral deposits by industrial growth zone	10
2a.	Mineral output, 1978-1980	11
3.	Mining projects	12
4.	Selected levels, capacity utilization, and indices of the volume of manufacturing production, 1975-82	13
5.	Production and future plans for selected industries	14
6.	Government Investment Allocations 1976-1983/84	18
7.	Composition of Exports (1981-1983)	22
8.	Exports of the United Republic of Tanzania and their markets (1981)	23-26
9.	Contribution of manufactured exports to total exports, 1970-1980	27
10.	Composition of Imports 1972-1983	29
11.	Destination of Exports, 1979-1983	31
12.	Sources of imports 1979-1983	32
13.	Summary Balance-of-Payments 1980-1982	33
14.	Project profiles for short and medium-term industrial production	41-44

INTRODUCTION

1. The decisions taken at the 1982 Ministerial meeting of the CONTRACTING PARTIES regarding GATT and developing countries included, in paragraph 3(g) of the Annex to the Declaration, the proposal to "give more emphasis to the discussion and examination of policy issues of interest to least-developed countries in the context of further efforts to liberalize trade".

2. In order to implement this and other decisions the Committee on Trade and Development at its forty-ninth session accepted a proposal that the Sub-Committee on Trade of Least-Developed Countries should (a) monitor the implementation of those aspects of the Ministerial Declaration which concern least-developed countries; and (b) hold consultations between interested least-developed countries and their respective trading partners on issues related to their development and export interests, including the examination of barriers to their trade and other relevant commercial policy matters. The Sub-Committee on Trade of Least-Developed Countries at its meeting on 25 May 1983 endorsed these proposals and adopted procedures for their implementation.

3. It is suggested that in the ad hoc consultations the Sub-Committee seek to identify the major problems faced by an individual least-developed country in expanding and diversifying its exports, and discuss possible solutions to these problems. Contracting Parties would thus benefit from a further clarification of issues involved and a clear understanding of the nature of the difficulties faced in its trade.

4. The attached country study prepared by the secretariat is designed to serve as a basic document for the consultations with the United Republic of Tanzania. The country study contains basic economic data on the United Republic of Tanzania, a description of its economy and export sector, its trade regime and commercial policy as well as data on identified tariff and non-tariff measures affecting its exports.

BASIC ECONOMIC DATA

Area: Mainland: 363,000 sq.miles; Zanzibar: 1,020 sq.miles;
Total: 364,020 sq.miles (945,100 sq.kms.)

Population: Total: 19.2 million (1982 estimates);
Growth rate: 3.4 per cent;
Density: Mainland - 20.3 per sq.km; Zanzibar - 187 per sq.km.
Ratio of urban population: Mainland - 10.8%; Zanzibar - 25%

National Income and Employment

GNP (at market prices 1981): US\$5260 million (mainland) (IBRD Atlas 1983)

GNP per capita (at market prices 1981): US\$280 (mainland) (IBRD Atlas 1983)

GDP (at current factor cost 1982): T Sh 42,190 million

Gross Domestic Product at Factor Cost by Industrial Origin

(At Current Prices)

(Million shs.)

Industry	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	Percentage Change 1981/82
1. Agriculture, Hunting, Forestry & Fishing	3,491	4,020	4,539	5,440	7,007	9,389	13,370	15,719	16,792	18,332	20,476	21,722	+ 6.1
2. Mining & Quarrying	128	95	131	128	101	107	134	120	176	207	175	162	- 7.4
3. Manufacturing	947	1,144	1,260	1,482	1,774	2,349	2,777	2,968	3,808	4,034	3,935	3,924	- 0.3
4. Electricity and Water Supply	91	97	109	116	146	185	224	240	281	432	217	515	+ 137.3
5. Construction	496	468	609	682	735	712	866	921		1,376	1,776	1,720	- 3.2
6. Wholesale & Retail Trade Restaurants and Hotels	1,098	1,284	1,505	1,913	2,172	2,351	3,012	2,959	3,118	3,386	3,296	3,183	- 3.4
7. Transport, storage and Communications	793	860	1,017	1,282	1,453	1,618	1,808	1,776	1,884	2,075	2,182	2,093	- 4.1
8. Finance Insurance (Real estate and business services)	930	1,048	1,170	1,409	1,650	1,878	2,204	2,787	3,278	3,703	4,260	5,032	+ 18.1
9. Public administration and other services	1,016	1,172	1,335	1,786	2,204	2,441	2,684	2,748	2,834	3,481	4,206	4,793	+ 14.0
10. Less Imputed Bank Services	134	156	185	228	254	388	501	680	828	850	901	954	+ 5.9
11. G.D.P. of factor cost	8,856	10,032	11,490	14,010	16,988	20,642	26,578	29,657	32,572	35,276	39,622	42,190	+ 5.9

Source: Bureau of Statistics (Economic Survey 1982).

GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGIN

(AT 1966 PRICES)

(Million shs)

Industry	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	Percentage Change 1981/82
1. Agriculture, Hunting, forestry and Fishing	3,166	3,425	3,458	3,315	3,596	3,772	4,104	4,328	4,357	4,560	4,184	3,819	- 8.7
2. Mining and Quarrying	152	119	97	88	73	95	104	70	81	69	74	72	- 2.7
3. Manufacturing	784	850	888	900	903	1,063	1,162	1,104	1,244	1,048	761	568	- 25.4
4. Electricity and Water Supply	96	106	114	122	139	136	147	168	193	212	218	232	+ 6.4
5. Construction	306	402	418	413	392	360	358	347	406	419	504	479	- 5.0
6. Wholesale & Retail trade Restaurants and Hotels	972	990	1,039	1,068	1,074	1,092	1,181	1,127	1,170	1,166	1,107	989	10.7
7. Transport storage & communication	814	869	905	958	977	1,033	1,170	1,217	1,187	1,284	1,317	1,350	+ 3.1
8. Finance Insurance Real Estate and Business Services		831	867	925	941	957	997	1,034	1,070	1,111	1,148	1,194	+ 4.0
9. Public Administration and other services	952	1,071	1,157	1,362	1,581	1,790	1,986	2,013	2,107	2,313	2,673	2,907	+ 8.8
10. Less Imputed Bank Service Charges	115	124	137	140	143	134	146	153	158	168	174	183	+ 5.2
11. GDP at factor Cost	8,001	8,539	8,400	9,020	9,533	10,163	11,061	11,253	11,667	12,014	11,812	11,435	- 3.2
12. Subsistence Production Agriculture, Hunting, Forestry and Fishing	1,644	1,805	1,833	1,799	2,029	2,097	2,302	2,632	2,644	2,246	2,847	1,592	- 13.8
13. Construction	58	60	61	63	64	66	68	70	71	73	75	77	+ 2.7
14. Owner-occupied dwellings	521	536	551	568	584	602	648	638	657	676	696	719	+ 3.3
15. Total subsistence Production	2,223	2,401	2,446	2,430	2,677	2,765	2,988	3,340	3,372	2,995	2,618	2,368	- 8.8
16. Total Monetary Production	5,778	6,138	6,355	6,590	6,856	7,398	8,073	7,879	8,259	9,019	9,194	9,047	- 1.6
17. Total Prod. (Subsistence + Monetary)	8,001	8,539	8,800	9,020	9,533	10,163	11,061	11,219	11,667	12,014	11,812	11,435	- 3.2

Source: Bureau of Statistics (Tanzania)

EMPLOYMENT BY MAJOR INDUSTRIAL DIVISIONS

1979 - 1982 TANZANIA MAINLAND

S E C T O R	E M P L O Y M E N T				
	(1) 1979	(1) 1980	(2) 1981	(2) 1982	Percentage Change 1981/2
Agriculture	127,970	130,979	129,550	137,449	+ 6.1
Mining and Quarrying	5,859	5,900	7,020	7,231	+ 3.0
Industry	107,097	105,803	114,234	118,234	+ 4.0
Construction	50 555	48,650	49,778	51,377	+ 3.2
Water and Electricity	19,786	19,542	21,060	21,460	+ 1.9
Commerce	40,047	38,096	37,653	38,030	+ 1.0
Transport and Communications	55,476	58,319	59,350	60,166	+ 1.4
Finance	12,311	13,920	15,316	16,900	+10.3
Community Services	177,667	181,984	204,217	229,170	+12.2
TOTAL	596,768	603,193	638,178	676,017	+ 5.7

Source: Bureau of Statistics (Economic Survey 1982)

(1) Amended Estimates

(2) Provisional Estimates

Tanzania: Summary Balance of Payments, 1977-82

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
<u>Balance of payments</u>	<u>(In millions of U.S. dollars)</u>				
Trade balance	-680	-573	-710	-572	-526
Exports, f.o.b.	(464)	(514)	(511)	(528)	(373)
Imports, c.i.f.	(-1,144)	(-1,087)	(-1,221)	(-1,100)	(-899)
Services (net)	27	37	19	70	17
Private transfers (net)	23	29	22	24	22
Current account	-630	-507	-669	-478	-487
Government transfers	143	146	268	294	292
Medium- and long-term borrowing	140	167	144	219	76
Central Government	(99)	(138)	(113)	(170)	(53)
Other	(41)	(29)	(31)	(49)	(23)
Suppliers' credits (net)	—	57	61	101	1
Other capital movements and errors and omissions	56	21	-7	-129	-9
SDR allocations	—	7	7	6	—
Overall balance	-291	-109	-196	13	-127
Monetary movements	291	109	196	13	127
Arrears (decrease -)	65	91	147	-8	108
Net foreign assets (increase -)	226	18	49	-5	19

Source: Data provided by the Tanzanian authorities; and IMF estimates.

Tanzania: Scheduled Debt Service Profile, 1980-86 ^{1/}

(In millions of U.S. dollars)

	1980 ^{2/}	1981 ^{2/}	1982	1983	1984	1985	1986
Total debt service payments	129.3	123.7	159.0	254.0	265.8	255.3	253.7
Of which: Fund charges and repurchases	38.9	38.2	35.0	35.2	30.6	17.3	5.2
Exports of goods and services	689.9	723.1	488.4	...	...	...	...
Debt service ratio (in per cent)							
Excluding Fund	13.1	11.8	25.4	...	...	...	...
Including Fund	18.7	17.1	32.6	... ^{3/}	...	...	...
Memorandum item:							
External debt outstanding (disbursed only)	2,128.2	2,393.7	2,145.8	1,957.9	1,758.1	1,558.9	1,360.7
Outstanding arrears	303.2	295.5	402.7 ^{4/}				

Sources: Data provided by the Tanzanian authorities; IMF Treasurer's Department; and IMF estimates.

^{1/} On account of the outstanding debt as of end-1982. Excludes short-term debt.

^{2/} Represents actuals.

^{3/} On the basis of staff estimates of exports of goods and services, the debt service ratio is estimated to rise in 1983 to 58 per cent; on the slightly more optimistic export forecasts of the Tanzanian authorities, the debt service ratio is estimated to rise to 48 per cent.

^{4/} Includes US\$15 million of arrears to the Fund with respect to CF overcompensation.

Main export products (as % of total exports - 1981)

- Coffee, unroasted (27.4); raw cotton (14.0); sisal (5.9); diamonds (9.6); nuts, i.e. coconuts, Brazil nuts, cashew nuts, raw, etc. (10.9); animal feeding stuff (2.2); cloves (9.1); tobacco, unmanufactured (3.3); tea (3.6); dry leguminous vegetables (2.6); textile yarn and fabrics (2.5); meat and meat preparations (0.5); manufactured tobacco (0.5); hides, skins, furs, etc. (0.5); oilseeds, nuts and kernels (0.6); salt (0.6)

Main export markets (as % of total market - 1981)

- EEC [(45.0); Germany, F.R. (16.0); UK (15.0); Netherlands (4.7); Italy (4.5); Bel.-Lux. (0.6); Denmark (2.1); France (0.7)]; Japan (2.8); Indonesia (6.6); US (3.6); Hong Kong (6.2); USSR (1.5); Switzerland (1.4); Singapore (3.2); India (6.8); Yugoslavia (1.8); Algeria (4.8); Mozambique (0.5); Burundi (1.2); Uganda (1.8); Rwanda (0.5)

Main import products (as % of total imports - 1981 Prel.)

- Capital goods 48% (of which transport equipment 12%); intermediate goods 34% (of which fuel 21%); consumer goods 8%; food 10%

Main sources of imports (as % of total import trade - 1981)

- EEC[(45.3); UK (15.2); Germany, F.R. (10.8); Netherlands (6.1); Italy (4.5); France (2.1); Bel.-Lux. (3.4)]; Japan (12.0); US/Canada (7.2); Hong Kong (0.4); India (3.0); Sweden (3.1); CMEA countries (1.2); China (1.8); Kenya (1.1); Iran, Saudi Arabia, Kuwait, Iraq (3.0)

Exchange Rates (average rates)

- 1977 T sh 8.27 = 1 US\$
- 1978 T sh 7.69 = 1 US\$
- 1979 T sh 8.25 = 1 US\$
- 1980 T sh 8.19 = 1 US\$
- 1981 T sh 8.29 = 1 US\$
- 1982 T sh 9.33 = 1 US\$
- 1983 T sh 11.26 = 1 US\$

CHAPTER I. GENERAL ECONOMIC BACKGROUND

1. The United Republic of Tanzania, with a total area of some 945,100 sq.km. has a total population of around 19.2 million, (1982 estimates) growing by 3.4 per cent per annum. The urban population accounts for 13 per cent of the total population. The gross national product (GNP) for the mainland was estimated at US\$5,260 million in 1981; and per capita GNP was US\$280. Some other general features of the economy of Tanzania, including the composition of the GDP are indicated in the basic data above.

1. Structure of the Economy

Agriculture

2. Agriculture plays a major role in the economy of Tanzania, accounting in 1982 for about 40 per cent of the total GNP and some 80 per cent of export earnings, while about 80 per cent of the country's labour force is engaged in agriculture. Processing of agricultural raw materials and food products is the main basis of the country's manufacturing effort and the agricultural population is also an important market for the goods and services produced in the industrial sector. The main food crops grown in the country are maize, sorghum, rice, millet, bananas, cassava and wheat. Cotton, coffee, sisal, tea, tobacco, pyrethrum, groundnuts and cashew nuts are the main cash crops on the mainland. In Zanzibar and Pemba, cloves and coconuts are the major cash crops. Table 1 gives a fairly detailed picture of the evolution of agricultural production in Tanzania. Over the past few years there has been a substantial fall in the production of most of the major food and cash crops except in the case of tea, tobacco and coffee. The fall in agricultural production has had a negative effect on governmental revenues, industrial production and on export volumes and consequently on the balance-of-payments situation of the country. The numerous factors underlying the fall in agricultural production apart from adverse climatic factors range from inadequate pricing policies, fluctuating world prices, shortage of inputs and trained manpower, processing and marketing problems to the well-known bottlenecks such as inadequate storage, handling and transportation facilities. Far from becoming self-sufficient in food, the decline in agricultural production has resulted in Tanzania becoming an importer of food products thus aggravating the balance-of-payment situation.

Table 1

Tanzania: Volume of Officially Marketed Production of Principal
Export Crops and Marketed Production of Food Crops, 1970/71-1982/83^{1/}

	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1970 weight in value of production
<u>Volume (in thousands of tons)</u>														
Export crops														
Cotton	77.7	65.7	76.7	65.0	70.9	41.9	67.6	52.4	55.8	58.6	58.6	44.5	42.9	25.8
Coffee	49.7	52.4	47.5	42.4	52.1	55.4	48.7	51.5	51.8	47.9	67.5	51.3	53.8	29.5
Steel	202.0	181.0	155.0	143.0	143.0	124.0	114.0	105.0	92.0	81.0	86.0	72.0	61.0	16.9
Tea	8.5	11.6	13.3	12.3	13.9	13.0	15.2	18.5	17.6	17.4	17.3	15.9	17.6	6.8
Cashew nuts	111.2	126.4	125.6	143.3	117.5	82.4	96.8	68.5	57.1	41.1	64.0	43.2	32.2	13.6
Pyrethrum	2.3	4.3	4.0	3.3	4.7	4.2	3.6	3.7	2.2	1.6	1.9	1.0	1.6	1.6
Tobacco	12.0	13.1	12.7	18.3	18.2	14.2	18.5	17.1	17.1	16.9	16.8	16.2	13.6	5.8
Index	100.0	95.9	92.4	87.8	85.0	71.6	77.9	68.1	64.7	59.5	70.9	55.7	51.5	
Food crops														
Maize	186.4	43.0	106.4	73.8	23.9	91.1	148.7	204.4	222.5	160.4	104.5	85.4	68.7	...
Paddy	93.6	68.6	73.1	59.6	22.7	16.1	18.9	43.7	43.4	40.6	15.0	16.6	23.0	...
Wheat	43.0	56.7	46.8	27.9	14.4	24.5	35.6	36.5	27.5	26.6	27.9	23.1	30.9	...
Cassava	...	...	14.3	18.9	17.8	17.4	20.9	36.0	63.2	43.9	7.5	9.2	18.7	...
Porghum	...	...	0.6	1.7	1.9	2.9	10.1	31.8	58.4	20.6	10.5	10.3	4.5	...
Singer millet	...	...	0.3	2.4	2.5	2.2	11.4	22.3	24.1	15.5	1.2	0.2	0.5	...

