



Stanbic Bank

# AFRICA TRADE BAROMETER

An overview of the current cross-border trade landscape of Africa



TANZANIA





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# EXECUTIVE SUMMARY

Being Africa's largest bank, Standard Bank (trading in Tanzania as Stanbic Bank) has leveraged its presence and expertise across the continent to create the Stanbic Bank Africa Trade Barometer (SB ATB).

**T**he SB ATB was launched in 2022 with the intent of creating Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade. Availability of trade data remains a challenge across Africa and the SB ATB aims to fill part of this data gap through up-to-date survey data on the views of African businesses on the environment they operate in, their trade behaviour, trading activities and their perceptions on trade.

**This is Issue 4 of the SB ATB.** The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia.

**In order to construct the SB ATB index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources.** These thematic categories are traders' openness, access to finance, macroeconomic stability, infrastructure, foreign trade, governance & economy, and traders' financial behaviour. These are the seven variables on which the trade barometer scores for each country are constructed.

**From a primary data perspective, the Stanbic Bank Firm Survey Trade Barometer (SB STB) is constructed.** The SB STB scores and ranking by country are the averages of all the data collected only from the primary research surveys conducted with 2 258 firms across the 10 countries of interest.

**From a secondary research perspective, the Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) is constructed.** The SB QTB scores and ranking by country are the averages of all the selected indicators collected only from existing secondary data sources.

**The SB ATB is an aggregate of the SB QTB and the SB STB.**

The table below shows Tanzania's relative performance in the seven broad thematic categories of the SB ATB.



**Note:** All (with the exception of the ease of trade) indicators have an index score ranging from 0 to 100, where 0 represents a low score and 100 the highest score. For the ease of trade indicator, 0 represents a high score and 100 a low score.

August 2024  
May 2023



## This is the country report for Tanzania.

It contains analysis of the primary and secondary data gathered specifically for Tanzania between July and September 2024 and showcases trends and opportunities in trade within the country.

**Tanzania's position in the overall SB ATB ranking rose from position 8 in May 2023 to position 4.** With regard to the SB STB, Tanzania scored the highest relative to the other countries, rising from 3<sup>rd</sup> place to 1<sup>st</sup>. In terms of the SB QTB, the country improved its ranking, from 8<sup>th</sup> place to 7<sup>th</sup>. Overall, improvements in both the SB STB and SB QTB saw Tanzania improve in the SB ATB relative to the other countries. It is important to note that the SB ATB ranking of countries is relative to the 10 countries themselves. In other words, countries are ranked against each other i.e., relative scores to each other.

**Tanzania's macroeconomic environment has contributed positively, albeit moderately, to the nation's trade attractiveness.** In 2023, Tanzania's real GDP grew by 5.1%, primarily driven by sectors such as agriculture, mining, construction, financial services, and manufacturing. In addition, efforts by President Samia Suluhu Hassan's administration to prioritise economic diversification and bolster industrial capacities in infrastructure, agriculture, education, health, and technology have contributed significantly to Tanzania's GDP growth. The Bank of Tanzania has also played a key role in maintaining inflation at an average of 3.2% while ensuring sufficient foreign exchange reserves. Despite an overall positive macroeconomic environment, the Tanzanian shilling is expected to face continued pressure against the US dollar due to a combination of global and domestic factors.

This mix of growth and stability amid challenges underscores the complex but optimistic scenario for Tanzania's trade prospects.

**Tanzania's positive macroeconomic outlook has fostered a strong sense of optimism among surveyed businesses, with 66% expressing extreme or very high confidence in their growth prospects over the next 3 years.** Surveyed businesses attribute their optimism to growth across key industries and the opportunity of expanding into new lines of business, aligning with President Samia Suluhu Hassan's administration's objective of economic diversification and industrial expansion. This synergy between public policy and private sector optimism is creating a mutually reinforcing cycle of economic development and business confidence.

**Tanzania's government support index for trade continued its upward trajectory in this survey iteration, reflecting positive perceptions of the Government's role in supporting cross-border trade.** The increase in positive perceptions can, in part, be attributed to the Government's efforts to strengthen and reform its economic policies in order to attract more foreign investment, improve bilateral trade, and foster public-private partnerships. In particular, bilateral economic ties with neighbouring countries have played an important role to support cross-border trade by removing barriers and reducing the cost of trade. Despite initiatives to embrace trade agreements aimed at facilitating trade and reducing barriers, the need for policy reform and trade literacy support remain a key concern for businesses striving to engage effectively in cross-border trade.

**Surveyed businesses' perceptions on Tanzania's infrastructure quality significantly improved for every attribute, with an average increase in perceived quality of 13% per attribute.** This positive shift is possibly due to the positive reception of Tanzania's infrastructure

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development being carried out under the country's Five Year Development Plan III (FYDP III).<sup>1</sup> Despite a mix of international and domestic financing to support the implementation of FYDP III, Tanzania still faces a significant infrastructure financing gap. This necessitates the need for innovative financing mechanisms that incentive private sector participation.

**Tanzania's access to credit index score increased to 59 from 41 in May 2023.** The growth in Tanzania's access to credit index score is reflected in the growing perceptions of surveyed businesses that access to credit is becoming somewhat or extremely easy (44%). This is largely attributed to the Central Bank of Tanzania's decision to reduce statutory minimum reserve requirements for banks that extend credit to priority sectors like agriculture.<sup>2</sup> This has allowed new banks to enter the market and drive competition with more attractive credit terms.<sup>3</sup>

**While cash remains a prevalent payment method for trade, a growing trend towards digital platforms is emerging.** This is particularly evident in small businesses, where cash remains the most used method of payment for purchasing cross-border goods and services. However, the use of cash by small businesses declined from 80% in May 2023 to 32% in August 2024. The decline in cash usage was offset by a corresponding increase in the use of digital platforms, particularly card and mobile money. This shift can be attributed to the improvement of Tanzania's digital payment infrastructure, which now facilitates a more diverse payment ecosystem, directly benefiting small businesses trading activities.

**Tanzania's ease of trade index score increased, albeit moderately, to 46 in this iteration of the survey.**

This is largely attributed to a perceived reduction in the challenges associated with intra-African trade. Surveyed businesses in Tanzania show a clear preference for sourcing imports from Asia, while exporting to neighbouring EAC countries. Their trading activity in Asian markets, particularly China, is centred on prioritising their partner country's quality of goods, market prices and taxation rates. In terms of intra-African trade, surveyed businesses are capitalising on bilateral trade agreements and the African Continental Free Trade Agreement (AfCFTA) to bolster their exporting activities.

**Tanzania's trade openness index score declined from 58 in May 2023 to 51 in August 2024.** Despite acknowledging the potential advantages of bilateral trade agreements and the AfCFTA, Tanzanian businesses have reported a rise in trade-related challenges, leading to a less optimistic outlook on import and export growth over the next two years. The main challenges cited by surveyed businesses are rising taxation and customs duties, and complex trading regulations.

**In conclusion, Tanzania's leap to 4<sup>th</sup> place in the SB ATB is a significant improvement from last year.** This result is driven by business perceptions that saw Tanzania achieve the number one ranking in the SB ATB. These perceptions are grounded in a supportive enabling environment prevalent in President Samia Suluhu Hassan's administration. Surveyed businesses reported increased levels of government support, significant improvement in trade-related infrastructure, a more competitive credit landscape and a positive macroeconomic outlook. Looking ahead, it is essential to capitalise on the current wave of optimism surrounding President Hassan's administration and use it as a springboard for continued progress.

