

Issues and Requests Relating to Foreign Trade and Investment - Tanzania

Category	No	Issue	Issue Details	Requests	References
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	Delayed Customs Clearance Procedures	- <u>Customs Clearance Procedures takes 10 to 14-days at Sea/Airports, burdening importers for substantial amount of stock funding cost.</u>	- <u>It is requested that GOT takes drastic measures to beef-up the handling capacity for customs clearance at Sea/Airports.</u>	
	(2)	Mandatory Pre-Shipment Inspection	- <u>Since 2012, GOT has mandated pre-shipment inspection in Tanzania. As a result, exporters must request a third party inspection institute for inspection. The relative cost has increased, compared to the previous practice of effecting pre-shipment inspection in exporting countries.</u>	- <u>While the new scheme will hopefully curb illegal conducts such as smuggling, in reality, smuggling remains rampant. It is requested that GOT rigorously implements the new scheme.</u>	- Customs Rules and Regulations
13 Finance	(1)	Excessive Bank Protection	- <u>The interest rates excessively protects the bank's interest, deviating by large margin from the prevailing rates in the world, as follows: Lending in local currency: 16 to 22% Deposit interest rate: 0 to 2% Deposit interest rate in US\$: 5 to 7%</u>	- <u>Finance costs are excessively high.</u>	
14 Taxation Systems	(1)	Inefficiency in Tax Collection Work	- <u>The inefficiency of the taxation authorities (TRA) causes over-issue of additional tax collection, mistakes, etc. As a result, taxpayer must spend much time to take corrective measures, incurring additional cost (including consultant's fees).</u>	- <u>It is requested that the taxation authority: -- overhauls its authority and window, and -- conducts its auditing in the annual sequence.</u>	
26 Others	(1)	Shortage in Electric Power Supply	- <u>While the diffusion rate of electric power supply remains at 14%, blackouts are frequent, accompanying continual raise in the price. In addition, users must incur additional fuel costs, during blackout, for in-house generation.</u>	- <u>It is requested that GOT takes steps to: -- improve the basic generating capacity, and -- ensure transparency for the operational costs.</u>	