Sources: Ministry of Planning, The Economic Survey, 1981; National Milling Corporation; and the MDB.

1/ For export crops, quantities of coffee, cotton, cashew nuts, and tobacco are for crop years beginning in the year indicated; the rest are for calendar years. For food crops, data relate to crop year July/June beginning in the year indicated.

^{2/} Purchases by the National Milling Corporation.

3. Tanzania has abundant livestock resources capable of not only satisfying the country's domestic requirements in meat and meat products but also of forming the basis for a major export development. Livestock-based exports include canned meat, cattle hides, goat skins, leather footwear, leather handbags, suitcases and other leather goods.

4. Tanzania also produces a fairly considerable amount of sea and freshwater fish in its sea and inland waters but it is consumed domestically and only a small amount is available for exports. Currently Tanzania is a net importer of fish but there exists a considerable potential for exports if the country's fish resources - both freshwater and sea, are fully exploited. Exports of fish which reached a total value of 15 million Tanzanian shillings in 1971 have dwindled to only 3.6 million shillings in 1978.

5. Although about 43 per cent of the total land area of Tanzania is classified as forest, it is the type of forest which has very little growing stock and a low density of commercial species. Some amount of wood processing is done, mainly in the form of sawnwood, plywood, particle board and fibre board production, however, exports of wood products are not of any major significance.

Mining

6. Tanzania is endowed with a fairly wide range of minerals of which only the following are being exploited seriously: diamonds, gold, salt, coal, iron-ore, gypsum, mica, kaolin and gemstones. Exports of diamonds accounted for about 9.6 per cent of total exports in 1981 and in 1982 minerals accounted for about 11 per cent of total export earnings. Projects for a more intensive exploitation of gold, coal, gemstones, salt, phosphate etc. are well advanced or under implementation in some cases. A substantial quantity of natural gas has been discovered along the coast and further exploration and exploitation of the known deposit is being planned. The Government's overall policy in this sector seems to give priority to (a) minerals used by the basic local industries, e.g. limestones, clay and sands; (b) foreign exchange earners or savers like diamonds, gold and coal as fuel substitutes for oil; (c) mineral industries with linkage possibilities like iron, chemical industries and coal. Table 2a gives the list of known mineral deposits by industrial growth zone, Table 2b shows recent production figures while Table 3 outlines mining projects under implementation or study.

Manufacturing sector

7. The manufacturing sector plays a fairly important role in the economy of Tanzania. Including handicrafts this sector contributes about 9.2 per cent of the GDP, contributes quite substantially to the employment of labour and accounts on the average for about 19 per cent of total exports. The industries in this sector, as have been developed in the past few decades can be classified into four main groups: (a) import substituting light industries producing mass consumption goods mostly for the local market e.g. cigarettes, breweries, soft drinks, textiles, shoes, etc.; (b) agricultural processing i.e. cotton ginneries, grain milling, sisal processing, cashew processing, sugar factories, oilseed crushing, tanneries, meat canning, etc.; (c) agricultural intermediates i.e. fertilizer, metal cans, tyre manufacturing, farm implements; and (d) few

large-scale industries i.e. cement factories, oil refinery, steel-rolling mill, paper and pulp, and vehicle assembly. As Table 4 shows, industrial production has not shown any appreciable growth in volume over the past decade and in many cases there have been substantial falls in production partly due to falls in agricultural production. This sector suffers from low labour productivity and under-utilized capacity, due, among other things, to lack of foreign exchange for the importation of raw materials and other inputs; deficient project planning and prolonged running-in periods for new industries; lack of effective incentives for improving factor productivity. Production and future plans for selected industries are shown in Table 5. The share of manufactured exports declined from 22 per cent in 1971 to only 13 per cent in 1977 and 14 per cent in 1978. Thereafter it has increased and constituted 19 per cent of all exports in 1981 (see Table 7 in Section II below). This trend is however not likely to continue due to the problems mentioned above.

Table 2

Known minerals deposits by industrial growth zone, Tanzania

Zone	Mineral
1. Dar es Salaam	Salt, beach sands, kaolin, quarries, glass sand, calcite, lime/limestone.
2. Northern Zone	Gemstones, magnesite, lime, copper, ruby, meerschau, quarries, salt, gypsum, opal, saltpeter, soda ash phosphates, amethyst, aquamarine, sepiolite bentonite beryl, corundum, garnet, moonstone, topas, tourmaline, turquoise, zoisite, emerald.
3. Lake Zone	Diamonds, gold, quarries, tin, wolfram, salt
4. Uhuru Corridor	Coal, mica, gold, quarries, salt vermiculite, iron, sapphire, uraninite
5. Central Zone	Mica, lime, salt, quarries, chrysoprase, zircon, gypsum, haematite, pitchblende, scapolite
6. Southern Zone	Salt, beach sands, gypsum, copper, kaolin quarries, travertine, uranium, lead, guano

Table 2a
Mineral output in Tanzania, 1978-1980

		Unit			1980
1. Diamonds	Mwadui (STAMICO)	gms	59,161.	53,253	22,356 ^{a/}
2. Gold	Lupa (STAMICO)	gms	10,999	8,775	9,397 ^{a/}
3. Salt	Nyanza Salt (STAMICO)	mt	20,541	24,527	23,263
	H.J. Stanley		7,841	3,802	4,187
	LIDECO		2,315	2,142	3,442
	Limingu Prison		1,443	950	624
	Other private		6,468	6,043	9,123
4. Calcite	Kioo Ltd.,	mt	2,956	1,657	3,091
	Other private		158	175	60
5. Amethyst ^{b/}	Private	mt	n.a.	836	n.a.
6. Garnet ^{b/}	Private	gms	8,920	145,008	7,273
7. Gypsum	Private/Saruji	mt	20,205	9,952	n.a.
8. Tourmaline	Private	mt	333	1,066	6,431
9. Lima/lime-stone	Private	mt	5,129	6,111	3,078
10. Ruby ^{b/}	Private	mt	13,850	21,770	14,666
11. Felspar	Private	mt	n.a.	941	n.a.
12. Scapolite	Private	gms	n.a.	100	n.a.
13. Zirkon	Private	kgs	417	n.a.	1,000
14. Mica	Private	lbs	14,859	18,925	2,476
15. Coal	Ilima	mt	7,000	7,000	7,000
16. Tin concentrate		mt	0.8	12	n.a.
17. Meerschaum	STAMICO		n.a.	n.a.	n.a.
18. Kaolin	Pugu, STAMICO	mt	2,500	3,000	4,000

Source: Ministry of Mining, Geology and Mines Division, Dodoma, and STAMICO, March 1981; UNIDO/IS.293

a/ January-July 1980

b/ Gemstone.

Table 3

Projects under implementation

Project	Location	Remarks
1. Buck Reef Gold	Geita, Mwanza	Commissioned to start in 1981. Mining capacity 70,000 tons annually. Lifetime about 12 years.
2. Coastal Salt	DSM and Mtwara	Commissioning 1982. Planned annual production 80,000 tons of salt.
3. Minjugu Phosphate	Lake Manyara, Arusha	Production planned for 1982. About 100,000 tons concentrate of soft ore.
4. Mpanda Gold	Mpanda	Small-scale mining to start in 1981/82. 800 grams per annum.
5. Saza Gold	Mpanda	Small-scale mining to start in 1981/82.
6. Gemstones (Tanzania Project)	Merelani between Moshi and Arusha	Project has started.
Projects under study		
1. Coal	Songwe Kiwira	Implementation 1981/82
2. Coal	Mchuchuma, Njombe	Pre-feasibility study is ready. Further studies to follow. 700,000 tons a year.
3. Kilwa Gypsum	Kilwa, Lindi	Geological investigation is ready. Project engineering still to be done.
4. Soda Ash	Lake Natron	Plans for a pilot plant with 10,000 tons capacity. UNDP to assist in engineering.
5. Pugu Kaolin	Kisarawe Coast	Reserves about 20 million tons. Planned annual capacity about 200,000 tons.
6. Chambogo Magnesite	Chambogo	Pre-feasibility study is completed. Problem is financing.
7. Iron Ore	Chunya and Liganga	Liganga expected to start operation before 1995.

Source: STAMICO, March 1981; UNIDO/IS.293 of 10 February 1982.

Table 4

Tanzania: Selected Levels, Capacity Utilization, and Indices of the Volume of Manufacturing Production, 1975-82

Commodity	Unit	Volume										Indices (1975 = 100)					Capacity utilization 1982 (per cent)
		1975	1976	1977	1978	1979	1980	1981	1982 1/	1976	1977	1978	1979	1980	1981	1982 1/	
Consumer Goods																	
Cigarettes	millions	3,511	3,678	4,013	4,292	4,153	4,735	3,865	4,693								
Beer	1,000 liters	64,264	69,419	74,108	81,458	75,155	63,928	64,252	64,189								
Textiles	1,000 eq. meters	87,435	82,716	78,869	72,932	85,070	93,123	96,133	86,275								
Shoes	1,000 pairs	2,700	3,689	6,331	6,363	4,310	4,135	2,444	2,228								
Batteries	1,000 pieces	50,301	57,870	64,664	70,914	71,436	79,248	78,006	73,227								
Intermediate goods																	
Cement	1,000 metric tons	266	244	247	250	299	306	390	314								
Rolled steel	metric tons	9,298	10,500	11,912	16,423	17,900	18,414	16,473	12,104								
Iron sheets	metric tons	25,617	25,943	27,506	30,183	29,985	17,322	10,105	16,044								
Aluminum	metric tons	3,247	3,446	4,005	4,048	4,030	4,010	4,460	3,132								
Other																	
Flaxnets	metric tons	210	248	528	470	532	211	125	64								
Fertilizers	metric tons	59,327	42,146	36,886	44,443	45,384	50,852	69,029	13,662								
Petroleum products	1,000 metric tons	719	746	621	535	561	588	481	505								
Steel ropes and twines	metric tons	25,492	42,377	36,535	31,423	37,911	31,616	13,246	20,595								
										105	114	122	11	135	110	134	66
										108	117	127	11	99	100	100	71
										95	90	81	9	95	110	99	58
										137	234	236	16	153	91	86	36
										115	128	141	14	157	155	146	76
										92	93	94	11	115	147	166	70
										113	128	177	19	198	177	130	40
										101	107	118	11	68	39	63	47
										106	123	125	12	123	137	96	35
										118	251	223	25	100	60	30	11
										71	62	75	7	86	116	23	13
										104	86	74	7	82	67	70	67
										166	143	123	14	124	52	81	41

Sources: Bank of Tanzania, Economic and Operations Report, various issues; and data provided by the Tanzanian authorities to the IMF.

1/ Provisional.

Table 5
Production and future plans for selected industries

Industry	ISIC No.	Units	Physical production		Installed capacity 1980	Planned Production 1985	Demand (local)	
			Average production 1973-1979	1980			1980	1985
1. Sugar	3118	000 mt		123	176	230,000	207	304
2. Cashew processing	3121	000 mt		22	41		n.a.	n.a.
3. Beer	3133	000 litres	75,000	64,000	103,000	208,500	119,680	275,000
4. Tobacco	3140	000,000 pieces	4,000	4,900	7,200	7,200	5,300	n.a.
5. Sisal spinning	3215	000 tons	-	n.a.	5,500	n.a.	n.a.	n.a.
6. Textiles	3211	000 m	84,000	84,000	160,000	222,000	157	172
7. Clothing (garment)	3220	000 pcs		288	1,500	n.a.	n.a.	n.a.
8. Foot wear	3240 3559	000 pairs	4,400	5,300	14,900	14,860	n.a.	n.a.
9. Leather	3231	000 m ²		14,000	34,400	34,400	n.a.	n.a.
10. Wood products	331	000 m ³		105	280		n.a.	n.a.
11. Fertilizers	3512	000 mt	46	54	145	n.a.	n.a.	n.a.
12. Petroleum refining	3530	000 mt	617	566	750	1,600	779	1,028
13. Paints	3521	000 litres		1,400	5,600			
14. Soap and detergent	3523	000 mt		50	-		204	232
15. Plastic products	3560	m. tons		430	11,200			
16. Tyres	3551	000 numbers			540		748	101
17. Glass	3620	m.tons			23	44	58	101
18. Ceramics	36	000 mt			-	2,400	1,310	1,520
19. Cement	3622	000 mt	264	326	1,100	1,350	958	1,449
20. Iron and steel	3710	000 mt		52	125	125	165	269
21. Aluminium	3720	000 mt	3.8	4.0	12	12	n.a.	-
22. Metal fabricatopm	3800- 42	000 mt	n.a.	2.5			8.5	1,300
23. Motor vehicles	384	Nos.		1,107	4,500	12,020	18,000	22,000

Sources: Ministry of Industries, budget speech, Bureau of Statistics, TISCO various reports and estimates; UNIDO/15.293

2. Development planning and strategies

8. The basic tenet of Tanzania's socio-economic development has been founded on the Arusha Declaration of 1967 whose main elements are the pursuit of policies designed to promote socialism and self-reliance, in other words policies which recognized the need for avoiding excessive and undue inequalities of income and wealth among the people, and the need for economic independence in order to harness the newly won political independence. In agricultural and rural development this has meant a vast programme of resettling the rural population, representing over 85 per cent of total population in "Ujamaa" villages; and in industry and commerce it has meant a large degree of State intervention and participation.

Planning

9. The five-year development plan is the basis of investment planning in Tanzania. Implementation of the development plan is effected presently through annual development plans - otherwise called Annual Budgets.

10. The most recent of these plans prepared exclusively for the mainland was the Third Five-year plan which covered the period of July 1976 to June 1981 and was aimed broadly at raising the standard of living, promoting self-reliance, developing forms of economic activity which encourage collective and cooperative effort, and promoting cooperation with other African States.

11. In agriculture the basic objectives of the Plan were to achieve a high degree of self-sufficiency in food production and expand the production of basic cash crops such as sisal, cotton, cashew nuts, tobacco, sugar cane, coffee, tea, both for the local processing industries and for export. In Zanzibar the Plan aimed at diversifying into cash crops such as tobacco, pepper and other spices and thus relieve its narrow reliance on clover and coconut. The development of fishing and village afforestation were also considered in the Plan.

12. The industrial section of the Third Five-Year Plan was the first phase of a twenty-year industrial plan. Attention was devoted first to improving capacity utilization in existing plants, secondly, to completing the implementation of projects at various development stages, and thirdly, to commencing the implementation of the long-term industrial plan.

13. The Third Five-Year Plan was to have been followed by the First Union-Fourth Tanzania Mainland Five-Year Development Plan 1981/82 - 1985/86 which exists in a draft form and which should have been the first phase of a Long-Term Programme for 1981-2000. It was jointly prepared between the Tanzania mainland and Zanzibar. In preparing the programme, account was taken of all the development activities that took place under all the previous development plans. The strategy for industrial development under the Union Plan took into account the Long-Term Industrial Strategy Plan 1975-1995 whose implementation commenced with the Third Five-Year Development Plan, and the industrial plan targets did not in principle deviate from the targets of the preceding Plan as outlined above. The basic objectives and strategies for the agriculture sector also did not deviate much from those set in the Third Five-Year Plan.

14. Although the strategy of implementing the Union Five-Year Plan 1981/82 - 1985/86 did not differ from the one used in the Third Five-Year Plan, greater attention was to be paid to improving the planning and monitoring of project implementation as well as setting acceptable standards for evaluating performance at all stages.

Long-Term Industrial Development (1975/1995) -
The Basic Industry Strategy (BIS)

15. Industrial development in Tanzania is currently based on a Long-Term Industrial Plan spanning the period 1975-1995, the main objectives of which are to effect fundamental structural changes within a context of self-reliance. This strategy is different from the previous emphasis on processing for export or developing import-substituting industries. The long-term industrial plan has the following goals:

1. To restructure the industrial sector through the following activities:
 - (a) establish export-oriented industries to earn foreign exchange which will supplement agricultural exports;
 - (b) establish industries to produce consumer and capital goods;
 - (c) establish industries and workshops for spare parts manufacture, tools, machine parts, etc. to enhance self-reliance and provide an efficient home market base for the iron and steel industry;
 - (d) establish basic industries such as iron/steel, coal, chemicals and construction materials industries;
 - (e) promote small-scale industries which are flexible, easy to establish and require simple technology. This will decentralize productive enterprises to districts and villages where most consumers reside. The goal is for the small-scale industries to strengthen and become integral parts of regional, district and village economic activities.
2. To increase efficiency and improve capacity utilization in existing industries.
3. To expand employment and training opportunities for employees.
4. To decentralize industries to the Regions.
5. To establish and expand industrial services in research consultancy and technology transfer.

16. The Basic Industry Strategy, in practical terms, provides for industries which meet the basic needs of people, such as food processing, textiles, clothing, footwear, and building materials. With basic consumption needs increasingly met from local production, the strategy selects additional activities which can use local resources to supply these

industries with more and more of their required inputs. Metal products manufacture is given priority in order to service supply machinery and equipment and in turn the development of the iron and steel industry is supported to supply both metal fabrication and construction industries. Similarly, glass, ceramics, cement, plastic products, leather and wood products, paper, printing, chemicals, fertilizers, and petroleum industries are all to be developed, either to supply agriculture and the basic consumer goods industries of Tanzania or to supply intermediate goods industries which in turn supply agriculture and consumer goods industries.