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**Tanzania's trade openness index score declined from 58 in May 2023 to 51 in August 2024.**

<sup>1</sup> FAO, 2024. Available [here](#).

<sup>2</sup> Federal Reserve Bank of New York, 2024. Available [here](#).

<sup>3</sup> World Economic Forum, 2024. Available [here](#).



# 1 INTRODUCTION

Africa's largest bank, Standard Bank (trading in Tanzania as Stanbic Bank), has leveraged its presence and expertise across the continent to create the Stanbic Bank Africa Trade Barometer (SB ATB).

The SB ATB was conceived with the intent of creating Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade.

**Trade—in the context of the SB ATB—should be understood as the process of production and transfer of goods and services that is enabled by solutions that effectively connect the supply chain domestically and internationally to create economic value.**

Launched in 2022, this is Issue 4 of the SB ATB. Issue 1, 2 and 3 were published in June 2022, November 2022 and September 2023 respectively. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda, and Zambia.

**The objective of the SB ATB is to provide dynamic and insightful analysis that can intelligently inform and grow Africa's trade ecosystem.**

Updated annually, the data enables stakeholders to take the pulse of African trade in near real-time to measure improvements or declines in business confidence, track operational challenges, and identify shifts in overall tradability.

The SB ATB is based on primary and secondary data sources. Primary research is gathered through a survey of over 2 258 firms representing small businesses, big businesses, and corporates across the 10 countries. The survey is augmented by in-depth interviews with select thought leaders in respective countries, and secondary data from sources such as the World Bank, the International Monetary Fund (IMF) and central banks of the respective countries.

To complement the individual country reports, a consolidated report will be published, serving as a cornerstone of the trade barometer. This overarching document will synthesise the

data from the various country analyses to offer a comparative perspective of the factors enabling and impeding trade across the 10 African markets surveyed.

This is the country report for Tanzania. It contains analysis of the primary and secondary data gathered specifically for Tanzania and showcases trends and opportunities in trade within the country. Primary and secondary data was gathered in Tanzania between July and September 2024 for this fourth issue of the SB ATB.

**A total of 190 businesses were surveyed in Tanzania.**

The surveyed businesses in Tanzania were located in the following cities or towns: Dar es Salaam, Mwanza, Arusha, Mbeya and Moshi. In order to be representative, the majority of these (68%) were small businesses (see Figure 1) given that most businesses in the country fall in this category. There were three in-depth interviews conducted in Tanzania as part of this issue. These were with representatives from the Bank of Tanzania, the Dar es Salaam City Council and the Ministry of Finance and Planning.

The fact that the majority of surveyed businesses were small businesses is a central value-add of the Stanbic Bank Africa Trade Barometer (SB ATB). Conventionally, aggregate trade data and information on the African continent is skewed by large businesses who trade specific commodities in large volumes. The trading activities and behaviour of small businesses is therefore often not adequately represented.

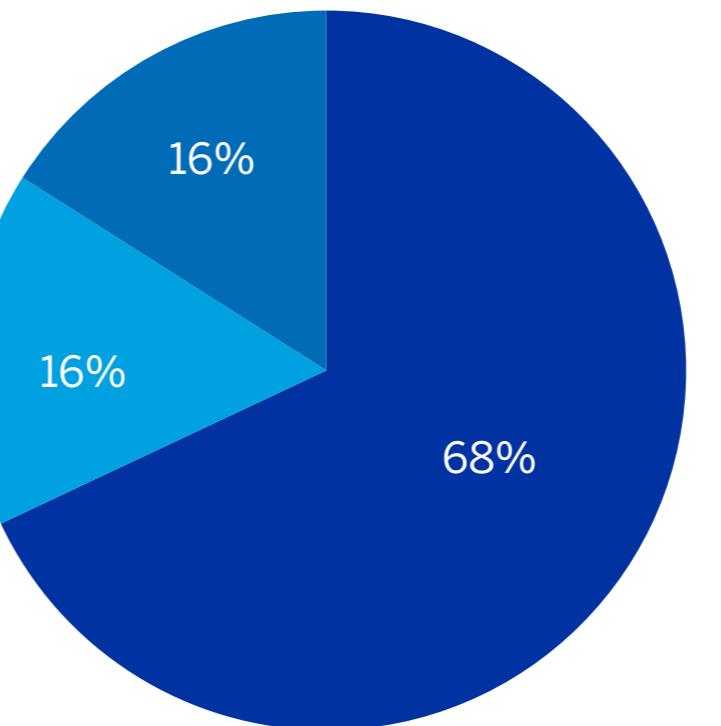
**Skewness towards small businesses of SB ATB.**

**The emphasis and findings in the SB ATB relate to small businesses, their trade behaviour, trading activities and their perceptions on trade. The SB ATB also makes a contribution**

**in understanding the trade perceptions of small businesses in Africa that do not necessarily engage in cross-border trade. Understanding the trade perceptions of all small businesses is key, as it aids in Africa's journey from a disjointed trading landscape to a more cohesive one where an extensive range of economic participants actively engage in trade with one another.**

**Notes:** Certain survey findings in this report may differ from data at the aggregate level because data at the aggregate level is skewed by a few large businesses that trade large volumes of specific commodities. This is pointed out in the report, as relevant.

**Figure 1: Breakdown of surveyed businesses in Tanzania by business segment**



■ Small business ■ Large business ■ Corporate

**Source:** Stanbic Bank Africa Trade Barometer Issue 4





# 2 STANBIC BANK AFRICA TRADE BAROMETER ISSUE 4 COUNTRY RANKINGS

Tanzania climbed four places in the Stanbic Bank Africa Trade Barometer ranking, from position 8 to 4.

In order to construct the Stanbic Bank Africa Trade Barometer (SB ATB) index rankings, seven broad thematic categories of data are collected from

**both primary and secondary data sources.** These thematic categories are macroeconomic environment, macroeconomic stability, government support, infrastructure constraints and enablers, trade openness, trader's financial behaviour and access to finance, and foreign trade and trading in Africa.

The SB ATB consists of the following two trade rankings:

- **The Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) is constructed from a secondary research perspective.** The SB QTB scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reports.
- **The Stanbic Bank Firm Survey Trade Barometer (SB STB) is constructed from a primary data perspective.** The SB STB scores and ranking by country are the averages of all the survey data collected from 2 258 businesses.

The SB ATB is an aggregate of the SB QTB and the SB STB. Changes in a country's ranking on the three indices (SB ATB, SB QTB and SB STB) are driven by changes in both the aggregate score for that country, as well as their relative ranking against the other countries included. Changes in the SB ATB rankings over the past year are driven mostly by the changes in the SB STB scores.

The SB ATB ranking of countries is relative as countries are ranked against each other i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that on a common starting point of 0 and maximum point of 100, this is how the two markets fared.

**Tanzania saw substantial improvement in the SB ATB, rising to 4<sup>th</sup> place from 8<sup>th</sup> place (see Figure 2).** Although the country still ranks in the bottom half of the SB QTB at 7<sup>th</sup> place, from 8<sup>th</sup>, Tanzania rose to position 1 from position 3 in the SB STB.