Current Development Plans and Strategies (See Table 6 for Government Investment Allocations 1976-1983/84)

17. The beginning of the implementation of the Third Five-Year Plan coincided with the emergence of very serious economic difficulties for the country, some of which were global in origin. The second round of oil price increase, increase in the prices of manufactured imports, coupled with the fall in the prices of Tanzania exports resulted in unprecedented balance-of-payment crises for the country, particularly in 1981. Other negative factors which were specific to Tanzania, included two successive bad crop years, the cost of the Kagera War and the burdens resulting from the break-up of the East African Community.

18. The first major attempt by the Government to deal with the economic crisis was the formulation of the National Economic Survival Programme (NESP) in 1981, whose main objective was to mobilize domestic resources to the maximum possible. A Second National Programme for Economic Survival 1982 was followed in the same year by a National Food Strategy. As a follow-up to these efforts, the Government, with the help of an Independent Advisory Group, prepared a Three-Year Structural Adjustment Programme (SAP) (1982/83 - 1984/85). The main objectives of which have been the following:

- (a) reduce the rate of inflation through adjusting the government budget to levels that are consistent with the growth of national economy;
- (b) achieve balance-of-payments adjustment so as to alleviate the existing extreme foreign exchange scarcity and the consequent domestic production capacity under-utilization;
- (c) achieve an increase in the productivity of parastatal enterprises and improvement in public sector management;
- (d) maintain the already achieved equity in income distribution as well as the provision of social services and other basic needs to the majority of the population.

The programme has been set out in two parts, a macro-economic part consisting of measures meant to strike a better balance in the economy, reduce inflationary pressures and provide the environment in which the external payments situation could be improved. The second part, envisaged the adjustment process as a continuing process and identified a number of areas where additional policies for the longer term should be formulated in coming years. In a summary form, the main elements of the Structural Adjustment Programme (SAP) on which a proposed action programme has been based consist of:

Table 6

Tanzania: Government Investment Allocations, 1976-1983/84

(In millions of Tanzania shillings)

	1976-81 ^{1/}	Per cent	1981/82	Per cent	1982/83	Per cent	1983/84	Per cent
Directly productive	9,175	43.1	2,829	42.7	1,878	39.0	2,192	43.0
Agriculture and livestock	2,880	13.5	966	14.6	636	13.2	1,210	23.7
Industry	4,864	22.9	1,863	28.1	1,242	25.8	982	19.3
Economic infrastructure	6,387	30.0	2,167	32.7	1,747	36.3	1,715	33.6
Water	1,448	6.8	131	2.0	303	6.3	413	8.1
Power	1,272	6.0	277	4.2	248	5.2	286	5.6
Transport and communications	3,664	17.2	1,759	26.6	1,196	24.8	1,016	19.9
Social infrastructure	2,427	11.4	868	13.1	581	12.1	668	13.1
Administration and services	3,279	15.4	757	11.4	609	12.6	525	10.3
Total	21,267	100.0	6,622	100.0	4,815	100.0	5,100	100.0

Sources: Third Five-Year Plan; and Ministry of Planning.

^{1/} Third Five-Year Plan, 1976-81.

- (a) improved incentives and support for exporters of both traditional and non-traditional products;
- (b) priorities for cutbacks and future composition of government expenditure;
- (c) controls over parastatal finances, to limit their burden on the budget and monetary system;
- (d) improvement of decision-making in allocation of foreign exchange;
- (e) measures to improve parastatal efficiency;
- (f) liberalization of inter-regional trade in agricultural and consumer goods and rationalization of pricing;
- (g) measures to rationalize and increase the efficiency of the industrial sector and to promote industrial exports;
- (h) measures to increase the capacity and efficiency of the transport system;
- (i) measures to economise on energy and to expand alternative domestic supply.

Sectoral objectives and strategies of the SAP

Agriculture

19. In the agriculture sector, the structural adjustment programme is focussing on the following objectives and targets:

- (a) expand export earnings by restoring the volume of traditional agricultural exports and raising the volume of output of cashews, coffee, cotton and tobacco;
- (b) reduce the foreign exchange cost of agricultural production;
- (c) reduce food imports through increased national maize reserve, etc. and handling capacity to ensure overall food security;
- (d) improve the agricultural marketing system and thereby reduce the fiscal and monetary strains arising from inefficiency;
- (e) ensure a secure and reasonably priced food supply for consumers and adequate incentives and opportunities for producers to expand their incomes;
- (f) restore agricultural infrastructure to the standards of the early 1970's and ensure its maintenance.

In order to achieve these objectives the sector programme will:

- (a) provide agricultural inputs and incentive goods to farmers, and rehabilitate processing facilities;

- (b) provide inputs and spare parts for agriculture-related manufacturing and for transport;
- (c) introduce differential regional food crop prices;
- (d) apply minimum producer and maximum consumer prices to a reduced limited range of food crops;
- (e) improve price formulation and linkage with overall short-term planning;
- (f) improve the operations of existing major agricultural marketing institutions.

Parallel to the implementation of the aspects of the structural adjustment programme related to agriculture there has been a major overall review of agricultural policies on the basis of the World Bank's Agricultural Sector Report and on the basis of the report of a Presidential Task force on the National Agricultural Policy. This review of agricultural policies culminated in the publication of a government White Paper in March 1983 entitled The Agricultural Policy of Tanzania. The recommendation in the White Paper in effect laid out the guidelines for a long-term development strategy for this sector. The Paper recognizes the paramount importance of agriculture to the Tanzanian economy and among the important changes to be introduced are those related to land tenure and land use. Long-term leases are to be the norm, in order to encourage farmers to bring about needed land improvement. Private medium and large-scale commercial farms will be assisted to expand their contribution to Tanzania's foreign exchange earnings and raw material output. The White Paper stressed the urgent need to improve the efficiency of agricultural marketing and in this regard one of the major changes envisaged is the re-establishment of co-operative societies at the village, regional and national levels. Export crops will still be exported by crop authorities, except that large commercial producers will be allowed to do their own marketing. Another major issue discussed in the White Paper is that of appropriate pricing policies for the country's agricultural products.

Industrial Sector of the SAP

20. The objectives of the industrial sector component of the Structural Adjustment Programme are to (a) increase the supply to the domestic market of basic consumer goods for the urban and rural sectors, of imports for agriculture, and of incentive goods to encourage cash crop production, (b) reduce the import content of industrial production, (c) generate a much higher level of industrial exports; (d) minimize demands on the balance-of-payments for the expansion of industrial capacity; (e) maximize revenue generating potential from incremental production.

21. With reference to the export promotion component of the industrial sector programme the main aim is to tackle the fundamental problems inherent in this sector and double industrial exports over the three-year period; this involves the identification of specific export possibilities which would generate significant amounts of net foreign exchange earnings, and deal with bottlenecks in achieving specific targets. A more effective set of policy instruments will be prepared to provide incentives for, facilitate, and underpin industrial export promotion. In this respect the most important single objective would be to streamline and consolidate

procedures, controls and incentives currently under the responsibility of a number of government agencies, including the Ministry of Industries, the Treasury, the Ministry of Trade, the Bank of Tanzania (BOT), the Board of External Trade (BET), and others. The industrial sector programme currently gives priority to the rehabilitation of existing capacity rather than the establishment of new production units.

CHAPTER II. EXTERNAL SECTOR

1. Foreign trade

Exports (See Tables 7 and 8)

22. Tanzania's export structure is somewhat more diversified than for most other African countries, yet it continues to be dominated by seven traditional primary products - coffee, cotton, cloves, tea, sisal, cashews and tobacco. These still account for more than two-thirds of total export earnings. Only tea exports have risen consistently since the mid-1960's, sisal and cotton have steadily declined, cashews and tobacco have been falling from their peaks of the mid-1970's, and coffee and cloves have been fluctuating around a stagnant trend. Rising domestic consumption has reduced the quantity of tobacco and cotton available for export. The disappointing performance of Tanzania's major primary exports generally reflects the declining production of cash crops, caused by falling overall productivity owing to producer prices lagging behind world prices and domestic costs movement in relative prices in favour of food crops vis-a-vis export crops in the mid-1970's; diversion of supplies into unofficial channels; neglect of crops; and, finally, inadequate allocations of foreign exchange to meet the basic import requirements of the agricultural sector and of the supporting infrastructure for processing and transport. The shortage of inputs and spare parts is said to be compounded by weaknesses in organization, management and operations of the parastatal crop authorities and their attendant high costs and overheads.

23. Exports other than the traditional agricultural crops discussed above accounted for about 30-40 per cent of total export receipts in recent years; they comprise petroleum products, minerals, manufactured products and others. As indicated above mineral exports consist mainly of diamonds, salt and gold. Table 9 which illustrates the evolution of manufactured exports shows that these consist primarily of processed agricultural products. They comprise (a) food preparations of which the most significant items are cashew kernels, feeding stuff, sugar, sugar preparations and honey, preserved fruit and fruit preparations, canned beef and other meat preparations and a number of other food preparations; (b) cigarettes and beverages; (c) chemicals such as petroleum and petroleum products, pyrethrum extracts, vegetable oils, dyeing and tanning extracts, pigmeats etc., essential oils and perfume materials; (d) manufactured goods such as leather and leather manufactures, rubber tyres, wood and cork manufactures, sisal, twine and rope, textile yarn and textile fabrics, aluminium, cement, paper and paperboard, glassware, etc.; (e) machinery including radio receivers, batteries and cells, etc.; and (f) miscellaneous manufactures including furniture, clothing, footwear, travel goods, smoking pipes, pipe bowls, etc. Export of manufactures accounted for about 19 per cent of total exports in 1982.

TABLE 7

Tanzania: Composition of Exports, 1981-83
(in per cent of total exports, f.o.b.)

	1981	1982	1983
Coffee	29	30	36
Cotton	14	13	15
Sisal products	15	8	6
Tea	4	4	6
Tobacco	4	4	3
Cashew nuts	10	6	3
Cloves	9	10	1
Petroleum products	3	3	4
Diamonds	5	5	4
Animal feeds	2	1	1
Beans	2	1	1
Other	3	15	20
<u>Memorandum item:</u>			
Total exports, f.o.b. (in millions of T Sh)	4,706	4,118	3,917

Source: Data provided by the Tanzanian authorities.

Table 8
Exports of the United Republic of Tanzania and their Markets (1981)

STTC	Product Description	Total exports (US\$'000)	Main Export Markets
0	<u>Food and live animals</u>	<u>322,173.7</u>	
0011	Bovine cattle	94.7	UGA
01	<u>Meat and meat preparations</u>	<u>2,651.6</u>	UGA, DEU, ITA, MOZ
023	<u>Butter</u>	<u>422.4</u>	UGA, OAS
03	<u>Fish and fish preparations</u>	<u>484.3</u>	
0311	Fish, fresh, chilled, frozen	10.7	ZMB, MWI, DEU
0312	Fish, salted, dried, smoked	35.5	ZMB, OAS, HNK, SGP
0313	Shell fish, fresh, frozen	438.0	ZAR, MWI, ZMB, OAS, ZWE, HNK, SGP, GRC, ITA, UK
04	<u>Cereal and cereal preparations</u>	<u>1,967.3</u>	
042	Rice	148.3	UGA
047	Meal and flour of cereals (non-wheat)	544.8	UGA, NLD
0484	Bread, biscuits, cake, etc.	1,273.9	UGA, UK
05	<u>Fruits and vegetables</u>	<u>74,811.4</u>	
0517	Nuts, edible, fresh or dry (coconut, Brazil and cashew nuts, etc.)	60,512.8	CAN, USA, ISR, HNK, IND, PAK, BLX, DNK, DEU, GRC, ITA, NLD, UK, NOR, AUS
05195	Tropical fruit, n.e.s., fresh	1.0	UK, SWE
0535	Fruit or vegetable juice	30.4	UGA, UK
0541	Potatoes, fresh, excluding sweet	88.3	SOM, UGA, BLX
0542	Dry leguminous vegetables	14,160.4	SDN, NGA, MUS, SOM, UGA, ZMB, USA, IND, PAK, BLX, FRA, DEU, NLD, UK, CHE
0545	Other fresh vegetables	15.3	SOM, OAS, SWE
06	<u>Sugar and sugar preparations</u>	<u>1,769.7</u>	
0611	Raw beet and cane sugar	444.9	IND, SYC
0612	Refined sugar, etc.	423.1	SYC, UGA, IND, UK
0615	Molasses	901.2	UGA, UK
07	<u>Coffee, tea, cocos, spices</u>	<u>225,916.8</u>	
0711	Coffee, green, roasted, etc.	151,679.7	DZA, SDN, EGY, GHA, MOZ, SYC, SOM, UGA, ZMB, OAS, USA, ISR, JPN, IRQ, JOR, SAU, IND, KOR, PAK, SGP, PRK, BLX, DNK, FRA, DEU, GRC, ITA, NLD, UK, FIN, NOR, SWE, CHE, YUG, CSK, DDR, ROM, AUS, NZI
0713	Coffee essences, extracts	12.3	SOM
0721	Cocoa beans, raw, roasted	2,130.3	IDN, FRA, DEU, NLD, UK
074	Tea	19,804.0	SDN, ETH, NGA, SOM, UGA, OAS, CAN, USA, JPN, YMD, LKA, MYS, PAK, SGP, BLX, FRA, DEU, IRI, NLD, UK, SWE, YUG
07523	Cloves	50,338.6	SDN, USA, JPN, SAU, IND, IDN, SGP, FRA, DEU, NLD
07524	Nutmeg, mace, cardamoms	1,912.8	SDN, ZAFP, KEN, SOM, CAS, ISR, JFN, LRN, PAK, SGP, FRA, DEU, NLD, UK, NOR, SWE, SPN
07529	Other spices, n.e.s.	38.5	UGA
08	<u>Animal feeding stuff</u>	<u>12,245.9</u>	
0811	Hay fodder, green, dry	296.6	USA, DEU, NLD, UK
0812	Bran, pollard, sharps, etc.	52.7	DEU, NLD
0813	Vegetable oil residues	11,882.3	RAW, BLX, DNK, DEU, NLD, UK, SUN
0819	Food waste and feed, n.e.s.	14.3	NLD
09	<u>Miscellaneous food preparations</u>	<u>1,808.2</u>	
0914	Margarine, edible fat, n.e.s.	110.5	BDI, UGA
09904	Sauces, mixed seasonings	454.6	UGA
09909	Miscellaneous food preparations, n.e.s.	1,242.9	UGA, UK
1	<u>Beverages and tobacco</u>	<u>21,107.3</u>	
111	Non-alcoholic beverages, n.e.s.	25.3	UGA
112	Alcoholic beverages	2.9	MOZ
121	Unmanufactured tobacco	18,147.9	BDI, USA, ISR, NOR, CHN, BLX, FRA, DEU, NLD, UK, NOR, DDR, AUS
1222	Manufactured tobacco, - cigarettes	2,931.1	BDI, Z/R, RWA, UGA, UK

Table 8 (continued)