**Tanzania's substantial rise in the ATB rankings from 8<sup>th</sup> place to 4<sup>th</sup> reflects improvements in businesses' perceptions of access to credit, infrastructure quality and government support for trade.** It is further a reversal of the drop from 5<sup>th</sup> place in the 2022 SB ATB survey to 8<sup>th</sup> place in the 2023 iteration of SB ATB. Nonetheless, challenges remain, especially on perceptions of business confidence and expectations of import and export growth.

Figure 2: ATB, QTB and STB ranking, by country



Source: Stanbic Bank Africa Trade Barometer Issue 4

Notes: All values are shown so that a higher value is 'better' for trade, with the best to least ranking economies being ranked 1, 2, 3, etc., and how this has changed over time. Red border indicates that the country has declined in the relevant ranking from May 2023, Green border indicates that the country has improved in ranking from May 2023, while Grey border indicates that the country has remained in the same position as in May 2023.



# 3 MACROECONOMIC ENVIRONMENT

Tanzania's macroeconomic conditions have a largely positive impact on her tradability attractiveness.

**A** country's macroeconomic environment is a crucial factor in determining its attractiveness for trade and business in the economy. Some factors that increase a country's trade and investment attractiveness are high GDP (indicating a strong production of goods and services); high GDP per capita (suggesting strong consumer purchasing power); low inflation (ensuring the local currency remains favourable for importers); high foreign direct investment (FDI) (indicating a generally business-friendly environment) and high merchandise trade as a percentage of GDP (reflecting substantial imports and exports).

**Tanzania's overall macroeconomic outlook remains moderately positive across several indicators (see Table 1).**

**Tanzania's real GDP grew by 5.1% in 2023, compared to 4.7% in 2022.** It is forecasted to grow at 5.3% in 2024. The main contributors to Tanzania's GDP are agriculture, mining, construction, financial services, and manufacturing.<sup>4</sup> Growth is likely supported by increased exports of goods and services—particularly cashews, coffee, cotton, tobacco, gold, horticultural products, and tourism receipts. Increased domestic and cross-border trade has also been supported by the high adoption and usage of digital payments, especially mobile money.

**In addition, efforts by President Samia Suluhu Hassan's**

**administration to prioritise economic diversification and bolster industrial capacities in infrastructure, agriculture, education, health, and technology have contributed significantly to Tanzania's GDP growth.** These initiatives have played a key role in expanding the country's export base and enhancing its overall tradability attractiveness. Ongoing infrastructure projects include the construction of the standard gauge railway (SGR), the Julius Nyerere Hydroelectric Power Project (2,115 MW)—which became operational this year<sup>5</sup>—and the East African Crude Oil Pipeline from Hoima (Uganda) to Tanga (Tanzania).<sup>6</sup> There are several other ongoing and planned projects, including the expansion and upgrade of Pemba airport in Zanzibar and construction and rehabilitation of stadiums for the upcoming 2027 Africa Cup of Nations (AFCON). In the 2024/2025 budget, the government aims to make the Tanzania economy competitive and spur economic growth by setting targets for its macroeconomic environment such as maintaining inflation between 3% and 5% in the medium term, and targeting real GDP growth of 5.4% for 2024.

**3.3%**

is the projected average rate of inflation for 2024, lower than the three previous years.

**Tanzania has shown progress in implementing economic reforms aimed at promoting macroeconomic stability, strengthening economic recovery and promoting sustainable and inclusive growth.** In June 2024 the country successfully completed their third review under the IMF's Extended Credit Facility (ECF). This unlocked an immediate disbursement of USD 149.4 million under the program.<sup>7</sup> Passing the IMF review shows Tanzania's progress in meeting key economic reform targets and strengthening the country's economic growth. Following a June 2024 review, Tanzania in October 2024, became the second country to benefit from the Enhanced Cooperation Framework for Climate Action. This will see the IMF and World Bank Group working closely with other development partners to support Tanzania's policy reform agenda to address risks and challenges associated with climate change and enhance the resilience of the Tanzanian economy.<sup>8</sup>

**The Bank of Tanzania has played a key role in maintaining inflation at an average of 3.2% while ensuring sufficient foreign exchange reserves.** Inflation was 4.4% in 2022 and fell to 3.7% in 2023. An inflation rate below 5% is attributed to prudent monetary policies, adequate domestic food supply that controlled food inflation<sup>9</sup>, and the maintenance of foreign exchange reserves through external budget financing and a gold purchase program. In FY 2024/25, the Bank of Tanzania plans to

“

A stable political environment, growing consumer demand, technological advancements, and a skilled workforce are driving positive growth in the economy. However, enterprises still face key trade challenges such as poor infrastructure, high production costs, limited funding, regulatory hurdles, and currency fluctuations.

Representative from Bank of Tanzania

<sup>4</sup> Bank of Tanzania, 2024: Monetary Policy Statement 2024/25. Available [here](#).

<sup>5</sup> Tanzania Invest, 2024. Available [here](#).

<sup>6</sup> East African Crude Pipe, 2024. Available [here](#).

<sup>7</sup> IMF, 2024. Available [here](#).

<sup>8</sup> IMF, 2024. Available [here](#).

<sup>9</sup> Bank of Tanzania, 2024: Monetary Policy Statement 2024/25. Available [here](#).

”



purchase 6 tonnes of gold, valued at an estimated USD 400 million.<sup>10</sup> The purchase of gold supports the diversification of Tanzania's foreign reserve portfolio and serves as a hedge against economic instability, helping to maintain value during uncertain times.

**Despite an overall positive macroeconomic environment, a challenge is the depreciation of the Tanzanian shilling to the US dollar.** It depreciated by 4.7% in 2023, and is forecasted to depreciate a further 8.5% in 2024. This decline can be attributed to both domestic and global factors. Domestic factors include high demand for US dollars in the Interbank Foreign Exchange Market (IFEM) and reduced foreign currency inflows from key sectors such as crude oil and maize exports that experienced a decline in prices.<sup>11</sup> The high demand for foreign currency is due to the capital intensive infrastructure projects in the country. This high demand for US dollars has placed significant pressure on the shilling and increased the demand for foreign currency. Globally, the strengthening of the US dollar against emerging market currencies, including the Tanzanian shilling, has intensified the depreciation. This has led to imports becoming more expensive and negatively impacting trade within Tanzania.<sup>12</sup>

**Finally, foreign currency reserves have been on the decline since 2022 but are expected to rebound in 2024.** In 2022, foreign currency reserves stood at USD 5.2 billion, falling to USD 4.6 billion in 2023. This put a strain in the market as there was a shortage of foreign currency to cover the imports of goods and services. However, in 2024, foreign currency reserves began to improve with reserves at the end of September 2024 reaching USD 5.4 billion mostly accumulated through loans and grants.<sup>13</sup> This improvement is partly due to an increase in inflows from tobacco, gold and tourism.<sup>14</sup>

<sup>10</sup> Stanbic Bank African Markets Revealed, 2024.

<sup>11</sup> The Citizen, 2024. Available [here](#).

<sup>12</sup> The East African, 2024. Available [here](#).

<sup>13</sup> Bank of Tanzania, October 2024 Monetary policy, 2024. Available [here](#).

<sup>14</sup> Bank of Tanzania, July 2024 Monetary policy, 2024. Available [here](#).

**Table 2: Selected macroeconomic factors impacting tradability attractiveness for Tanzania**

Indicator	Unit	2019	2020	2021	2022	2023	2024f	2025f
<b>Nominal GDP</b>	USD, billions	60.5	62.9	67.9	73.2	73.1	71.3	71.2
<b>GDP per capita</b>	USD	1 075	1 158	1 214	1 268	1 185	1 104	1 102
<b>Real GDP growth</b>	%	7	4.8	4.9	4.7	5.1	5.3	5.0
<b>Merchandise of trade</b>	% of GDP	23.4	21.3	24.0	25.2	24.0	N/A	N/A
<b>Inflation rate</b>	%	3.5	3.3	3.7	4.4	3.7	3.3	4
<b>Lending interest rate</b>	%	12.4	12.0	12.1	12.3	13.6	N/A	N/A
<b>Exchange rate stability</b>	TZS per USD	2 311	2 314	2 304	2 327	2 436	2 644	2 797
<b>FDI</b>	USD, billions	1.2	0.9	1.2	1.3	1.3	1.3	1.4
<b>Trade (exports and imports as % of GDP)</b>	%	33.0	28.0	29.9	35.0	37.8	N/A	N/A

**Source:** Stanbic Bank African Markets Revealed Report; World Bank

**Note:** 'f' represents forecasted data point.

**Note:** Information collected is up to June 2024 and forecasts could have been revised by the time of publication.

**11%**

is the rate of depreciation for the Tanzania shilling against the USD from 2023 to 2024, accelerating from the previous four years.

“

Our inflation rate has been effectively managed; however, our focus must now shift to diversifying our sources of imports within the BRICS nations, which do not exclusively require payment in USD.

Representative from Bank of Tanzania

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# 4 MACROECONOMIC STABILITY

Perceptions on the performance of the economy in relation to the business environment have been largely positive.

## TANZANIA'S BUSINESS CONFIDENCE INDEX SCORE



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

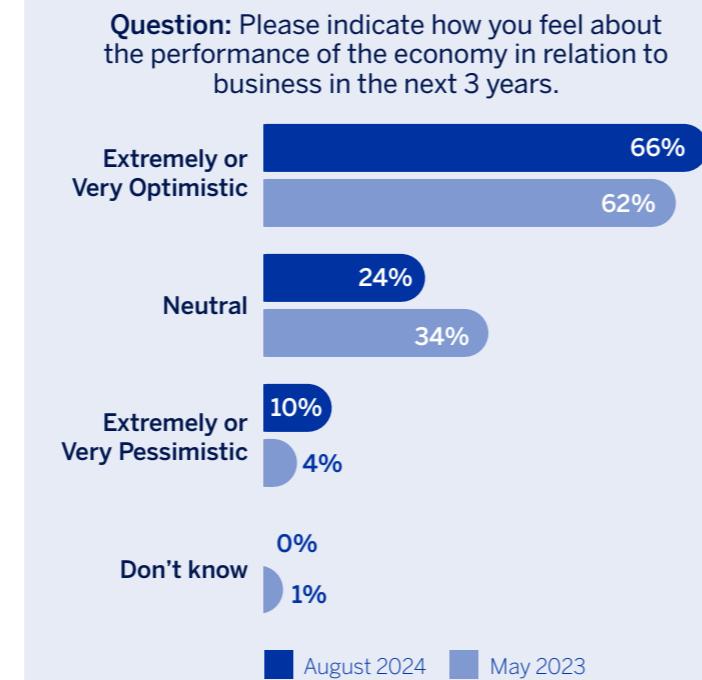
Business confidence index can vary between 0 and 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 indicates extreme confidence. In the August 2024 SB ATB survey results, Tanzania's business confidence index score slightly declined from 74 to 72. This means that compared to May 2023, surveyed businesses in Tanzania now have less confidence in the performance of the economy in relation to business in this iteration of the survey.

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**Perceptions on the performance of the economy in relation to business among surveyed businesses are largely positive (see Figure 3).** They have improved slightly this year—with 66% of surveyed businesses expressing a positive outlook for the next three years compared to 62% in May 2023 (see Figure 3). The majority of respondents who hold optimistic views on the future outlook of Tanzania's economy cited business growth (61%) as the main factor to their optimism.

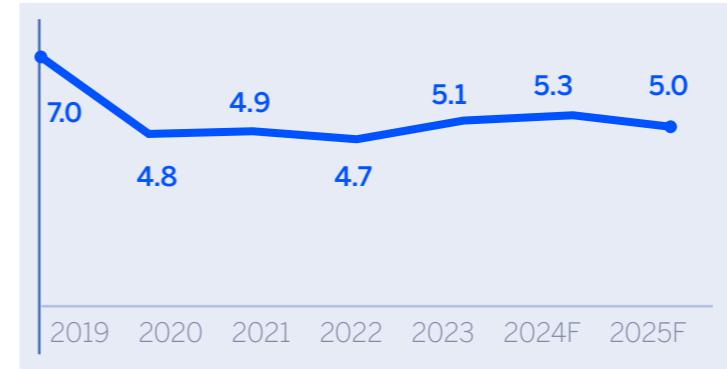
The increase in positivity among surveyed businesses is, in part, a consequence of ongoing developmental reforms under President Samia Suluhu Hassan. As detailed in the Section above, these reforms, aimed at economic diversification and enhancing industrial capacity, have played a key role in securing stable real GDP growth in the country (as shown in Figure 4).<sup>15</sup>

**Figure 3: Tanzanian businesses outlook of the performance of the economy**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**Figure 4: Real GDP growth (%)**



**Source:** Stanbic Bank African Markets Revealed Report; National Bureau of Statistics

**Note:** 'f' represents forecasted data points.

**Tanzania has witnessed a steady inflow of foreign direct investment (FDI) in recent years.** FDI inflows reached USD 1.1 billion in 2023 and they are forecasted to reach USD 1.3 billion in 2024 and USD 1.4 billion in 2025.<sup>16</sup> Furthermore, the Tanzania Investment Centre (TIC) registered 198 investment projects from April to June 2024, 53.5% higher than the number of approved projects in the same period last year, reflecting growing foreign investor confidence in the country's economic prospects.<sup>17</sup> An example is the USD 576 million agreement with three prospective investors aimed at boosting the agricultural sector, focusing on



Following the high tax rates, traders went on strike in response to the Tax Authority's (TRA) actions. The government was forced to step in to alleviate the burden on both traders and their customers.

Representative from Bank of Tanzania



<sup>15</sup> Stanbic Bank African Markets Revealed, 2024.

<sup>16</sup> Stanbic Bank African Markets Revealed, 2024.

<sup>17</sup> Tanzania Investment Centre, 2024. Available [here](#).