SITC	Product Description	Total exports (US\$'000)	Main Export Markets
21	<u>Hides, skins, furs, undressed</u>	<u>2,671.6</u>	
2111	Bovine, equine hides	1,035.2	EGY, HNK, GRC, ITA, NLD, UK, SPN
2114	Goat and kid skins	1,495.8	JPN, HNK, RLX, FRA, ITA, NLD, UK, YUG
2117	Sheep skins without wool	7.1	HUN
2119	Hides and skins, n.e.s.	130.4	USA, BRA, JPN, SAU, DEU, ITA, UK
212	Furskins, undressed	3.1	PAK
22	<u>Oilseeds, nuts and kernels</u>	<u>3,267.2</u>	
2216	Cotton seed	1,458.5	JPN, GRC
2217	Castor oil seed	204.2	NLD, POL
2218	Oilseeds, nuts, etc., n.e.s.	1,604.5	ZAR, OAS, USA, JPN, SAU, UK, POL
24	<u>Wood, lumber and cork</u>	<u>1,184.8</u>	
24232	Logs, roughly squared - non-coniferous	7.2	DEU
2429	Poles, piling, posts, etc.	52.1	SAU
24322	Lumber, planed, etc., coniferous	523.5	BDI, MOZ, CAN, FRA, DEU, ITA, USA, NOR
24331	Lumber, sawn, etc., non-coniferous	23.4	SOM, FRA, ITA, UK
24332	Lumber, planed, etc., non-coniferous	578.5	DEU, ITA, NLD, UK, NOR, YUG
26	<u>Textile fibres</u>	<u>109,932.8</u>	
2631	Raw cotton, excluding linters	77,411.5	SDN, OAS, ISR, JPN, JOR, LKA, HNK, IDN, MYS, PAK, SGP, DEU, GRC, ITA, NLD, UK, PRT, CHE, SPN, YUG, BGR, AUS
2654	Agave fibres and waste	32,521.3	EGY, ETH, ZMB, OAS, CAN, USA, JPN, SAU, SYR, IND, BLX, FRA, DEU, IRL, ITA, NLD, UK, FIN, KOR, PRT, SPN, YUG, POL, ROM, SUN, AUS, NZL
27	<u>Crude fertilizers, minerals, n.e.s.</u>	<u>26,124.3</u>	
2751	Industrial diamonds	22,481.2	UK, CHE
2763	Salt	3,596.9	BDI, ZAR, RWA, UGA
27652	Mica	35.9	USA, UK
28	<u>Metalliferous ores, scrap</u>	<u>233.1</u>	
2836	Tin ores, concentrates	54.2	MYS
28407	Zinc scrap	178.8	IND, SPN
29	<u>Crude animal, vegetable matter, n.e.s.</u>	<u>2,862.5</u>	
2911	Bones, ivory, coral shells, horns, etc. and waste	738.7	SDN, SOM, CAN, USA, BRA, ISR, JPN, SAU, HNK, IND, SGP, BLX, FRA, DEU, GRC, ITA, UK, CHE
2919	Animal materials, n.e.s.	169.1	CAN, USA, ARG, JPN, HNK, SGP, FRA
2921	Plants for dyeing, tanning	44.6	POL
2922	Natural gums, resins, lacs, etc.	78.9	IND, DEU, UK
2924	Vegetable material used in pharmacy, etc.	248.9	HNK, PAK, ITA, NLD, UK
2925	Seeds, etc. for planting	112.8	JPN, FRA, NLD, POL, OAS
2927	Cut flowers, foliage	7.1	NLD
29291	Vegetable saps, extracts	930.6	USA, JPN, UK
29292	Vegetable padding materials eg kapok	258.8	JPN, BLX, FRA, DEU, NLD, UK
29293	Vegetable brush, broom material	4.1	USA
29299	Other crude vegetable material, n.e.s.	268.9	USA, JPN, IND, DEU
33	<u>Petroleum and products</u>	<u>933.9</u>	
332	Petroleum products	933.9	BDI, UGA
42	<u>Fixed vegetable oil, fat</u>	<u>243.4</u>	
421	Fixed vegetable oils, soft (groundnut oil)	13.4	BDI
422	Fixed vegetable oils, non-soft	230.0	USA, JPN
4314	<u>Animal, vegetable waxes</u>	<u>1,701.2</u>	
43142	Insect waxes (beeswax)	1,701.2	USA, JPN, DEU, NLD, UK, RGR
51	<u>Chemical elements, compounds</u>	<u>225.7</u>	
5149	Inorganic chemical products, n.e.s.	218.9	ZMR, SPN

Table 8 (continued)

SITC	Product Description	Total exports (US\$'000)	Main Export Markets
53	<u>Dyes, tanning, colouring products</u>	<u>3,112.1</u>	
5324	Vegetable, tanning extracts	2,956.1	EGY, JOR, IND, IDN, PAK, CHN
5333	Prepared paint, driers, etc.	155.9	BDI, RWA, SYC
54	<u>Medicinal products</u>	<u>6.4</u>	
5417	Medicaments	6.4	CHE
55	<u>Perfume, cleaning, etc. products</u>	<u>192.8</u>	
5541	washing preparations	192.0	UGA
59	<u>Chemicals, n.e.s.</u>	<u>327.7</u>	
5992	Pesticides, disinfectants	264.3	UGA
5995	Starch inulin, gluten, etc.	44.1	BDI, RWA, SYC, ZMB
5999	Chemical products, preparations, n.e.s.	3.6	BDI
61	<u>Leather, dressed furskin, etc.</u>	<u>4.3</u>	AUT, HUN
62	<u>Rubber manufactures, n.e.s.</u>	<u>442.1</u>	
6291	Rubber tyres, tubes	378.9	BDI, RWA, SOM, UGA, SPN
6299	Other rubber articles, n.e.s.	62.2	ZMB
63	<u>Wood, cork manufactures</u>	<u>443.9</u>	
6311	Veneer sheets	3.1	KEN
6318	Wood simply worked, n.e.s., (poles, chipwood, match splints, etc.)	53.1	BDI, MOZ
6321	Boxes, cases, crates	16.1	DEU, UK, ITA
6324	Builders' woodwork, prefabs	36.3	UGA, ZMB
6327	Wood manufactures, domestic, etc.	326.1	SDN, SOM, ZWE, OAS, CAN, USA, JPN, BLX, DNK, FRA, DEU, ITA, NLD, UK, SWE, CHE, SPN, BGR, NZL, DNK, FIN, DEU
6328	Other wood manufactures	9.0	DNK, FIN, DEU
64	<u>Paper, paperboard and manufactures</u>	<u>292.2</u>	
641	Paper and paperboard	33.6	BDI, MOZ, ZMB
642	Articles of paper	258.6	UGA
65	<u>Textile yarn, fabric, etc.</u>	<u>13,646.2</u>	
6521	Grey woven cotton fabrics (unbleached)	75.9	UGA, UK
65222	Bleached cotton terry fabrics	911.5	MOZ
65229	Bleached cotton fabrics, n.e.s.	1,168.0	MOZ, RWA, UGA
6535	Woven synthetic fabrics	326.4	ZMB
65561	Cordage, cable, rope, twine	10,870.8	SDN, KEN, SOM, ZWE, ZMB, OAS, USA, ISR, JPN, JOR, YMD, LKA, BLX, DNK, FRA, DEU, GRC, ITA, NLD, UK, FIN, SWE, POL, AUS
65562	Netting of rope twine	57.4	ZAR, ZMB, ANT
6562	Made-up canvas goods	97.9	DZA
65691	Linens, etc.	40.9	SYC, UGA
657	Floor coverings, tapestry, etc.	95.9	MOZ, UGA, ZMB, NLD
66	<u>Non-metal minerals and manufactures, n.e.s.</u>	<u>31,440.0</u>	
6612	Cement	613.3	LKA, BDI
664	Glass	4.5	RWA, SYC
6672	Diamonds, non-industrial, unset	30,642.6	UK
6673	Precious, semi-precious stones, n.e.s.	176.8	USA, JPN, RIX, DEU, IRI, AUS, AUT, CHE
674	<u>Iron and steel</u>	<u>332.2</u>	
674	Iron and steel, univ., plate, sheet	215.4	ZMB
675	Iron and steel hoop, strip	81.1	UGA
677	Iron and steel wire excluding wire rod	23.6	ZMB
678	Iron steel tubes, pipes, etc.	12.5	MUS

Table 8 (continued)

SITC	Product Description	Total exports (US\$ '000)	Main Export Markets
68	<u>Non-ferrous metals</u>	<u>865.6</u>	
68422	Aluminium plate, sheet, strip	856.4	KEN, RWA, UGA, ZMB
6861	Zinc, alloys, unwrought	9.2	IND
69	<u>Metal manufactures, n.e.s.</u>	<u>67.6</u>	
696	Cutlery	47.1	SWE
6977	Base metal domestic utensils	20.6	MOZ, SOM
6989	Other base metal manufactures	3.6	ZMB, KEN
71	<u>Machinery, non-electric</u>	<u>57.6</u>	
71997	Shaft, crank, pulley, etc.	56.4	IND
72	<u>Electrical machinery</u>	<u>3,409.2</u>	
72211	Primary batteries, cells	3,381.4	BDI, ZAR, RWA, ZWE
72912	Accumulators, storage batteries	20.8	BDI, MOZ
82	<u>Furniture</u>	<u>60.5</u>	
82101	Chairs, seats and parts	9.1	ZMB, OAN
82103	Mattresses, etc.	47.1	BDI, SYC, UGA
82109	Furniture, parts, n.e.s.	7.9	UGA
82	<u>Travel goods, handbags etc.</u>	<u>8.1</u>	
82	<u>Travel goods, handbags etc.</u>	<u>8.1</u>	DNK, DEU
84	<u>Clothing</u>	<u>873.2</u>	
84112	Women's outerwear, non-knitted	753.8	MOZ, ZMB, OAS, SWE
84144	Outerwear, knitted, non-elastic	5.5	UGA
8415	Headgear	117.8	SOM, OAS, SAU
85	<u>Footwear</u>	<u>208.5</u>	
8510	Footwear	208.5	SOM, UGA, ITA
89	<u>Miscellaneous manufactured goods, n.e.s.</u>	<u>3,672.0</u>	
89184	Percussion musical instruments	77.9	USA, SAU, BLX, OAS, DEU, SWE
892	Printed matter, n.e.s.	3,285.6	MOZ, UGA, UK, NOR, CHE
893	Articles of plastic, n.e.s.	243.6	BDI, MWI, SYC, ZWE
896	Works of art, etc.	12.7	DNK, DEU, UK, SWE
8991	Carved, moulded goods	15.6	BRA, FRA, DEU, IRI, ITA, UK, SPN
89927	Basketwork	8.9	FRA, DEU, SWE, SPN
89955	Smoking pipes and parts	77.1	ETH, ZWE, OAS, CYP, DNK, DEU, IRI, UK, NOR, SWE, AUS
94	<u>Zoo animals, pets</u>	<u>561.5</u>	
941	Zoo animals and pets	561.5	USA, JPN, BLX, BHR, KWT, DNK, FRA, DEU, ITA, NLD, UK, AUT, PRT, SWE, CHE, SPN, JAF

Table 9

Contribution of manufactured exports to total exports, 1970-1980
(TShs. '000 at current prices)

Commodity	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Food	99,826	106,821	110,787	120,199	139,160	160,907	235,339	203,219	167,638	218,136	279,661
Beverages and cigarettes	175	267	175	824	2,618	6,094	4,447	4,628	11,603	17,352	20,721
Pyrethrum extracts	10,983	18,359	21,664	16,502	11,685	19,804	19,984	17,750	16,828	9,694	13,279
Petroleum and petroleum products	111,499	143,345	215,493	87,639	132,360	139,298	172,955	144,870	82,471	136,483	199,549
Animal and seed oil	3,873	3,661	2,630	4,326	4,526	3,018	7,489	5,946	5,709	11,177	9,387
Chemicals	16,535	15,832	21,522	33,696	58,076	33,891	48,377	51,119	28,588	47,863	31,937
Products manufactured from processed materials	69,709	115,612	97,686	150,293	222,891	140,611	188,228	153,924	172,928	316,420	525,400
Machinery	11,824	15,534	10,404	11,712	13,765	13,966	23,351	11,112	11,605	22,609	22,631
Other manufactured products	13,387	16,538	10,564	12,188	18,801	19,338	25,382	15,759	10,605	93,314	167,985
Grand total											
(a) Total manufactured exports	337,811	435,989	490,925	437,479	602,043	536,927	725,554	598,326	507,931	873,048	1,269,553
(b) Total exports	1,851,851	1,988,820	2,276,655	2,586,804	2,967,840	2,763,840	4,092,108	4,518,588	3,553,906	3,922,000	3,838,878
Percentage change for manufactured exports		+29.90	-13.80	-10.88	+37.61	-10.80	+35.10	-17.50	-15.10	+71.80	+45.4
Percentage of manufactured exports to total exports	18.24	21.92	21.56	16.91	20.15	19.4	17.7	13.2	14.3	22.3	33.1

Source: Annual Trade Reports and speech by the Minister of Industries at 1981/82 budget session of the National Assembly; UNIDO/IS.293
Note: Total manufactured exports include re-exports.

24. A close study of the evolution of manufacture exports indicates that among the product sectors which have performed rather poorly in recent years are the agro-based industries such as meat preparations, fruit preparations, coffee processing, pyrethrum extraction, leather and leather manufactures and footwear, wood products, etc. This underscores the importance of paying more attention to agricultural production and supply problems if this sector is to continue to contribute to export earnings.

25. Tanzania's export structure in the foreseeable future will continue to be dominated by traditional products, the volumes of which are largely determined by the performance of the agricultural sector. It is therefore imperative that actions should be taken to reverse the decline in agricultural production. Actions should also be taken to help improve the performance of manufactured exports to ensure that a broader base is established for sustained export growth over the long-term period. A judicious choice of monetary measures, incentives and promotional programmes will be indispensable in promoting manufactured exports.

26. A separate Section will be devoted to a detailed discussion of the agricultural and industrial export sectors, their prospects and problems.

Imports (See Table 10)

27. The volume and structure of Tanzania's imports over the past decade have been directly dictated by a balance-of-payments situation which has not ceased to worsen. Since 1974 most imports have been subject to a strict licensing system. The volume of import licences granted is based on the country's reserve position and reserve objectives and on projected foreign exchange receipts. Of special importance is foreign exchange derived from exports of goods and services and programme aid. The volume of real imports has tended to fluctuate considerably during the past decade, depending upon the levels of foreign exchange availability and the price of imports. On the whole the volume of imports declined significantly between 1970 and 1980.

28. The volume of imports in 1981 is estimated to be less than one-half that of a decade before. This compression of imports is said to have had very significant disruptive effects on domestic production and the operation of the basic infrastructure, especially transport and communication. The production bottleneck problems which resulted explain to a large extent the generally low industrial capacity utilization.

29. Over the decade of the 1970's the structure of Tanzania's imports has undergone a substantial transformation. The share of foodstuffs has fluctuated based on changes in domestic production, with imports serving as a residual at times when purchases by the National Milling Cooperation (NMC) were insufficient. Most of the foodstuffs received by Tanzania are provided as food aid by donor countries, often in the form of grants; however, some commercial purchases have also been made. The share of imports of consumer goods has been reduced, as they have been accorded low priority in the allocation of import licences. The reverse was true for imports of capital goods, which consist mainly of machinery and transport equipment. Their increasing importance in imports has resulted from the development priorities of the Government, which emphasized capital-intensive industrial projects, and from their large import content.

TABLE 10

Tanzania: Composition of Imports, 1972-1983
(in per cent of total imports, c.i.f.)

	1972	1977	1979	1981	1982	1983 Prov.
Capital goods	25	36	45	50	49	40
Of which: transport equipment	(7)	(11)	(18)	(12)	(14)	(10)
Intermediate goods	46	45	40	39	40	44
Consumer goods	29	19	15	11	11	16
<u>Memorandum item:</u>						
Total imports, c.i.f. (in millions of T Sh)	2,878	6,200	8,941	9,739	10,519	8,547

Source: Bank of Tanzania.

Direction of Trade

Exports

30. The main markets for the exports of Tanzania are shown in Table 11. The European Economic Community constitutes the largest single market with its share of the market ranging from approximately 44 per cent to 51 per cent between 1979 and 1983. The United Kingdom and Federal Republic of Germany have been the two largest country markets. Other markets for Tanzanian exports include neighbouring African countries, the CMEA countries, USA, India, Japan and Hong Kong. (See Table 8 for a more detailed breakdown of exports and their markets)

Imports

31. Table 12 shows a summary breakdown of the sources of Tanzania's imports between 1979 and 1983. It shows the European Economic Community as the main source of imports, with the share ranging between 42 per cent and 50 per cent for the years shown. The share of neighbouring countries in Tanzania's imports rose significantly, from 2 per cent in 1979-1981 to 12 per cent in 1983. Other significant sources of imports include Japan, India, USA and Sweden.

2. Balance-of-payments

32. The structure of Tanzania's balance-of-payments closely resembles that of many other developing countries, especially the poorest ones. Exports have been dominated by primary products, imports by capital equipment, fuel and food. Persistent trade deficits have seldom been matched by the generally positive service account and receipts of private unrequited transfers, resulting in deficits on the current account. The capital account has been determined mainly by aid flow developments, which during periods of poor export performance, have not been sufficient to prevent the occurrence of wide overall payments deficits. These have generally been financed by drawing down external reserves and, recently, by incurring import payments arrears.

33. Table 13 gives a picture of the evolution of Tanzania's balance-of-payments between 1980 and 1982, but the present problems can be traced back to the years 1974/75. During the early 1970's just before the first round of oil price increases, Tanzania's balance-of-payments did not appear to be in any difficulty. In the year 1974/75 however, widespread drought and disruptions in the agricultural sector led to stagnant or declining export volumes and large food grain imports. Added to this was the general deterioration in the terms of trade, due partly to the oil price increases. The subsequent deterioration in the balance-of-payments led to the imposition in 1975 of stricter restrictions on imports and a depreciation of the shilling.

TABLE 11

Tanzania: Destination of Exports, 1979-83
(In per cent)

	1979	1980	1981	1982	1983
Other Africa	13	15	13	10	11
Commonwealth	32	26	29	22	20
United Kingdom	17	18	15	13	14
Canada	1	1	1	1	-
India	5	2	7	2	1
EEC	48	44	44	46	51
CMEA countries	2	4	4	5	4
USA	5	4	3	5	3
Sweden	1	1	1	1	-
Japan	4	5	3	7	4
China	1	-	-	3	-
Hong Kong	3	3	6	4	3

Source: The Economic Survey, 1983.

TABLE 12

Tanzania: Sources of Imports, 1979-83
(In per cent)

	1979	1980	1981	1982	1983
Other Africa	2	2	2	5	12
Commonwealth	30	24	21	21	24
United Kingdom	20	17	14	12	13
Canada	1	1	1	1	2
India	5	3	3	2	2
EEC	50	46	42	43	44
CMEA countries	1	4	3	2	3
USA	4	6	6	4	4
Sweden	4	3	3	3	3
Japan	8	9	12	9	11
China	4	1	2	1	1
Hong Kong	1	1	-	1	-

Source: The Economic Survey, 1983.