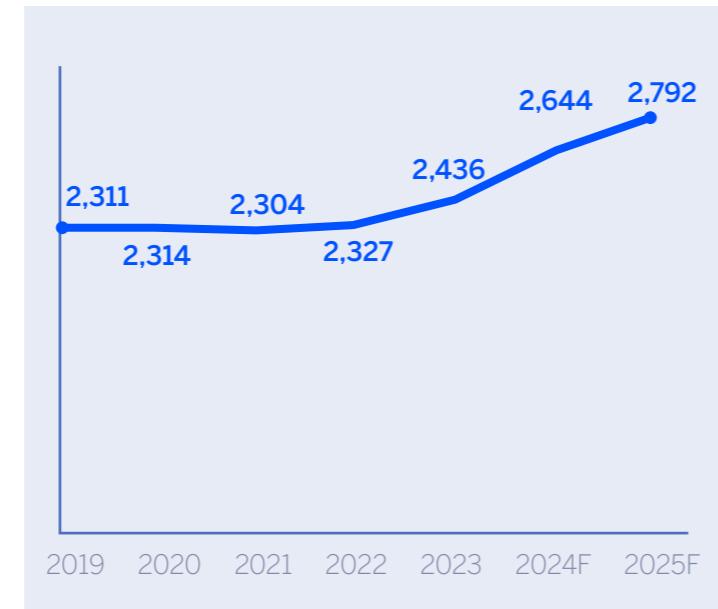


sugarcane cultivation, efficient sugar manufacturing, and mixed crop farming, including sugar beets and soybeans, each spanning 10,000 hectares.<sup>18</sup>

**On the other hand, among the businesses that expressed a negative outlook on the future performance of the economy, the most commonly cited reason was high taxation (14%) followed by high inflation (9%).** In June 2024, Tanzania saw protests, primarily led by traders, in response to new tax measures.<sup>19</sup> The mandatory use of electronic fiscal devices (EFDs) for issuing receipts and the requirement for electronic tax stamps on transactions were key triggers of the unrest. Similarly foreign investors also faced challenges, navigating taxation in Tanzania.<sup>20</sup> In a letter dated June 26, 2024, high commissioners and ambassadors from 10 countries expressed their dissatisfaction with how the Tanzania Revenue Authority (TRA) was managing taxation issues concerning investors from their respective countries.<sup>21</sup>

**Additionally surveyed businesses when asked what would negatively impact their revenue they ranked high taxation (79%) and decreased sales/orders due to fewer customers (74%).** This shows how taxation is a leading concern amongst businesses. As part of its plan to raise tax revenue to 12.9% of GDP from 12.6% in the previous year, tax reforms are being introduced.<sup>22</sup> In the 2024/2025 budget, the government unveiled a new withholding tax, ranging from 2% to 5% as part of efforts to expand the tax base.<sup>23</sup> The aim is to identify and register informal and digitally operated businesses. This tax will primarily affect key industries such as digital economy/services, industrial minerals, and agricultural products.<sup>24</sup> Businesses within these sectors, particularly in the digital economy, will face an increased tax burden.

**Figure 5: Foreign exchange (USD/TZS)**



**Source:** Bank of Tanzania; Stanbic Bankk Markets Revealed Report

**Notes:** Values rounded to the nearest Shilling; 'f' represents forecasted data points.

**The sustained depreciation of the Tanzanian Shilling (as shown in Figure 5) has further fuelled these pessimistic views.** The depreciation of the Shilling specifically impacts importers negatively by making imported goods and services more expensive. This has a negative impact on industries such as construction and manufacturing that rely heavily on imported materials. Combined with fluctuating natural gas and oil prices, the depreciation of the shilling has led to higher inflation.<sup>25</sup>

**The majority of surveyed businesses are optimistic about their revenue growth in the next 3 years (see Figure 6).** Wider industry growth (67%), expansion into new lines of business (66%), and increased sales/orders/demand (65%) ranked highest as the drivers of this optimism.

<sup>18</sup> Tanzania Investment Centre, 2024. Available [here](#).

<sup>19</sup> The East African, 2024. Available [here](#).

<sup>20</sup> US Department of State, 2024. Available [here](#).

<sup>21</sup> The Citizen, 2024. Available [here](#).

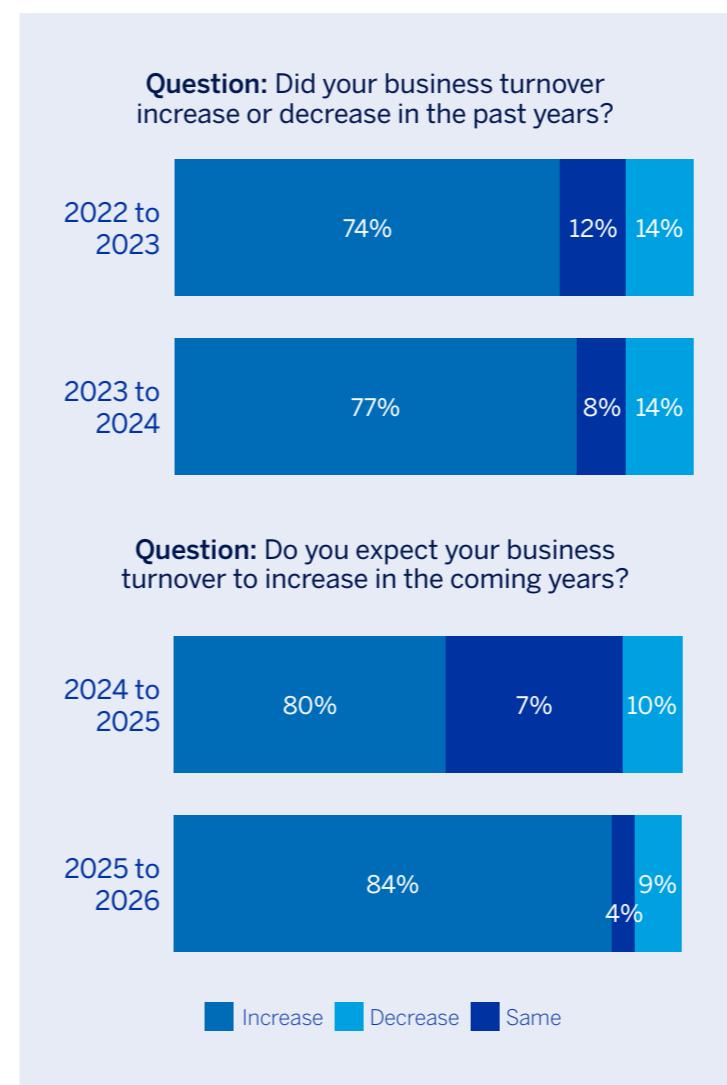
<sup>22</sup> Tanzania Invest, 2024. Available [here](#).

<sup>23</sup> Tanzanian Ministry of Finance, 2024. Available [here](#).

<sup>24</sup> Tanzania Invest, 2024. Available [here](#).

<sup>25</sup> The Citizen, 2024. Available [here](#).

**Figure 6: Business revenue: past performance and future revenue expectations**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**Notes:** Numbers may not add up to exactly 100% due to "don't know" and "refused" responses not being included.



I foresee increased trade over the next year and a half. The government should reduce tariffs, and EAC nations must eliminate tariffs to facilitate the free movement of goods, services, and people.

Representative from Bank of Tanzania





# 5 GOVERNMENT SUPPORT

Business perceptions of government support on cross-border trade remain positive, bolstered by efforts to attract investment and strengthen trade ties.