Table 13

Tanzania: Summary Balance-of-Payments, 1980-82
(in millions of US dollars)

	1980	1981	1982 Prel.
Trade account	-710	-572	-526
Exports, f.o.b.	511	528	373
Imports, c.i.f.	-1,221	-1,100	-899
Services (net)	19	70	17
Private transfers (net)	22	24	22
Current account	-669	-478	-487
Government transfers (net)	268	294	292
Of which: program aid	(116)	(91)	(199)
Medium- and long-term borrowing (net)	144	219	76
Government (net)	(113)	(170)	(53)
Nonfinancial public enterprises (net)	(34)	(48)	(22)
Private (net)	(-3)	(1)	(1)
Suppliers' credits (net)	61	101	1
Other capital movements and errors and omissions	-7	-129	-9
SDRs	7	6	--
Overall balance	-196	13	-127
Monetary movements	196	-13	127
Arrears (decrease -)	147	-8	108
Commercial	(147)	(-9)	(45)
Debt service	(--)	(1)	(48)
CF overcompensation	(--)	(--)	(15)
Other reserve movements (increase -)	49	-5	19
Of which: Fund purchases	(52)	(19)	(2)
<u>Memorandum item:</u>			
T Sh/US\$1	8.20	8.29	9.33

Sources: Data provided by the Tanzanian authorities; and IMF estimates.

34. There was a marked improvement in the balance-of-payments in 1976-77, due to buoyant world prices for coffee and to the strict controls on trade and payments. The improvement in the balance-of-payments situation led to a liberalization of the system of import licensing in 1978 in order to ease bottlenecks and boost productive efficiency. This move, however, coincided with a period of serious price decline on the world coffee market while the stagnation of growth in the volume of exports continued. The balance-of-payments swung rapidly back into a deficit, a sharp drop in reserves was registered and there was a substantial accumulation of payments arrears. The result of these developments was that in January 1979 the Tanzanian shilling was depreciated by 10 per cent vis-a-vis the SDR, and the licensing of imports was substantially reduced.

35. Since 1979 the nominal value of exports have stagnated, primarily on account of a continuous decline in the volume of exports. Import volumes have also been reduced, although the cutbacks in imports have been somewhat moderated by the increasing inflows of foreign aid on concessionary terms. Between 1978 and 1981 imports were reduced from US\$1,144 million to US\$1,122 million, while external assistance increased from US\$242 million to US\$473 million. As a result, the overall balance-of-payments account turned from a deficit of US\$291 million to a surplus of US\$36 million in 1981. Although the decline in the nominal value of imports during 1978-81 was about 2 per cent, the volume of imports is estimated to have declined by about 35 per cent.

36. The balance-of-payments situation deteriorated further in 1982; the value of exports fell sharply from US\$528 million in 1981 to US\$373 million in 1982. Unit values of exports rose slightly, but there was a significant decline in shipments of cotton, coffee, sisal and unprocessed cashew nuts. On the whole the total value of agricultural exports fell from US\$329 million in 1981 to US\$235 million in 1982. The value of other exports fell from US\$199 million to US\$138 million. On the other hand the value of imports was estimated to have declined sharply, from US\$1,100 million in 1981 to US\$899 million in 1982, calculated on the basis of licences issued. Net receipts from transfers and capital declined sharply in 1982. Official grant receipts were slightly lower than in 1981, and government and parastatal borrowing was sharply lower than in the previous year. Tanzania's long and medium-term external indebtedness, including debt to the Fund, was estimated to have amounted to US\$2.1 billion as of 31 December 1982, and scheduled debt service payments including IMF charges and repurchases, amounted in 1982 to US\$159 million or 32.6 per cent of exports of goods and services (see page 6). Preliminary figures indicate that Tanzania experienced some improvement in its visible trade and overall current account balances in 1983. The reduced deficit on the merchandise trade account arose principally from a reduction in imports.

3. Export development

37. The government is acutely aware of the foreign exchange constraint on the economy and consequently the need to promote export growth, both in the agricultural and industrial sectors. Export development has featured prominently in all development plans and strategies since the early seventies when the balance-of-payments problem appeared. Since 1981 it has been implementing an Export Rehabilitation Programme for the agricultural sector with the assistance of the World Bank.

38. The broad objectives of the Export Rehabilitation Programme are to reverse the decline in the volume of traditional agricultural exports and to increase the rate of growth of manufactured and processed exports. The means for achieving these objectives are stated to be - (i) to improve producer returns to farmers from major export crops, (ii) to ensure foreign exchange financing of high priority imports necessary for the operation and maintenance of existing productive and processing capacity in the agricultural sector, (iii) to improve efficiency of agricultural parastatals and (iv) to introduce higher incentives for the production of non-traditional exports.

39. Some of the measures¹ taken under the programme have included increases in producer prices, removal of export duties on major export crops, and the introduction of incentives for both the traditional and non-traditional exports.

40. The Structural Adjustment Programme's aim with regard to the export sector is to raise exports by one-third by 1984-85 over 1981-82, to reach an export level of US\$792-840 million. The underlying assumptions are that:

- (i) coffee production will grow at 5 - 6 per cent per annum;
- (ii) tea and tobacco exports will be restored to their 1978-79 and 1976-77 peaks respectively;
- (iii) cashew production will be revived to 60-70,000 tons per annum;
- (iv) cloves exports can be maintained at 7,000 tons per annum;
- (v) cotton output can be restored to 65-70,000 tons per annum;
- (vi) the decline in sisal production can be reversed and output maintained at over 100,000 tons per annum;
- (vii) non-traditional exports excluding diamonds, gem-stones and mineral oil products should be doubled from US\$30-38 million to US\$60-68 million.

41. In the sections which follow an attempt is made at a product-by-product discussion of some of the issues and problems confronting Tanzania's exports and the prospects for their future development.

Export Crops

42. Coffee is the most important export crop of Tanzania, accounting since 1977 for about 29 per cent of total export earnings (36 per cent in 1982). Overall production over the past decade has tended to stagnate; total production in 1982/83 was about 53.4 thousand tons compared with 52.4

¹ List of measures and incentives designed to promote exports is given in the section on export regime below.

thousand tons in 1971/72. The best Tanzanian mild arabica has always received a high price relative to other sources; there is, however, said to have been an alarming deterioration in the quality of Tanzanian coffee in recent years leading to a decline of as much as 20 per cent in the prices for the crop, and endangering the country's long-term competitive position in the coffee export market. Apart from climatic and other technical considerations, one major factor which determines the level of export of this commodity is Tanzania's membership of the International Coffee Agreement which imposes annual export quotas as a means of controlling prices on the world market. In any programme aimed at maximizing export earnings from this crop an improvement in the quality will be just as vital, if not more, as any effort to maintain or even increase overall production. A small quantity of coffee is processed into instant coffee which is primarily consumed locally.

Cotton

43. In terms of value cotton is the country's second most important export crop accounting for between 12 and 15 per cent of total export receipts during the period 1977-1981; in 1982 however, this percentage share fell dramatically to 8 per cent. As is reflected in Table 1 (see Chapter I Structure of the economy) the volume of officially marketed production which reached a peak of 77.7 thousand tons in 1970/71 has since fluctuated steadily downwards to 45.0 thousand tons in 1982/83. Export volumes have also declined considerably reaching about 44.1 thousand tons in 1981 compared with 47.0 thousand tons in 1978 and average of 60 thousand tons in 1970-74. In 1982 export volume fell to 19.6 thousand tons. While some border trade in cotton may take place, the main reason for the decline in export volumes has been the declining trend in domestic production, due primarily to producer pricing policy, deterioration in the operating capacity of cotton mills, which are increasingly unable to accommodate even the present levels of production, and to poor quality and market presentation. The 1980/81 crop is reported to have averaged only 70 to 75 per cent of the global average prices for the grade.

Sisal

44. Exports of raw sisal accounted for about 5-6 per cent of total export receipts during 1977-82. Tanzania is the second largest producer of sisal in the world with about 21 per cent of global production in 1983. Production has, however, declined considerably since 1970/71 from about 202,000 tons to only about 60,000 tons in 1982/83, the lowest level since the early 1930's. Export volumes have declined correspondingly. One major factor behind the decline in the production and export volumes has been declining demand¹ resulting partly from growing competition from synthetics

¹ Sisal has in recent years experienced dramatic and disruptive declines in total market size, market share and real price. The global market for harvest twine (sisal's largest outlet) shrunk by around 40 per cent over the decade and the share of that market accounted for by sisal fell from virtually 100 per cent to less than 75 per cent. The country most seriously affected by this decline was Tanzania: sisal's contribution to its export earnings fell from 25 per cent to 10 per cent, and its contribution to government revenue from 5 per cent to less than 1 per cent.

Changes in demand for sisal

	<u>Early seventies</u>	<u>Early eighties</u>
	(...'000 tons, fibre equivalent ...)	
World sisal consumption (including other agaves)	790	420
Sisal consumed in harvest twine	430	210

especially polypropylene in the market for binder and other twine resulting in unfavourable prices¹ and decreasing profitability in sisal production. There are, however, a number of domestic factors responsible for decreasing output, which have prevented Tanzania from reaping the benefits of increased prices at times of a buoyant world market, when the prices of polypropylene, a petroleum-based product, have risen. The problems are especially acute in public sector sisal estates, and include increasing labour and transportation costs, lack of facilities for maintenance and replacements, deficient export marketing arrangements, and low producer prices.

Cashew nuts

45. Cashew nuts production in Tanzania has declined considerably in the last decade from a peak of over 140,000 tons in 1973/74 to only about 43,000 tons in 1981/82. The export volume has correspondingly followed a downward trend since the early 1970's, declining from about 120 thousand tons during 1972 to less than ten thousand tons in 1980. Declining exports reflected a fall in domestic production that was related to lack of a replanting programme, low producer prices², unattractive marketing facilities and other production and marketing factors. During 1981, following a sharp increase in the producer price for cashew nuts, the level of production expanded sharply, and this led to an increase in the volume of exports to 25 thousand tons. India is the largest market for Tanzania's cashew nut exports. The Tanzanian authorities have followed a policy of developing domestic cashew nut processing capacity in order to increase the share of domestic value-added in its exports. Although the capacity has been built-up, the policy has been frustrated in recent years, as the shortages of diesel fuel and spare parts (e.g. tin) produced serious production bottlenecks.

¹ According to the "UN Monthly Bulletins of Statistics", sisal prices (US\$ per metric ton, Tanzania/Kenya, No. 3, long, c.i.f. UK) were as follows in 1975-1983:

1975	1976	1977	1978	1979	1980	1981	1982	1983 (July)
694	505	562	542	730	833	716	639	620

2

Cashew nuts

evolution of production and prices

	<u>Tonnage purchased by the CATA</u>	<u>Export price</u>	<u>Retained by the CATA</u>	<u>Prices paid to producers</u>	<u>Percentage paid to producers</u>
1970-71	112,458	1,309	399	910	69.5
1973-74	145,080	1,858	948	910	49
1976-77	97,645	3,002	1,932	1,070	35.6
1977-78	68,383	3,855	2,735	1,120	29.1
1980-81	41,416	5,862	4,122	1,740	29.7

Source: *Marchés Tropicaux*, 28 October 1983.

Tea

46. During 1977-81 proceeds from tea exports accounted for 4 to 5 per cent of total exports. Exports of tea which have increased considerably in volume during most of the 1970's, declined, somewhat, from 15,000 tons in 1979 to 14,000 tons in 1982. In addition to the general problem of low productivity, increasing domestic costs, shortages of spare parts and erratic transport facilities are thought to have been the major reasons for the stagnation and decline in production. Most of the tea exported is sold to Western European countries where Tanzania faces competition mainly from Malawi, Kenya, India, Sri Lanka and Bangladesh.

Tobacco

47. Exports of tobacco have accounted for a decreasing share of total export receipts; between 1977 and 1981 the share has fluctuated between 5 per cent and 3 per cent. While the volume of tobacco exports increased sharply between 1970 and 1977, it has declined thereafter in line with a fall in domestic production. Production fell from about 17,100 tons in 1977/78 to an estimated 15,600 tons in 1982/83 and exports fell correspondingly from about 11,000 tons in 1978 to 9,200 tons in 1982. Quality deterioration has also been considerable, greatly diminishing Tanzania's competitiveness. Lack of competitiveness of tobacco compared to maize and other food crops, rapidly declining supplies of fuelwood, declining soil fertility due to inadequate attention to crop rotations and delayed payments to growers are said to explain the decline in production. Tanzania, however, is considered to have the physical potential to grow a considerable tonnage of tobacco.

Other agricultural exports

48. Apart from the six main agricultural exports which on the average account for about 65 per cent of total export earnings, other major agricultural exports are pyrethrum, cocoa, spices, oilseeds (cotton seeds, castor oil seeds, copra, sesame seeds) and horticultural products. Production of pyrethrum which reached 4,700 tons in 1974/75 had declined to only 1,000 tons by 1981/82. However a number of policy changes led to a dramatic increase in production to an estimated 6,000 tons in 1982/83. Production of this crop has in recent years also seen a significant deterioration in quality. The main spices exported by Tanzania are cloves, cardamoms and to a lesser extent capsicum (sweet pepper) and chillies (hot pepper).

49. Cloves, the principal export of Zanzibar and Pemba normally account for 5 to 10 per cent of Tanzania's total export earnings. Production of this product fell considerably in the seventies until the introduction of a number of incentives, including a 200 per cent increase in producer price in 1979, led to a revival of production. In 1981 a production level of over 7,000 tons was reached compared with the previous level of 5,000 tons in 1977. Prospects for this crop are considered favourable if tree diseases could be controlled and production incentives maintained. Production of clove oil from cloves is being expanded as a way of increasing foreign exchange earnings from this crop.

50. With annual exports of 400-500 tons, Tanzania is the third largest exporter of cardamoms in the world although far behind Guatemala and India. It is claimed that there is a large scope not only for a much larger crop but also for improvement in its quality, as a way of enhancing its export earning potentiality.

51. Exports of vegetables, fresh and simply preserved, accounted for about 2.6 per cent of total exports in 1981. The bulk of this was in the form of dry leguminous vegetables, mainly peas and lentils. Small amounts of fresh vegetables, fruits and cut flowers are also exported and recent studies show that prospects for growth in horticultural exports are good if certain operational problems could be overcome. Studies by the ITC pointed out that due to its agro-climatic conditions, Tanzania could supply fresh produce during the "off-seasons" in Europe and in the Gulf countries, when competing countries close to these target markets could not satisfy demand. Such crops could especially be aubergines, capsicums (sweet peppers), chillies, fine French (green) beans, courgettes (baby marrows), tomatoes, okra, asparagus, strawberries, and melons. Other off-season products with market potential in Europe mentioned in the studies are apricots, peaches, grapes, grapefruits, potatoes, onions, and garlic. The studies further pointed out that Tanzania is in a good position to produce high quality tropical fruits, some of which, - like pineapples, mangoes and avocados - fetch sufficiently high prices for airfreight transport from African countries to European and Gulf markets. It was also pointed out that there were opportunities for cut flowers in several European markets if the related marketing and handling problems could be overcome. A number of other agricultural and agro-industrial products which are considered to have good prospects for export growth include wattle extract and tree gums and resins, sea food and marine products.

Export of manufactures

52. Export of manufactures as shown in Table 9 covers a wide range of products, from processed food products to non-electric and electric machinery. Apart from food preparations which constitute the largest sector, the other major sectors are textiles, sisal fabrics, and clothing. Although exports of manufactures have generally tended to stagnate in recent years, they still represented about 20 per cent of total exports in 1982 and their performance is important to the overall policy of the government to achieve a substantial growth in export earnings. Some of the major problems in this sector have been identified in a UNIDO study¹ as the following:

- (a) Most major industrial investments have been for import substitution production rather than being export-oriented.
- (b) Low labour productivity and relatively high wages, among other factors, have made a number of products uncompetitive.
- (c) Low capacity utilization.
- (d) Agricultural supply problems have reduced the exports of several processed products.
- (e) An overvalued² exchange rate has put exports at a competitive disadvantage.

¹ UNIDO/IS.293 of 10 February 1982.

² It should be noted that the Tanzanian shilling was devalued by 20 per cent against the US dollar in June 1984.

- (f) The structure of protection and pricing policy have discriminated against exports. Exports are discouraged not only by high costs for inputs, especially locally manufactured inputs, but also by the relatively favourable price for output sold in the domestic market.
- (g) Domestic supply constraints have increased pressure on the number and quantity of exportable goods.
- (h) A number of administrative restrictions and cumbersome bureaucratic procedures have hampered exports.