## TANZANIA'S GOVERNMENT SUPPORT INDEX SCORE



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

Government support index can vary between 0 and 100, where 0 indicates an extreme lack of Government support, 50 neutrality and 100 extreme Government support. In the August 2024 SB ATB survey results, Tanzania's Government support index score increased from 61 to 65. This means that surveyed businesses in Tanzania feel the Government has been more supportive of cross-border trade activities in this iteration of the survey compared to the May 2023 survey.

\*\*\*

**Surveyed businesses in Tanzania continue to have positive perceptions on the role the Government is playing to support cross-border trade activities (see Figure 7).** In this iteration of the survey, 54% of businesses reported finding the government supportive (either extremely or somewhat supportive) of their cross-border trading activities, while only 12% felt that the government was not supportive. This marks an improvement from the May 2023 survey, where 47% of respondents expressed positive sentiments about government support.

**The increase in positive perceptions can, in part, be attributed to the Government's efforts to strengthen and reform its economic policies in order to attract more foreign investment, improve bilateral trade, and foster public-private partnerships.** In the first quarter of 2024, Tanzania Investment Centre (TIC) hosted and attended several missions and events to engage prospective investors.<sup>26</sup> Through these efforts, TIC met with potential investors to provide advice on market opportunities, investment prospects, registration procedures, and available incentives. 52 missions and events - outbound and inbound - were done to further promote the government's mission of economic diversification and enhancing industrial capacity.

**Another key initiative by the government of Tanzania to support economic stability is the Domestic Gold Purchase Program.** The program aims to acquire 6 tonnes of gold valued at approximately USD 400 million by the end of 2024, in order to improve the country's foreign currency liquidity. Some of the key incentives as part of this program include 100% payment issued within 24 hours

after the Bank receives a confirmed fire assay report from an approved refinery. Bank of Tanzania will cover all refining costs. Other incentives include a reduced royalty fee of 4%, a waiver of inspection fee, and a zero-rated VAT, enabling sellers to reclaim input tax. The program is aimed at growing the country's foreign exchange reserves.<sup>27</sup>



**Tanzania and Kenya agreed to resolve at least 14 trade barriers that had hindered business between the two largest East African economies.**

**Bilateral economic ties have also played an important role to support cross-border trade.** Tanzania has entered into agreements with East African countries like Kenya and Ethiopia to remove trade barriers and reduce the costs associated with cross-border trade. Earlier this year, Tanzania and Kenya agreed to resolve at least 14 trade barriers that had hindered business between the two

<sup>26</sup> Tanzania Investment Centre, Quarterly Bulletin April to June 2024. Available [here](#).

<sup>27</sup> Bank of Tanzania, 2024. Available [here](#).

“

The private sector is essential for a nation's development. When aligned with government efforts, it drives progress through infrastructure investment, innovative technologies, capacity building, and collaboration in public-private partnerships to foster growth and trade.

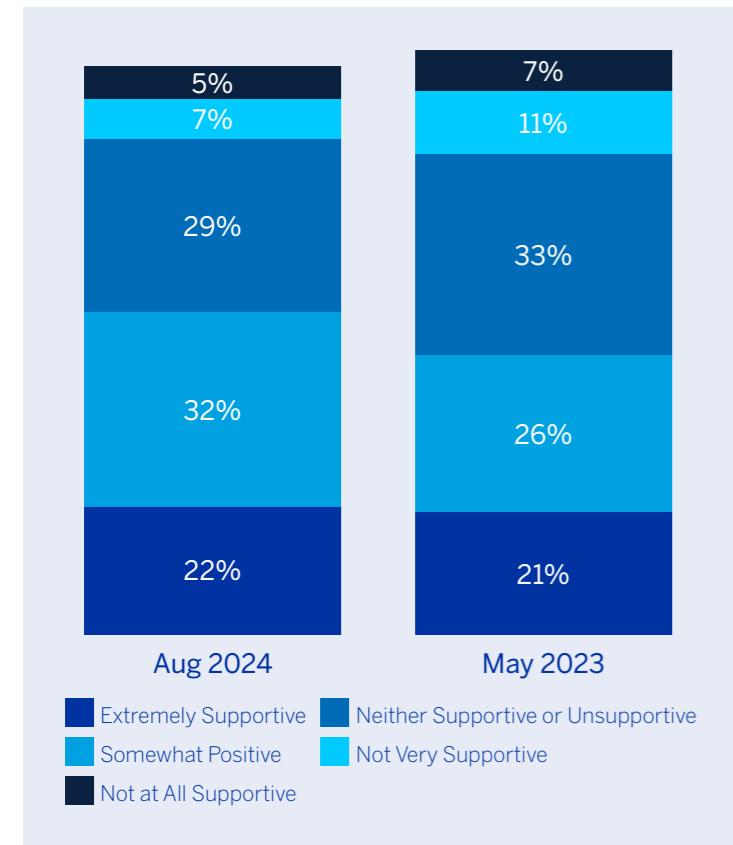
Representative from the Ministry of Finance and Planning

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largest East African economies, including the resumption of tea exports to Tanzania, which had previously been halted.<sup>28</sup> Additionally, Tanzania and Ethiopia signed bilateral agreements early 2024 focusing on agriculture, trade, energy, air transport, and aviation technology exchange.<sup>29</sup>

**Figure 7: The extent the Government has supported cross-border trade activities as identified by businesses**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**Note:** Numbers may not add up to exactly 100% due to "don't know" and "refused" responses not being included.

**Surveyed big businesses and corporations had a more positive perception of the government's support for cross-border trade relative to smaller businesses.** For this year's iteration of the survey, 70% of corporate businesses and 74% of big businesses reported that the government was either extremely or somewhat supportive of their cross-border trading activities, compared to only 55% of small businesses. This difference may be attributed to several factors. Larger businesses typically operate in capital-intensive and strategic sectors such as mining, industrials, and agriculture, and benefit from government initiatives like public-private partnerships. Additionally, they have the resources and capacity to navigate complex regulatory environments, making government support more accessible and tangible. As an example, the government reduced corporate tax from 30% to 10% over five years to encourage greater investment in the industrial sector targeted at new assemblers of vehicles, tractors, and fishing boats.<sup>30</sup>

## FAST FACT:

The Tanzanian government increased its budget allocation to the Ministry of Agriculture by 29.2% in 2023, aiming to reduce farming costs through subsidies and improve agricultural infrastructure.

**These factors show the growing need for the government to reduce regulatory barriers and simplify customs procedures that will allow for easier cross-border trade.** Additionally, 80% of respondents who cited the need for business and trade literacy support expressed the need for the government to help businesses better understand trade processes, regulations, and strategies. This could involve providing training, education, or resources to improve businesses' knowledge about international trade and how to navigate the regulatory landscape.



For this year's iteration of the survey

**70%**

of corporate businesses and

**74%**

of big businesses reported that the government was either extremely or somewhat supportive of their cross-border trading activities, compared to only

**55%**

of small businesses.



Reducing import taxes to boost exports and improve efficiency is essential. Consistent trade policies and infrastructure improvements—like better roads, railways, and ports—will lower business costs and encourage trade.

Representative from the Bank of Tanzania



<sup>28</sup> Freight Logistics Magazine, June 2024. Available [here](#).

<sup>29</sup> The East African, 2024. Available [here](#).

<sup>30</sup> Tanzania Investment Centre, Quarterly Bulletin April to June 2024. Available [here](#).