53. One persistent problem confronting Tanzanian industrialization and through that exports of manufactures is capacity under-utilization, mainly associated with large-scale production and plants dependent on imports and/or exports. This problem has occurred particularly in agro-based industries such as meat and fruit canning, sisal processing, milling, and vegetable oil production as well as in industries dependent on imports such as steel products and fertilizer. The principal reasons have been inadequate infrastructure and materials (for collection and transport); delay in receiving imports, market constraints and, most recently, severe shortage of foreign exchange to buy imported spare parts and raw materials. Managerial shortcomings have also been cited as one of the factors behind the problem of capacity under-utilization. In the face of this phenomenon the short-term policy of the government is oriented towards maximizing the efficiency of existing industries. However, in tune with the government's Basic Industrial Policies, industries to support domestic exploitation of the country's, agricultural, forest and mineral resources are being projected in medium and long-term programmes and some of the production would be export-oriented or yield surpluses for export. Table 14 gives the project profiles of such industries. In the agro-based industries the projects include the following: sugar manufacture, tobacco processing, vegetable seeds processing, coffee and tea processing, cashewnuts processing, cotton processing and textile manufactures; sisal processing and spinning, food processing, forest based industries (saw mills, veneer and plywood, joinery and furniture, processed wood products), animal-based industries (export oriented leather and leather products, meat canning factories, drying and processing of offals and bones), fish based industries (fish meat etc.); agriculture-based chemicals (molasses, fertilizers, animal feed, industrial alcohol and beverages, bakers' yeast, bagasse based products such as acetic acid, pulp and paper, paperboard, furfural, etc., cassava based products such as starch, glucose, industrial alcohol).

54. With regard to mineral-based industries projects being considered are in the metal working industries (iron and steel based industries, i.e. farm implements; a central foundry and forge unit; a machine tool factory; a metal vehicle assembly and manufacturing plant; manufacture of distribution transformer and switch gear; billet casting; manufacture of railway wagons; truck manufacturing, etc.) and in cement production; ceramic and refractory products and the production of fertilizers based on the country's deposits of phosphates and the natural gas deposits at Songo-Songo. Other mineral-based projects concern the production of alum, glass and glassware, common salt and a number of other chemical-based industries.

Table 14

Project profiles

No.	Name of project	Location and promoter	Description of project	Estimated capital investment (M\$)	Quantity to be produced per annum	Turnover per annum (M\$)	Employment No.	Main raw materials	Comments
1.	Agro-based industries								
1.1	Sugar industry	Mtwara (RUMECO) Musoma (RUMECO) Pulpa Kilombero (RUMECO)	To produce white sugar for the southern market To produce white sugar to supplement demand in the Lake and northern regions To produce white sugar to the expanding national market and to export the surplus (if any)	250 N.A. 3,300	10,000 tons 60,000 tons 100,000 tons	100 600 1,000	2,000 3,000 3,000-4,000	Sugar cane farming to be incorporated in the project Sugar cane production to be incorporated in the project Sugar cane production to be incorporated in the project	Foreign financing required. Project at pre-feasibility stage Foreign financing required.
1.2	Textile industry	Mtwara Textile Mills (TZICO) Cotton hosiery and garments unit (MICO)	Besides the apparently saturated market of textiles, TZICO is considering constructing an integrated textile mill in Mtwara to serve the southern regions and for export To manufacture various type of garments such as gents shirts and trousers, T-shirts, under wear, ladies wear and under garments to be located in Mara region to cater for Lake regional market.	1,100 18	25 million linear metres 350,000 units of various types	460 17	2,200 200	Cotton to be supplied locally Cloth to be acquired locally	Foreign financing required. The location lacks enough basic utilities such as electricity and water It is a regional project
1.3	Wool industry	Terry towels, handkerchiefs and cotton furnishing unit (MICO) Bandages, cotton wool and other hosiery materials (MICO) Sisal bags Tanga (TSA) Sisal puddings/mattresses Musoma (TSA)	To produce Terry towels, curtain materials and handkerchiefs To produce rolls of cotton dressing, bandages and canvas To manufacture sisal bags To manufacture rubberised sisal mattresses	20 21 17 N.A.	600,000 towels 200,000 metres of curtains and 1.2 metre handkerchiefs 1.3 million rolls 10 million bags 2,000 tons	30 8 80 N.A.	172 67 809 N.A.	Locally available The basic raw materials - cotton, spinning wastes and cotton yarn are available locally Sisal fibre to be available from local sources Hosiery sisal fibre available around lake regions	It is a regional project It is a regional project A prefeasibility study available
1.4	Food processing	Knopwe (MOC)	To establish maize flour mill in Tanga region so as to reduce transport costs of maize to other milling plants	10	18,000 tons	30	33	Maize to be purchased locally	A full feasibility study exists
1.4.1	Maize mill								
1.4.2	Fruit canning	Several localities (MIO/ Private)	Not specified but fruit canning can be done at a small scale through assistance from SIDO etc. depending on availability of raw materials in a specific area	3	-	-	-	Depending on availability of fruits	

Table 14 (continued)

No.	Name of project	Location and promoter	Description of project	Estimated capital investment TShs. million	Quantity to be produced per annum	Turnover per annum TShs. million	Employment No.	Main raw materials	Comments
1.4.3	Edible oil	Several localities (SIDO/Private)	Small edible oil mills may be started on particular localities	10	-	-	-	Depending on availability of oilseeds	
1.4.4	Coffee/tea processing	Buboba/Moshi Arusha/Dar (TAT)	Possibility of starting projects to prepare ready made coffee and tea mainly for export.	-	-	-	-	Coffee and tea locally available	
1.5	Forest based projects								
1.5.1	Saw mills	Kagera (Regional Authority)	Kagera regional authorities are considering to build several saw mills in the region to exploit the existing forest products (logs) in the area. One such saw mill proposed to be located at Kishanda valley. Smaller ones are planned for Mnziro and Biharamulo using mobile saw mills.	7	1,330 m ³	5	46	Logs to be exploited from surrounding forests	Full feasibility studies exist
1.5.2	Furniture factory	Mwanza (District Authority)	To manufacture various school office and domestic furniture items.	4	4,600 m ³	3	26	Sawn wood to be supplied from neighbouring districts.	Full feasibility study exists.
2.	Metal working industries								
2.1	Machine tools	Moshi (MTC)	To produce 100 types of machine tools in collaboration with a Bulgarian firm	159	N.A.	47	436	Initially castings and few other components to be imported later to be supplied from central foundry and forge plant	The plant is under construction
2.2.	Farm implements	Mwanza (MDC)	To produce animal and tractor drawn farming implement	309	6,700 tons	190	503	Initially steel and castings will be imported, later to be supplied from central foundry and forge plant	Project under active study
2.3	Transformer and switchgear	Arusha (MDC)	To produce distribution transformer and switchgear	62	640 units of distribution transformer 130 switch-gear	115	330	TKD Components imported from Japan. 35 per cent materials local	Project under construction
2.4	Welding electrode and welding	(MDC)	To produce welder transformer and electrode	25	-	47	74	Project under study	Project under study
2.5	Light commercial vehicles	Kibaha/Dar (SAC/MDC)	To assemble CVD vehicles in collaboration with Isuzu of Japan	125	-	400	639	TKD Components imported from Japan. 35 per cent materials local	Negotiations underway
2.6	Tractor	Kibaha (SAC)	Initially to assemble tractor later to manufacture them in collaboration with a foreign company.	325	1,000 units	450	180	Initially to import CVD later to get castings and forging requirements from proposed central foundry and forge plant.	Negotiations underway with Vornet tractor of Finland
2.7	Trailer and low loader	Dar es Salaam (MDC)	To expand the present Burns and Blane Co. to manufacture various components in stages.	79	-	120	215	Initially to assemble trailers from imported components later to be manufactured locally.	Negotiations with H/E Yocika Norica of Yugoslavia

Table 14 (continued)

No.	Name of project	Location and (promoter)	Description of project	Estimated capital investment TShs. million	Quantity to be produced per annum	Turnover per annum TShs. million	Employment No.	Main raw materials	Comments
2.8	Railway wagons	Dar es Salaam (RDC)	To manufacture railway wagons	118	400	195	320	Initially to be imported later to be manufactured locally	A Swedish firm W/S Kockum Ab to participate
2.9	Motor cycles	Dar es Salaam (RDC)	To manufacture motor cycles	52	5,000	53	192	It will start with assembling them later most components to be manufactured locally.	SMC seeking collaboration with HONDA of Japan
2.10	Heavy structurals boiler shops and crossing	N.A.	Many smaller items to be grouped together and produced in an organized unit. The products will be utilized by various sectors in the country	225	-	160	185	Some materials will be imported, others to be available locally.	Foreign technical collaboration required
2.11	Cable and stranded n.l. wire	Dar es Salaam (RDC)	To expand the present Tanzania cables to meet future demand.	5	-	40	9h	From existing mills and imports	Tanzania cables has the technology.
2.12	Diesel engines and pumps	(RDC)	To produce various items like diesel engines, pumps, garage compressors, sewing machines and sealed units.	65	-	55	555	Heavy castings to come from proposed central laundry unit.	Foreign collaboration needed.
2.13	Industrial machinery and light structurals	(RDC)	To produce transmission towers tanks, light material handling machines, cranes, conveyors and small industry	60	-	75	370	Some imported others locally available	Foreign technical assistance needed.
2.14	Expansion of Mang'ula mechanical and machine tool company	Kilombero (RDC)	To expand the existing facility and introduce new product mix so as to utilize the excess capacity available by adding a few matching equipment. Construction machinery, spare parts and technological structure.	39	-	30	676	To be imported, others local	
2.15	Foundry and forge plant	Location to be determined by considering main source of raw materials and major centres of market (RDC)	It is necessary to establish a central foundry and forge plant to meet the demand of castings that will be required by the various industries some of which are mentioned in this appendix. This plant will reduce the import content of the various units.	335	-	350	1,650	Sponge iron (iron ore) and coal, to be available if iron and coal deposits are exploited. Scrap iron could also be used. Some other small items will be imported	Technical and financial collaboration required
2.16	Auto components	(RDC/Private)	To manufacture auto components for the present population of auto-mobiles and future addition. A detailed study is required to determine the type and quantity of components to be manufactured.	1,000	-	K.A.	N.A.	To be studied	Foreign collaboration required
2.17	Zonal workshops	In each industrial zone (RDC/private)	Initially 4 zonal workshops are envisaged for repair and produce minor spare parts for various factories.	172	-	-	720	Local from central foundry unit and rolling units	-
2.18	Rural working small units	Various locations (SIDO/private)	There are many small items which can profitably be produced by SIDO, including those mentioned above especially some auto components and building materials.	Approx. 200	-	-	-	Mainly from central foundry and steel rolling mills, other sources and imports.	-

No.	Name of project	Location and promoter	Description of project	Estimated capital investment US\$. million	Quantity to be produced per annum	Turnover per annum US\$. million	Employment No.	Main raw materials	Comments
2.19	Building materials	(NDC/Private)	To produce various building items such as steel doors, windows, hardware etc.	100	-	-	-	General foundry and steel rolling mills	
2.20	Boat building	(NDC/Private)	To manufacture small fishing vessels so as to improve the fishing industry and repair other vessels.	N.A.	10 boats	-	-	Local and imported	
2.21	Telephone equipment	N.A. (T/Ports and Telecomms)	To produce various telephones equipment	-	-	-	-	-	
3.	<u>Chemical-based industries</u>								
3.1	Sulphur-based	Tanga Dar es Salaam (NDC/Private)	A proposal to start a project to produce sulphuric acid and alum important chemical in water treatment.	60	2,500, 115,000 tons Alum 15,000 tons	60	100	Pyrites, bauxite and sulphuric acid and alumina all locally available	
3.2	Pesticides insecticides	Dar es Salaam Morogoro, Tanga	To manufacture pesticides and insecticides for mainly the agricultural sector	60	5,000	90	60	Limestone	
3.3	Lime/bleaching powder/green-past calcium carbonate	Tanga, Dar es Salaam, Arusha	To produce locally those commodities which are used in textile leather - paper, paint and rubber plastics industries.	35	Tons Lime 6,000 B.P. = 3,000 P.C.C. = 3,000	-	200		
3.4	Mini pulp and paper plants	(SIDO)	To start mini pulp and paper plants to serve specific market segments	15	150 tons	10	25	Several sources such as bagasse, waste paper etc.	To be initiated by SIDO
3.5	Dyes for leather and textiles	Mwanza, Dar es Salaam	To produce some dyes for the leather and textile industry	250	-	150	196	Sugar molasses to be produced from sugar mills	Project under implementation
3.6	Alcohol, bakers yeast	Moshi (NDC)	To produce 1,000 tons of bakers yeast 8 million litres of alcohol 250 tons of dry yeast and 18,000 tons of vinassees.	150	3,000 tons	100	415	Cotton lintens, caustic soda	A feasibility study needed
3.7	Viscose rayon	Dar es Salaam Tanga, Iringa	A plant to produce basic bricks and monolithics and aluminous bricks and monolithics.	450	30,000 tons	192	135	Ball clays and calcinated kaolin local others to be imported.	A full feasibility study is available
3.8	Refractories	Tanga, (Saruji Corporation)	To investigate producing a number of chemicals from coal such as ammonia, urea, guanilases, organic chemical explosives, synthetic rubber and phenolic resins					Coal deposits in Mbeya Region	
3.9	Coal-based chemicals	Mbeya, Tabora							
3.10	Cement	Kilwa, Mwanza, Bukoba	To build a medium size cement plant at Kilwa and several mini cement plant around the lake regions.	4,000 ^a	Kilwa 60,000 tons	-	-	Oryzem deposits exists in several localities	Under implementation
3.11	Fertilizers	Kilwa	To produce natural gas and ammonia urea	450	20,000 tons of suitable glass per annum	N.A.		Natural gas, phosphates soda ash	Under implementation
3.12	Glass	Mwanza, glass container Dar es Salaam sheet glass (SARUDI)	To produce glass containers and sheet glass					Silice sand, felspar quartz	Under implementation

Source: TISCO, Parastatal Organizations, Ministry of Industries. (UNIDO document UN/ID/IS.293)

^a Including exploitation of natural gas.

CHAPTER 111. TRADE REGIME AND COMMERCIAL POLICY

Preferential and External Trade Relations

55. Until 1977 Tanzania was a member of the tripartite East African Community, the then oldest regional economic grouping in Africa, comprising a common market and a number of common services in trade, finance, transport and communications, research, etc. With the dissolution of the Community in 1977 leaving standing only some of the common services, Tanzania introduced a new tariff system, which came into effect in March 1979, applicable to all its trading partners including its former preferential partners.

56. Tanzania is a full contracting member of the GATT but does not have a GATT tariff schedule of concessions. It is also a signatory to the Lome Convention, by which it enjoys the preferential tariff and other treatments accruing to the ACP group of countries. Tanzania is also a beneficiary under the Generalized System of Preferences maintained by a number of developed countries in favour of developing countries, and as a least-developed country it also enjoys special concessions within the GSP schemes of a number of developed countries.

57. Tanzania is a member of the Southern African Development Co-ordination Conference (SADCC), created in July 1979 among nine Southern African States with the aim of working for a closer integration of their economies and accelerating their development. Currently, emphasis is being placed on the development of transport and communications, energy, industrialization and other areas.

58. It is also hoped that Tanzania will eventually sign the treaty on a preferential trade system concluded on 21 December 1981, between 18 Southern and East African States, under the aegis of the Economic Commission for Africa.

1. Import regime

Import duties

59. Import duties range from 15 per cent on pharmaceuticals, medical supplies, and books; 20 per cent on whole cereals, paper and paper products, metal products, machinery and equipment, clocks and watches, industrial machinery and equipment building materials, and photographic equipment; 60 per cent on meat, fish and dairy products; other food items; wood products; furniture, bedding etc.; toys, games and musical instruments; to 120 per cent on alcoholic beverages and tobacco products. Duties on leather goods range from 20 per cent to 60 per cent and those on clothing and apparel range from 60 to 120 per cent. The free list generally applies to agricultural imports, petroleum distillates, spare parts, educational and artistic materials, packing materials and certain personal effects.

60. Import controls, on the mainland, are administered by the Imports Controller in the Bank of Tanzania, whose office is responsible for the issuing of specific import licences which cover most imported commodities. Other imports are made under open general licence, implying that they may be imported freely, irrespective of country of origin. Applications for import licences must be submitted to the Imports Controller by the importer before orders are placed abroad. Import applications for commodities, the importation of which is confined to parastatal organizations, must be submitted through the respective parastatal organization. There are certain arrangements whereby Tanzanians residing abroad who have their own foreign exchange are permitted to import some items which are otherwise under import licensing restrictions. Items covered by these arrangements include motor vehicles such as pickups, lorries and buses, plant and equipment, machinery spare parts, soap, tooth brushes, toothpaste and cooking oil.

61. Zanzibar administers an independent system of foreign trade controls through a Board of Trade; all imports and the principal exports are effected by the State-trading agencies (Bizamje and the Zanzibar State-Trading Corporation). All imports to the mainland from Zanzibar require a specific licence when the goods originate outside Zanzibar.

Prohibitions and restrictions

62. Some imports to the mainland from all sources are prohibited for reasons of health, security or ethics. All machines intended for gambling are prohibited. Under prohibition are also certain dangerous drugs; indecent, offensive, or seditious printed matter and articles; white phosphorous matches; counterfeit money, gas pistols and cartridges; and tear gas.

Import payment and exchange control

63. Exchange control is administered on behalf of the Minister of Finance by the Bank of Tanzania, which, in turn, delegates authority for approving normal import payments to two authorized banks, the National Bank of Commerce and the People's Bank of Zanzibar. A semi-annual foreign exchange plan provides for indicative foreign exchange allocations for goods subject to specific licences.

64. After the importer has obtained a specific licence from an issuing authority, exchange is automatically provided by an authorized bank upon submission of an application and the necessary documentary evidence. Advance payment for imports is allowed only in exceptional circumstances. Exchange for import payments is not normally granted until after customs clearance.

Other charges on imports

65. Most imports, irrespective of their origin, are subject to a sales tax at rates ranging up to 50 per cent of c.i.f. value plus import duty. A consumption tax has been imposed on soft drinks - whether imported or manufactured locally in Tanzania. A wharfage surcharge of 30 cents on each imported package regardless of size or value is imposed by Zanzibar.

State-trading and Government procurement

66. The socialist State model adopted by Tanzania implies major State control of virtually all commerce, industry, insurance and banking through a network of holding companies, production agencies, agricultural commodity authorities and financial institutions.

67. On the mainland, import trade is organized by the following Statel and parastatal organizations which correspond to sectors of the economy and to which are consigned goods on the second schedule to the Open General Licence: the National Development Corporation; the National Steel Corporation; the Tanzania Wood Industry Corporation; the Tanzania Textile Trading Company; the Tanzania Elimu Supplies Limited; the Agricultural and Industrial Supplies Company Limited; the Building, Hardware and Electrical Supplies Company Limited; the National Pharmaceutical Company Limited; the General Foods Company Limited; the Domestic Appliances and Bicycle Company Limited; the Household Supplies Company Limited; the State Motor Corporation; the State Mining Corporation; the Tanzania Film Company Limited; the National Petroleum Development Corporation.

2. Export regime

Export controls and regulations

68. As it is the case with imports almost all export trade is conducted by the State through a network of State companies or corporations, production agencies and commodity authorities.¹ Exports may not be effected without an export licence and in some cases may be restricted if a local shortage exists in the commodity involved. All principal exports of Zanzibar are exported by the Zanzibar State Trading Corporation. In a recent move to encourage large scale private commercial farming these now have the right to organize their own marketing.

Export taxation

69. Export taxes are levied on a number of export products, principally cashew nuts, tea, copra, pyrethrum extract, beeswax, meat and meat products. Exemptions include commodities exported for consumption in any East African country i.e. Kenya, Uganda, Malawi and Zambia. There is also a tax on the sales value of diamonds mined in Tanzania. The taxes on coffee and sisal were abolished in the 1980/81 budget and that on cotton was eliminated as part of the measures announced in the 1982/83 budget.

Export promotion

70. In 1978 the Board of External Trade was established as an export promotion agency charged with creating the necessary co-ordination between markets and Tanzanian exporters. It has the duty of collecting, assembling and disseminating all information related to external trade, organizing and supervising the preparation of trade fairs and carrying out export promotion campaigns. It also plays an advisory role in the areas of export products development, local financing, transportation and documentation.

¹ These include the Cashewnut Authority of Tanzania, the Tanzania Cotton Authority, the Coffee Authority of Tanzania, the Tanzania Coffee Board, the Tanzania Pyrethrum Board, the Tanzania Sisal Authority, the Tea Authority of Tanzania, and the Tanzania Tobacco Authority. There is also the General Agricultural Products Export Corporation.

Incentives and measures

71. The establishment of a foreign exchange Revolving Fund for export production and market development is being actively pursued and a scheme has recently been introduced whereby certain parastatal exporters are allowed to retain a proportion of their export proceeds in order to encourage exports and facilitate the importation of urgently needed inputs for rehabilitation purposes. With regard to sisal a bonus scheme has been introduced to provide additional financial incentive to the cutters. A differential export duty scheme allows exporters to buy certain domestic commodities at prices net of export duties. Among other measures designed to promote non-traditional exports are the following: a cash assistance scheme, simplification and centralization under the BET of export clearance procedures, adoption of clearer criteria and procedures for allocation of import licences and foreign exchange to non-traditional exporters on a priority basis, establishment of an export credit guarantee scheme and measures to make the BET a more effective focal point for foreign trade activities and policies.

CHAPTER IV. TARIFF AND NON-TARIFF MEASURES AFFECTING
EXPORTS OF TANZANIA IN SELECTED DEVELOPED COUNTRIES

72. Tanzania's status as a member of the ACP group of countries signatories to the Lome Convention, as a beneficiary of the GSP schemes of a number of developed countries and as a least-developed country ensure that most of its exports receive preferential tariff treatment in most developed country markets. In the sections which follow an attempt is made to present as succinctly as possible the tariff situation affecting actual imports (1981) from Tanzania into selected developed markets while in Annex II a detailed tariff assessment is presented on a selected list of products of current and potential export interest to Tanzania.

73. Australia's imports from Tanzania for the calendar year 1981 amounted to US\$7.37 million and comprised mainly raw cotton, cordage, cable rope and twine of sisal, cashew nuts, coffee, sisal fibre, unmanufactured tobacco, semi-precious stones, smoking pipes etc. Almost all of these were imported duty-free either on m.f.n. or GSP basis. The only major imported product subject to duties was unmanufactured tobacco which is subject to GSP specific duties with the following ad valorem equivalents, 8.8 per cent (24,01210), 6.3 per cent (24,01220).

74. In 1980 Austria's total imports from Tanzania amounted to about US\$3.1 million. Imports comprised mainly unroasted coffee, tea, spices, raw cotton and sisal fibres. Almost all imports were admitted free of duties on m.f.n. or GSP basis or on the basis of special treatment in favour of least-developed countries. Cloves were however subject to LDC treatment of 6.0 per cent.

75. Canada's imports from Tanzania amounted to US\$4.25 in 1981. They comprised mostly green coffee, cashew and other nuts, tea, twine, sisal fibre, ivory and waste, and wood manufactures. All these imports were admitted duty-free on both m.f.n. and preferential basis.

76. Finland's imports from Tanzania in 1981 amounted to US\$4.78 million, about 96 per cent of which comprised unroasted coffee. Other imports were coffee extracts and concentrates, cloves, cardmoms, beeswax, twine, cordage, ropes of sisal, and tea. All these imports enjoyed duty-free access to Finland on m.f.n. or GSP basis or on the basis of special LDC treatment in the framework of its GSP scheme.

77. Almost all imports of the European Economic Community from Tanzania in 1981 totalling about US\$249 million enjoyed duty-free access either on an m.f.n. basis or by virtue of Tanzania being signatory to the Lome Convention. The only exceptions were two food items subject to a common organization of the market in the EEC. They were tomatoes ex 07.01 (1 November-14 May) and ex 08.06 apples not for production of cider (1 April-31 July). These are subject to levies.

78. All of New Zealand's imports from Tanzania in 1981 amounting to about US\$1.69 million were admitted duty-free on an m.f.n. preferential basis. Over 96 per cent of imports comprised sisal, with unmanufactured tobacco, unroasted coffee and nuts making up the rest.

79. All imports into Norway from Tanzania and all other least-developed countries enjoyed duty-free access.

80. Imports of Japan from Tanzania amounted to about US\$18.42 million in 1981, and comprised mostly unroasted coffee, cashew nuts, black tea, twine, cordage and ropes of sisal, pyrethrum extract, cashew nut shell and sesame seeds, spices, live animals, animal parts e.g. ivory, shell, bekko, etc., beeswax, sheep and lambskin leather, sisal fibre, manufactured wood products, ivory products etc. Most of these items enjoyed duty-free access on m.f.n. or GSP basis or on the basis of special preferential treatment in favour of least-developed countries within the framework of the Japanese GSP scheme. Those items still subject to duties were pyrethrum extract ex 13.03 (m.f.n. 20 per cent), residues resulting from the extraction of pyrethrum extract ex 14.05 (m.f.n. 5.0 per cent, temporary zero per cent), beeswax ex 15.15 (7.5 per cent), instant coffee ex 21.02 (MTN final 17.5 per cent).

81. Almost all imports of Sweden from Tanzania in 1981 totalling about US\$6.93 million enjoyed duty-free access. They comprised mostly unroasted coffee, spices (cloves, cardamoms), coffee extracts, animal feed based on oilseeds, unmanufactured tobacco, twine of sisal etc. Imports of certain seasonal vegetables ex 07.01 (1 May-30 November) were subject to duties (m.f.n. 10.0 per cent).

82. Imports of Switzerland from Tanzania totalled about US\$7.6 million in 1981 and comprised mostly raw cotton, raw coffee, dry leguminous vegetables, unmanufactured tobacco, precious and semi-precious stones, spices, coffee extracts etc. With a few exceptions all these items were imported duty-free on m.f.n. or GSP basis or on the basis of special LDC treatment within the framework of the GSP. However, one major import, coffee products, are subject to duties i.e., raw coffee ex 09.01 (SwF 0.50 per kg. or 7.6 per cent), unroasted coffee, freed of caffeine ex 09.01 (SwF 0.26 per kg. or 11.5 per cent), husks and skins of coffee 09.01 (0.2 per cent).

83. In 1981 the imports of the United States from Tanzania amounted to about US\$19.72 million. They comprised mainly raw coffee, and cashewnuts, peas, tea, natural gums and resins, raw sisal, live birds, articles of wood, twine and cordage of sisal, phrethrum, flower, beeswax, precious and semi-precious stones including diamonds, etc. Almost all these imports were admitted duty-free on m.f.n. or GSP basis, the only exceptions being tobacco, manufactured or unmanufactured TSUS 17080 (12 per cent ad val equivalent of specific duty).

Non-tariff measures

84. The information on non-tariff measures contained in the tabulation which follows in Annex I is derived mainly from the latest revised GATT Joint Working Group document (L/5415) as well as the inventory of quantitative restrictions and other non-tariff measures (NTM/W/6 and Addenda) based on notifications. Notifications under the relevant procedures do not however necessarily establish the existence of non-tariff barriers to trade in these cases. Certain information has also been taken from the documentation on tropical products prepared for the Committee on Trade and Development.

85. Since the Joint Working Group and other material referred to above generally specify products at the CCCN four-digit level, it is not always clear whether the measures indicated are applied to all tariff lines falling under the four-digit headings indicated in the tariff and trade data in Annex II.

86. The product classifications in column one are at the four-digit CCCN level. Column two gives the product description, column three the type of measure while column four lists the countries applying the measures.

ANNEX I

Symbols

(i) Type of Non-tariff measure

- BQ : Bilateral quota
- GQ : Global quota - where restriction applies to goods of most, if not all, countries and where the amount of the quota is published
- P : Denotes that imports are generally prohibited or embargoed
- ST : State-trading
- AL : Automatic licensing
- LL : Liberal licensing - where maintaining countries consider their licensing régimes to be a purely formal requirement involving no restriction
- DL : Discretionary licensing
- L : Licensing (method unspecified)
- XR : (followed by country abbreviation) - the country in parenthesis operates an export restraint vis-à-vis the country shown as maintaining the restriction
- IL : Import levies
- MP : Minimum price system
- SR : Seasonal restriction
- R : Restriction (unspecified)
- Q : Quota
- SLX : Sales tax
- STX : Selective internal tax
- TX : Internal tax
- HS : Health and phytosanitary regulations

LIST OF COUNTRY NAMES AND ABBREVIATIONS

AFGHANISTAN	AFG	AFGOLIA	AGO	ANDORRA	AND
NETHERLANDS ANTILLES	ANT	UNITED ARAB EMIRATES	ARE	ANGABIA	ARS
AMERICAN SAMOA	ASH	BRITISH ANTARCTIC TERR.	ATB	ANTIGUA AND BARBUDA	ATG
DROMING MAUD LAND	ATN	AUSTRALIA	AUS	AUSTRIA	AUT
BAHRAIN	BHR	BENIN	BEN	BULGARIA	BGR
BAHRAIN	BHR	BAHMAS	BHS	BELIZE	BLZ
BEHUCA	BHU	BOLIVIA	BOL	BERBADOS	BRB
BRUNEI	BRN	BRUTAN	BTN	BRUVET ISLAND	BVT
BOTSWANA	BWA	CENTRAL AFRICAN REP.	CAF	CANADA	CAN
COLOS (KEELING) ISL.	CKK	SWITZERLAND	CHE	CHINA	CHN
IVORY COAST	CTV	COMMONW. LATIN AMER.	CLA	COMMONW. ANTILLES, MES	CNT
COMMONW. AFRICA, MES	CUA	COMMONW. OCEANIA, MES	COC	COOK ISLANDS	COK
COLOMBIA	COL	COMORUS	COM	COSTA RICA	CRI
CZECHOSLOVAKIA	CSK	CANTON & ENDERBURY	CIE	CHRISTMAS ISLAND	CXR
CAYMAN ISLANDS	CYM	CYPKUS	CYP	GERMANY, FEDERAL REP	DEU
DJIBOUTI	DJI	DUMINICA	DMA	DOMINICAN REPUBLIC	DOM
ALGERIA	DZA	ECUADOR	ECU	EFTA	EFT
EGYPT (U.A.R.)	EGY	WESTERN SAHARA	ESH	ETHIOPIA	ETH
FRENCH AFRICA, MES	FAF	FIMAND	FIM	FALKLAND IS. & DEP.	FLK
FRENCH ANTILLES	FMT	FRENCH OCEANIA, MES	FCC	FAEROE ISLANDS	FRO
GABON	GAB	UNITED KINGDOM	GBR	GHANA	GHA
GIBRALTAR	GIB	GUINEA	GIN	GAMBIA	GMB
GSP MFN ORIGIN	GMO	GSP MFN TREATMENT	GPT	EQUATORIAL GUINEA	GNQ
GSP OTHER ORIGIN	GGO	GSP PREF TREATMENT	GPT	GRECCE	GRC
GREENLAND	GRL	GUATEMALA	GTM	GUAM	GUM
GUYANA	GUY	HONG KONG	HKG	HONDURAS	HND
HAWAII	HTI	HUNGARY	HUN	INDONESIA	IDN
INDIA	IND	RA. INDIAN OCEAN TERR	IDI	IRAN	IRN
IRAQ	IRQ	ICELAND	ISL	ITALY	ITA
JAMAICA	JAM	JORDAN	JOR	JOHNSTON ISLAND	JTN
KAZAKHSTAN	KAZ	KENYA	KEN	ST. KITTS-NEVIS-ANGLA	KNA
KOREA, REPUBLIC OF	KOR	KUWAIT	KWT	LEBANON	LBN
LIBERIA	LBR	LIBYAN ARAB JARAHIR.	LBY	LIECHTENSTEIN	LIE
SRI LANKA	LKA	LESOTHO	LSO	MACAO	MAC
MOROCCO	MAR	MADAGASCAR	MDG	MEXICO	MEX
MFN DDC	MFD	MFN ETA	MFE	MIDWAY ISLANDS	MID
MALI	MLI	MALTA	MLT	MOZAMBIQUE	MUZ
MAURITANIA	MRT	MONTERRAT	MTR	MAURITIUS	MUS
MALAWI	MWI	MALAYSIA	MYS	NEW CALEDONIA	NCL
NIGER	NIG	MORFOLK ISLAND	MFR	NICARAGUA	NIC
NIUE	NIU	NEHERLANDS	NLD	NEPAL	NPL
NAURU	NRU	NEUTRAL ZONE	NZL	NEW ZEALAND	NZL
N.Z. TERRITORIES	NZT	ANTARCTIC, MES	ATA	OTHER ASIA N.E.S.	GAN
AUSTRALIAN TERP. MES	OAT	OTHER OCEANIA MES	CAA	OTHER MFN ORIGIN	OMO
OTHER MFN TREATMENT	OMT	OTHER ORIGIN	CCE	PORTUGUESE AFRICA	PAF
PAKISTAN	PAK	PANAMA CANAL ZONE	PAN	PACIFIC TRUST TERR.	PCT
PAPUA NEW GUINEA	PCH	PANAMA	PAN	PHILIPPINES	PHL
PORTUGAL	PNG	POLAND	POL	KOREA, DEM. REPUBLIC	PRK
QATAR	QAT	PARAGUAY	PRY	FRENCH POLYNESIA	PYF
RUANDA	RWA	REUNION	REU	ROMANIA	ROM
SENEGAL	SEN	SOUTH & S-E ASIA, MES	SAS	SUDAN	SDN
SIERRA LEONE	SLE	SINGAPORE	SGP	SOLOMON ISLANDS	SLB
ST. PIENRE & MIQUELON	SPH	EL SALVADOR	SLV	SPANISH AFRICA	SPA
SWEDEN	SWE	SAG. TOME & PRINCEIPE	STP	SURINAME	SRY
TURKS & CAICOS IS.	TCA	SWAZILAND	SWZ	SYRIAN ARAB REPUBLIC	SYR
TUNELAU	TKL	CHAD	TCD	THAILAND	THA
TRINIDAD & TOBAGO	TTO	EAST TIMOR	TIM	TOTAL	TOT
UNITED REP. TANZANIA	TZA	TUNISIA	TUN	TUVALU	TUV
URUGUAY	URY	UGANDA	UGA	U.S. ANTILLES, MES	UNT
ST. VINCENT GRENADINE	VCT	UNITED STATES	USA	VATICAN CITY STATE	VAT
VIET NAM	VNM	VENEZUELA	VEM	U.S. VIRGIN IS.	VIR
WALLIS & FUTUNA IS.	WLF	VIET NAM	VNM	WAKE ISLAND	WAK
YUGOSLAVIA	YUG	SAMOA	WSM	DEMOCRATIC YEMEN	YMD
ZAMBIA	ZMB	SOUTH AFRICA	ZAF	ZAIRE	ZAR
		ZIMBABWE	ZWE		