# 6 INFRASTRUCTURE CONSTRAINTS AND ENABLERS

Businesses' perceptions of infrastructure quality have significantly improved, boosted by material investments by the government.

## TANZANIA'S QUALITY OF TRADE-RELATED INFRASTRUCTURE INDEX SCORE



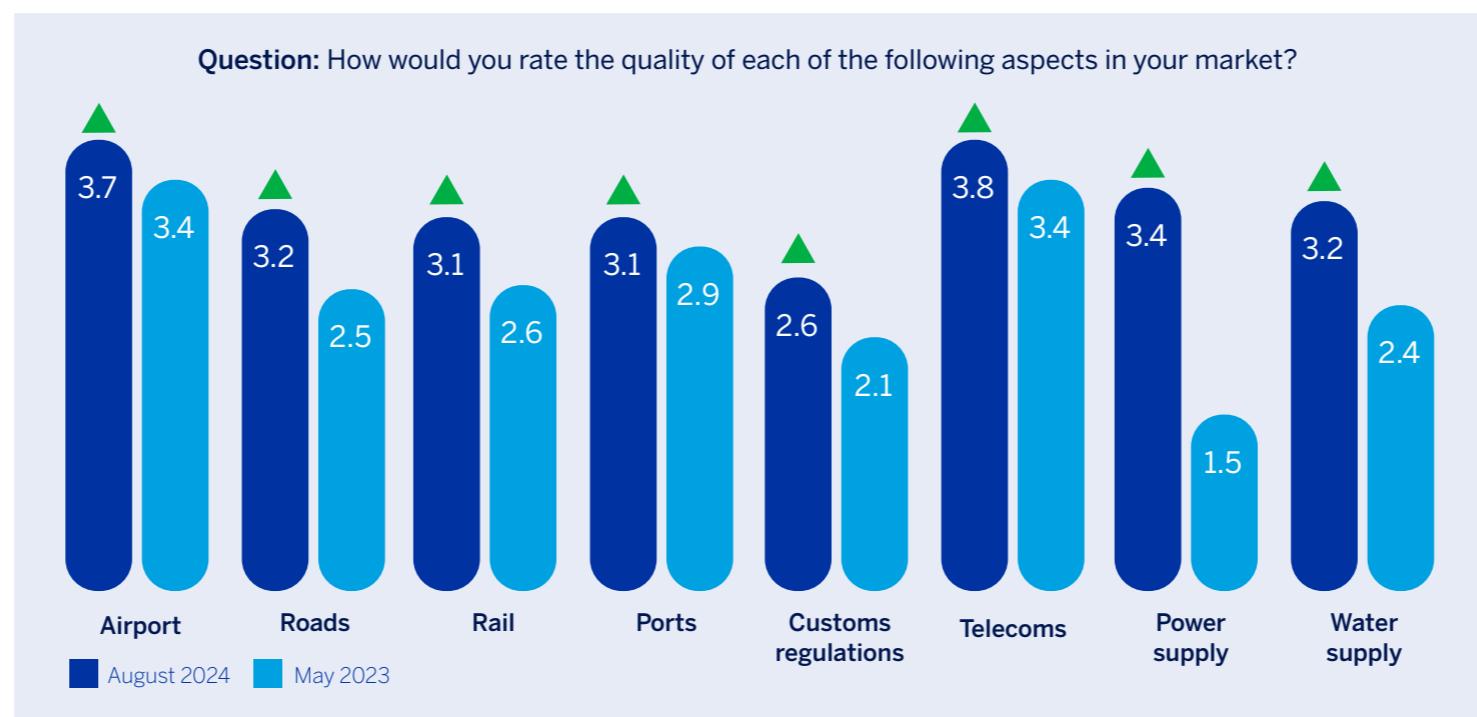
**Source:** Stanbic Bank Africa Trade Barometer Issue 4

The quality of trade-related infrastructure index can vary between 0 and 100, where 0 indicates poor quality, 50 indicates fair quality and 100 indicates excellent quality. In the August 2024 SB ATB survey results, Tanzania's quality of trade-related infrastructure index score increased from 51 to 64, signifying significant improvements in perceptions of quality.

\*\*\*

**Surveyed businesses' perceptions on Tanzania's infrastructure quality significantly improved for every attribute, with an average increase in perceived quality of 13% per attribute (see Figure 8).** This positive shift is possibly due to the positive reception of Tanzania's infrastructure development being carried out under the country's Five Year Development Plan III (FYDP III).<sup>31</sup> The infrastructure priorities of the FYDP III (rail, roads, water, air, and power) are clearly reflected in the sentiments of the businesses surveyed in the ATB.

**Figure 8: The perceived quality of various infrastructural aspects by businesses (out of 5 points)**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4.

**Note:** Rating is on a 5-point scale, where 5 = excellent quality and 1 = poor quality. Green arrows indicate significant improvements in perceptions of quality.

<sup>31</sup> FAO, 2024. Available [here](#).

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Improvements to already-existing infrastructures i.e., roads, railways and adjustments to port management have all contributed to the development of infrastructure and made logistics and distribution routes more efficient.

Representative from the Ministry of Finance and Planning

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**The vast improvement (38% improvement from May 2023) in positive perceptions on power supply infrastructure can be attributed to the government's commitment to invest TZS 3.05 trillion (USD 1.1 billion) in the 2023/24 fiscal year.<sup>32</sup>** A major development here, as of July 2024, includes the activation of three (out of nine) turbines at the Julius Nyerere Hydropower Plant (JNPP) which supplies the national grid with 662 MW of electricity, reducing shortages by over 85%.<sup>33</sup>

## 2 115 MW

Is the projected capacity of the Julius Nyerere Hydropower Plant's nine turbines, making it the largest hydroelectric project currently in Africa.<sup>34</sup>

**Positive sentiments can also be attributed to the recent success of the Rural Electrification Agency in its efforts to electrify 98% of all villages in Tanzania.** 32% more rural villages have access to electricity compared to 2020.<sup>35</sup> An unreliable power supply is recognised as a major obstacle to business growth in Tanzania. As electricity infrastructure improves, it is anticipated that optimism regarding commercial development will increase.

**The growth (0.8 points higher compared to May 2023) in positive sentiment among surveyed businesses surrounding water infrastructure can partly be attributed to the launch of a TZS 54 trillion (USD 20 billion) water investment programme by the government of Tanzania in 2023.** The Tanzanian government has pledged 43% of this funding from domestic sources and is collaborating with external partners to secure the remaining 57%.<sup>36</sup>

<sup>32</sup> Christopher, 2024. Available [here](#).

<sup>33</sup> Tanzania Invest, 2024. Available [here](#).

<sup>34</sup> Ibid.

<sup>35</sup> Mayala, 2024. Available [here](#).

<sup>36</sup> The Water Diplomat, 2023. Available [here](#).

<sup>37</sup> Ibid.

<sup>38</sup> Kumkana, 2024. Available [here](#).

<sup>39</sup> Reuters, 2024. Available [here](#).

<sup>40</sup> World Bank, 2024. Available [here](#).

<sup>41</sup> Logistics Cluster, 2024. Available [here](#).

<sup>42</sup> Byemelwa, 2024. Available [here](#).

<sup>43</sup> Centre for Aviation, 2024. Available [here](#).