Non-tariff measures maintained by some developed countries
on products of export interest to Tanzania

CCCN Tariff headings	Product description	Type of measure	Country applying measure
01.06	<u>Live animals other than in CCCN 01.01-01.03 including animals for zoo and pets</u>		
	ex	P,R	NZL
	ex	GQ	JPN
	- whole heading	DL	FIN
03.01	<u>Fish, fresh, chilled or frozen</u>		
	ex	GQ	FIN
	ex	GQ	JPN
	ex	GQ,R	NZL
	ex	L	SWE
03.03	<u>Crustaceans and molluscs, including shrimps, fresh, chilled, frozen, slated, dried, simply boiled</u>		
	ex	GQ	JPN
	- whole heading	R	NZL
	- shrimps and prawns in shell, boiled, frozen	L	SWE
04.06	<u>Natural honey</u>		
	ex	R	EEC
	- whole heading	I.	FRA
	- whole heading	DL	FIN
	ex	GQ	NZL
	- whole heading	R	NZL
	- whole heading	DI.	NOR
	- whole heading	AL	CHE
05.04	<u>Guts, bladders, and stomachs of animals (other than fish), whole and pieces thereof</u>		
	- whole heading	R	NZL
	- whole heading	GQ	CHE
05.08	<u>Bones and horn-cores, ivory,</u>		
05.09	<u>tortoiseshells, horns, antlers, hooves,</u>		
05.10	<u>etc. and waste of these products</u>		
05.11			
05.12			
	ex (05.09)	GQ	JPN
	ex (05.08) (05.09)	P,R	NZL

CCCN Tariff headings	Product description	Type of measure	Country applying measure
06.03	<u>Cut flowers and flower buds, suitable for bouquets or for ornamental purposes</u>		
	- whole heading	R	FRA
	ex	DL	FIN
	- whole heading	GQ/SR	NOR
	ex	DL	NOR
	ex	P	NZL
	ex	SR/O	CHE
06.04	<u>Foliage, branches, etc. of trees and other plants and mosses, lichens, etc.</u>		
	ex	P	NZL
	- Fresh, dried adiantum and asparagus	DL	NOR
07.01	<u>Vegetables, fresh or chilled</u>		
	- Except the following ¹	DL	AUT
	ex	R,SR	EEC
	- Early potatoes, tomatoes	SR	BLX
	- Potatoes, tomatoes, other (except seed potatoes)	SR	DNK
	- Potatoes (except seed potatoes), tomatoes, salads, artichokes, certain beans	SR	FRA
	- Potatoes, except for starch, flakes human food preparations	Q,SR	DEU
	- whole heading	R	GRC
	- Raw tomatoes	SR	IRL
	- New potatoes	ST	UK
	ex	DL	FIN
	ex	GQ,P	NZL
	ex	MP,DL,SR	NOR
	ex	AL,BQ,DL	CHE
	- whole heading	GQ,LI,SR	CHE
07.05	<u>Dried leguminous vegetables shelled whether or not, skinned or split</u>		
	ex	R	FEC
	- whole heading	R	EEC
	ex	DL	FIN
	ex	GQ	JPN
	ex	GQ,P	NZL
	ex	GQ	CHE

CCCN Tariff headings	Product description	Type of measure	Country applying measure
08.01	<u>Dates, bananas, pineapples, avocados, mangoes, guavas, etc., fresh or dried</u> ex - Bananas, pineapples - Bananas, brazil and cashew nuts - Bananas from dollar area - Bananas from dollar area ex ex	R R R GQ GQ DL,GQ P	EEC FRA GRC ITA UK FIN NZL
08.05	<u>Nuts, other than those falling under heading No. 08.01, fresh or dried</u> ex - whole heading - whole heading ex	R R R AL	EEC FRA GRC CHE
08.06	<u>Apples, pears and quinces, fresh</u> - pears - Apples ex ex - except quinces ex ex	SR DL GQ P DL,MP,SR SR SR,L,Q	AUT AUT FIN NZL NOR CHE SWE
09.01	<u>Coffee, whether or not roasted or freed of caffeine; coffee husks and skims; coffee substitutes containing coffee of any proportion</u> ex - Coffee, whether or not roasted or freed of caffeine " " "	AL STX ² STX ² STX ² STX ² STX ²	CHE DNK DFU ITA JPN BLX
09.02	<u>Tea</u> ex - whole heading - whole heading - whole heading - whole heading - whole heading - whole heading	GQ AL STX ³ STX ³ STX ³ STX STX	NZL CHE DEU DNK FRA FIN JPN

CCCN Tariff headings	Product description	Type of measure	Country applying measure
09.04	<u>Pepper of the genus piper; pimento of the genus capsicum; of the genus pimenta</u> ex	GQ	NZL
09.06	<u>Cinnamon and cinnamon tree flowers</u> ex	GQ	NZL
09.07	<u>Cloves (whole fruit, cloves and stems)</u> ex	GQ	NZL
09.08	<u>Nutmeg, mace, cardamoms</u> - Nutmeg	STX	FRA
12.01	<u>Oilseeds and oleaginous fruit whole or broken</u> ex ex - Groundnuts, except for oil production ex - Groundnuts - whole heading	R ⁴ DL GQ GQ GQ AL	EEC FIN JPN NZL USA CHE
13.03	<u>Vegetable saps and extracts: pectic substances, pectinates and pectates; agar-agar and other mucillages and thickeners derived from vegetable products</u> - Pectin ex ex	AL R GQ	CHE EEC NZL
14.05	<u>Vegetable products n.e.s.</u> - Algae flour	AL	CHE
16.02	<u>Other prepared or preserved meat or meat offals</u> - Various meat products - Meat or swine, poultry - Except such of poultry - Meat and offals of sheep - Boiled beef and pork	DL IL GO DL(GBR) GQ	SWE, FIN EEC AUT IRL JPN

CCCN Tariff headings	Product description	Type of measure	Country applying measure
16.02 (cont'd)	<ul style="list-style-type: none"> - Corned beef preparations of beef or pork and other preparations mainly containing beef or pork - Products of animals of headings 01.01-01.04 - Whole heading - Turkey rolls - Preparations of pork - Corned beef 	<ul style="list-style-type: none"> DL DL DL GQ BQ GQ 	<ul style="list-style-type: none"> JPN AUT NOR NOR CHE CHE
17.01	<u>Beef sugar and cane sugar, solid</u> <ul style="list-style-type: none"> - Raw sugar, white sugar - Whole heading - Except beet sugar and cane sugar crude, and sugar candy - Refined sugar and other (i.e. powdered and crushed) - Whole heading - Except 17.01.90 - Whole heading - Whole heading ex vanilla and vanilla flavoured sugar 	<ul style="list-style-type: none"> IL P GQ L⁶ L,R⁷ AL⁸ GQ⁸ DL 	<ul style="list-style-type: none"> EEC⁵ ALA AUT NOR SWE CHE USA AUT
17.03	<u>Molasses, whether or not decolourized⁵</u> <ul style="list-style-type: none"> - Sugar in molasses - For animal feed - Edible molasses - Sugar content (does not apply to inedible molasses) - Whole heading - Molasses 	<ul style="list-style-type: none"> P ST L,R⁹ IL¹⁰ GQ¹⁰ IL IL 	<ul style="list-style-type: none"> ALA NOR SWE AUT USA AUT SWE
18.01	<u>Cocoa beans whole or broken, raw or roasted</u> <ul style="list-style-type: none"> - Whole heading - Whole heading 	<ul style="list-style-type: none"> AL STX¹¹ 	<ul style="list-style-type: none"> CHE FRA, ITA
18.03	<u>Cocoa paste (in bulk or in block) whether or not defatted</u> <ul style="list-style-type: none"> - Whole heading - Whole heading - Whole heading 	<ul style="list-style-type: none"> GQ AL STX¹² 	<ul style="list-style-type: none"> NZL CHE DNK, FRA, ITA, NOR

CCCN Tariff headings	Product description	Type of measure	Country applying measure
18.05	<u>Cocoa powder unsweetened</u> - Whole heading - Whole heading - Whole heading	GQ AJ, STX ¹³	NZL CHE JPN, DNK, FRA, ITA
20.06	<u>Fruit, otherwise prepared or preserved, whether or not containing added sugar or spirit</u> ex - Pineapple - Fruit pulps - Except the following in airtight containers:- pineapples, citrus fruit, apricots, peaches, nuts, ginger, sour cherries, mixed fruit (including fruit cocktail) - Whole heading - Products containing alcohol	DL GQ DL DL GQ R	FIN JPN JPN NOR NZL SWE
23.02	<u>Bran, sharps and other residues derived from the sifting, milling or working of cereals or of leguminous vegetables</u> - Whole heading - Except (a) husked bran and residues, derived from the sifting, milling or working of leguminous vegetables - Whole heading - Whole heading - Bran, sharps, etc. - Whole heading	ST DL ST GQ, IL IL DL	AUT AUT NOR CHE SWE FIN
23.04	<u>Oilcake and other residues (except dregs) resulting from the extraction of vegetable oils</u> - Oilcake and soya bean residue, not as animal feed - Whole heading - Whole heading - Cotton seed/rapeseed extraction meal - Oilcake and other residues of linseed, coconut, groundnut, palm kernel and certain substances - Whole heading - Whole heading	IL ST GQ, IL HS ALA HS DL GQ	SWE NOR CHE IRL FIN NZL

CCCN Tariff headings	Product description	Type of measure	Country applying measure
23.06	<u>Vegetable products of a kind used for animal food, not elsewhere specified or included</u>		
	- Whole heading - Marc of seed fruits for animal feeding and some products for animal feeding. Also acorns for sewing and mulberry leaves	DL	FIN
		AL	CHE
24.01	<u>Unmanufactured tobacco, tobacco refuse</u>		
	- Whole heading	ST	FRA,AUT, JPN
24.02	<u>Manufactured tobacco; tobacco extracts and essences</u>		
	- Whole heading	ST	ITA,AUT, JPN,FRA, IRL
33.01	<u>Essential oils (terpenless or not; concretes, and absolutes; resinoids</u>		
	- Hop oil	GQ	NZL
41.02	<u>Bovine cattle leather</u>		
	- Whole heading exc. parchment dressed	DL	JPN
	- Bovine leather	GQ	NZL
41.03	<u>Sheep and lamb skin leather</u>		
	- Whole heading	GQ	NZL
	- Whole heading, dyed, stamped, etc. exl. parthment dressed	DL	JPN
41.04	<u>Goat and kid skin leather</u>		
	- Whole heading dyed, stamped etc.exl. parchment dressed etc.	DL	JPN
	- Whole heading	GQ	NZL
42.02	<u>Travel goods, handbags, wallets, purses, satchels, brief-cases, collar-boxes, toilet bags, etc.</u>		
	- Travel goods ex	AL GQ	NOR NZL

CCCN Tariff headings	Product description	Type of measure	Country applying measure
ex- chapters 50-52 ¹⁴	<u>Textile and textile articles</u>		
55.01	<u>Cotton not carded or combed</u> - Whole heading	GQ	USA
55.05	<u>Cotton yarn not put up for retail sale</u> - Whole heading - Whole heading	AL BQ	NOR SWE
55.09	<u>Other woven fabrics of cotton</u> - Whole heading - Whole heading - Whole heading ex - Whole heading	GQ DL LL L R	GBR FRA CHE NOR GRC
56.07	<u>Woven fabrics of man-made fibres (discontinuous or waste)</u> - Whole heading - Whole heading - Whole heading ex	GQ DL R L	USA FRA GRC NOR
58.02	<u>Other carpets, i.e. of sisal</u> - Whole item - Whole item - Other, except terry bath mats	DL ¹⁵ LL GQ	FRA CHE NZL
60.04	<u>Undergarments, knitted or crocheted, not elastic nor rubberized</u> - Various items - Whole heading - Whole heading - Whole heading - Whole heading, of cotton - Whole heading, of cotton ex	R R L LL R AL BQ	ITA GRC NOR CHE FRA SWE USA

CCCN Tariff headings	Product description	Type of measure	Country applying measure
60.05	<u>Outer-garments and other articles, knitted or crocheted, not elastic nor rubberized</u> <p style="text-align: center;">ex</p> <ul style="list-style-type: none"> - Whole heading - Whole heading - Whole heading - Whole heading ... of cotton - Various items - Various items 	<ul style="list-style-type: none"> BO R R L LI R GO 	<ul style="list-style-type: none"> USA FRA GRC NOR CHF ITA NOR
61.01	<u>Men's and boy's outer-garments</u> <ul style="list-style-type: none"> - Men's and boy's outer-garments other judo outfits - Men's and boy's outer-garments - Whole heading - Various items - Men's and boy's outer-garments of cotton - Whole heading, ex - Whole heading, ex - Whole heading 	<ul style="list-style-type: none"> DI 16 DL AL R AL LI L, GO GO 	<ul style="list-style-type: none"> FRA FRA DEU ITA JPN CHF NOR NZL
61.02	<u>Women's, girl's and infant's outer- garments not knitted</u> <ul style="list-style-type: none"> - Whole heading - Whole heading - Whole heading, ex - Whole heading, of cotton - Whole heading, of cotton - Whole heading (except kimonos, but including parts and pieces of kimono shaped garments) <p style="text-align: center;">ex</p>	<ul style="list-style-type: none"> AL L, GO LI AL DE DI 17 BO 	<ul style="list-style-type: none"> DEU NOR CHF SWE FRA DNE USA
61.03	<u>Men's and boy's undergarments, including collars, shirt fronts and cuffs</u> <ul style="list-style-type: none"> - Whole heading, of cotton - Whole heading - Nightwear - Whole heading ex nightwear - Whole heading - Whole heading, of cotton 	<ul style="list-style-type: none"> DI AL AL GO LI AL 	<ul style="list-style-type: none"> FRA DEU NGF NOI CHF SWE

CCCN Tariff headings	Product description	Type of measure	Country applying measure
95.05	<u>Worked horn, coral (natural or agglomerated) and other animal carving material ...</u> - Worked marine turtle shell and articles	DL	JPN

¹ Seed potatoes, other salad, gourd, asparagus, artichoke, horseradish, other edible roots, fennel, rhubarb, celery, leeks, garlic, olives, truffles, other edible mushrooms.

² Selective Internal Taxes

CCCN	Description	Belgium Luxembourg per kg.	Denmark per kg.	F.R. Germany	Italy per kg.	Japan
09.01	Unroasted coffee not freed of caffeine	BF 8 (8.1%)	Dkr 4.35 (23.8%)	DM 3.60 (57.6%)	Lit 500 (16.5%)	5%
	Unroasted coffee freed of caffeine	BF 8 (7.0%)	Dkr 4.35 (15.9%)	DM 3.80 (51.4%)	Lit 525 (16.3%)	5%
	Roasted coffee not freed of caffeine	BF 10 (6.2%)	Dkr 5.4 (20.1%)	DM 4.30 (35.3%)	Lit 625 (13.6%)	5%
	Roasted coffee freed of caffeine	BF 10 (5.4%)	Dkr 5.4 (15.1%)	DM 4.55 (38.1%)	Lit 656.25 (13.9%)	5%

³ Selective Internal Taxes

	Denmark	Germany F.R.	France
09.02 Tea: In packages over 3 kg.	Dkr 5/kg. (31.3%)	DM 4.15/kg. (54.9%; 91.2% ^{**})	F 0.23/kg. (1.5%)
In packages less than 3 kg.	Dkr. 5/kg. (14.3%)	DM 4.15/kg. (31.6%)	F 0.23/kg. (0.8%)
ex 21.02 Instant tea	Dkr. 12.5/kg. (93.4%)	DM 10.40/kg. (74.1%)	F 0.828/kg. (1.8%) not soluble F 0.51/kg. (0.8%)

⁴ Except for linseed, castor seeds, sesame seeds and beech nuts.

⁵ There is a special EEC regime for ACP countries under the Lome Convention.

⁶ In accordance with the provisions of the International Sugar Agreement.

⁷ Except flavoured or coloured sugar, other than candy.

⁸ Oversize quota not intended to be restrictive.

⁹ In accordance with the provisions of the International Sugar Agreement.

¹⁰ Sugar content of edible molasses is applied against the global quota on sugar.

¹¹ FRA (FF 0.07/kg.); ITA (Lit 180/kg.); Lit 200/kg. roasted not shelled; Lit 225/kg. roasted, shelled, crushed.

¹² DNK (Dkr. 6/kg.); FRA (FF 0.085/kg.); ITA (Lit 225/kg); NOR (Nkr. 7/kg.)

¹³ DNK (Dkr. 6/kg.); FRA (FF 0.085/kg.); ITA (Lit 170/kg., Lit 225/kg.); JPN (5%).

¹⁴ The information contained in this tabulation on non-tariff measures relating to textile and clothing products covered by the MFA is based on notifications made to the Joint Working Group as far as measures other than export restraints and import quotas are concerned.

¹⁵ Applies to whole heading excluding Indian coil matting, kelem, rugs, etc.

¹⁶ Various specified countries

¹⁷ Applies to various specified countries other than Hong Kong and Japan.

¹⁸ Applicable to tents containing continuous man-made textile fibres, of cotton and of other textile fibres.

¹⁹ Applies to specified countries