The program allocates 40% to social well-being, improving water access and inclusivity, 8% to enhancing water governance, 32% to water resource management for economic growth, and 20% to boost climate resilience and sustainability.<sup>37</sup> Enhanced water infrastructure will also have a positive impact on the exports of agricultural products.

**Surveyed businesses also reported an increase (0.7 points compared to May 2023) in the perceived quality of road infrastructure.** This aligns with the pipeline of road infrastructure projects that have resulted in a growth of the district road network by a third in just three years, exceeding the ruling party's targets. Government investment has surged to TZS 850 billion (USD 313 million), driving the construction and expansion of key roadways and bridges.<sup>38</sup>

**Positive perceptions on the quality of rail infrastructure are expected to increase further, following this year's 0.55 points increase compared to May 2023, due to a suite of recent development and improvement projects.** A TZS 8.4 trillion (USD 3.1 billion) Standard Gauge Railway (SGR) that connects Dar es Salaam and Dodoma has been recently opened by the Tanzania Railway Corporation, forming part of a planned 2,561 km network designed to enhance trade. Further expansions are anticipated towards Kigoma, which will facilitate regional connectivity.<sup>39</sup> Concurrently, World Bank-funded improvements to the Dar es Salaam to Isaka line—part of a rail network which links Dar es Salaam to Rwanda and Burundi—are set to bolster safety, efficiency, and climate resilience, directly impacting 900,000 people.<sup>40</sup> This investment focuses on refurbishing this railway line and increasing the climate resilience to the flood prone Kilosa-Gulwe-Igandu segment, thereby supporting Tanzania's strategic aim to become a pivotal regional transport hub.

**Perceptions on airport infrastructure quality increased by 0.3 points between the 2023 and 2024 cohorts.**

This is likely due to the significant investment in airport infrastructure that is launching in 2024. Terminal 3 of Julius Nyerere International Airport in Dar es Salaam—Tanzania's largest and busiest airport—was opened in 2024, boosting annual passenger capacity by 6 million.<sup>41</sup> The expansion of Arusha Airport was completed in September 2024, shortly after the conclusion of the ATB survey. The terminal in Arusha was enhanced to enable around-the-clock operations and to increase its daily passenger capacity from 150 to 1,000.<sup>42</sup> Ongoing construction on Msalato International Airport situated in the country's capital, Dodoma, is scheduled to complete in December 2024. These upgrades will increase the annual passenger capacity of the airport to 1.5 million passengers.<sup>43</sup>

## 33%

growth in Tanzania's road network recorded over the past three years.

## 35 million

is the number of people that will indirectly benefit from the planned Dar es Salaam to Isaka line, indicating further positive perceptions of Tanzania's infrastructure.



Inconsistent and unreliable electricity supply, including frequent power outages and voltage fluctuations, disrupts manufacturing processes and operations of businesses reliant on continuous power. These outages increase production costs, reduce productivity, and affect the reliability of services provided by enterprises.

Representative from the Dar es Salaam City Council





## FAST FACT:

The Port of Dar es Salaam is one of the busiest ports in East Africa, serving as a key trade hub. On average, about 10 ships arrive at the port daily. This translates to approximately 70 ships per week and around 300 ships per month.

### Surveyed businesses' perceptions on the quality of Tanzania's port infrastructure increased by 0.2 points between the 2023 and 2024 cohorts of businesses.

The Port of Dar es Salaam handles up to 95% of Tanzania's international trade and serves as a vital gateway for landlocked neighbouring countries, such as Malawi, Zambia, Burundi, Rwanda, Uganda, the Democratic Republic of Congo, and Zimbabwe.<sup>44</sup> The increase in positive perceptions in port infrastructure could be linked to the 30-year concession that the Tanzania Ports Authority (TPA) recently signed with DP World Group to operate and modernise the Port of Dar es Salaam's infrastructure. DP World will invest an initial USD 250 million in the port, and an expected USD 1 billion over the concession period.<sup>45</sup>

<sup>44</sup> Tanzania Ports Authority, 2024. Available [here](#).

<sup>45</sup> DP World, 2023. Available [here](#).

<sup>46</sup> Rahman, 2024. Available [here](#).

<sup>47</sup> The Guardian, 2024. Available [here](#).

<sup>48</sup> EIB, 2024. Available [here](#).

<sup>49</sup> World Bank, 2023. Available [here](#).

<sup>50</sup> TradeMark Africa, 2024. Available [here](#).

<sup>51</sup> Xinhua, 2024. Available [here](#).

<sup>52</sup> Reuters, 2024. Available [here](#).

<sup>53</sup> The Chanzo Reporter, 2024. Available [here](#).

In 2024, TPA also entered into a 30 year concession agreement with Adani International Ports Holdings Pte LTD., granting them agency to operate and manage Container Terminal 2 at the Dar es Salaam Port.<sup>46</sup> TPA also has plans underway to construct Berths 12 - 15 at Dar es Salaam's port, a development that is set to increase the port's cargo capacity to 1,350,000 containers annually.<sup>47</sup>

### Infrastructure development in Tanzania is being financed by a combination of domestic and international funding.

The European Investment Bank invested EUR 270 million in 2023, focusing on public infrastructure and the private sector.<sup>48</sup> The Tanzanian government arranged a USD 1.46 billion domestic loan for the Standard Gauge Railway. The World Bank, through the International Development Association (IDA), supported infrastructure projects with a combined total of USD 675 million, including rural electrification and the Dar es Salaam Bus Rapid Transit system.<sup>49</sup> The country is still facing a significant infrastructure financing gap, largely attributed to its vast geography and limited private sector participation, necessitating a greater push for public-private partnership.

**China is a prominent development partner in Tanzanian infrastructure with Chinese firms being responsible for significant investments in various infrastructural attributes.** Refurbishments to the TAZARA railway—connecting Zambia to Tanzania— are in development, following the signing of a memorandum of understanding between China, Zambia, and Tanzania at the Forum on

China-Africa Cooperation in September 2024.<sup>50</sup> With these developments, the annual tonnage of the TAZARA line is expected to quadruple.<sup>51</sup> Built in the 1970s, the TAZARA railway was financed through an interest-free loan provided by China.<sup>52</sup> In 2024, the China Export & Credit Insurance Corporation (Sinosure) committed to financing the construction of both 'lot five' and 'lot six' of Tanzania's Standard Gauge Railway (SGR), covering the stretches from Isaka to Mwanza (341 km) and Tabora to Kigoma (506 km), respectively. Additionally, Tanzania has engaged in discussions with Exim Bank China to explore avenues for investment and financial support in the same SGR project.<sup>53</sup>



**The Tanzanian government arranged a USD 1.46 billion domestic loan for the Standard Gauge Railway.**



**China is a prominent development partner in Tanzanian infrastructure with Chinese firms being responsible for significant investments in various infrastructural attributes.**



Water shortages are a barrier to the development of enterprise trade because it is widely used in most agricultural production, and processing before exportation.

Representative from the Bank of Tanzania



# 7 TRADE OPENNESS

Heightened trade barriers and increased taxation are constraining trade and dampening expectations for import and export volume growth.

## TANZANIA'S TRADE OPENNESS INDEX SCORE



■ August 2024 ■ May 2023

**Source:** Stanbic Bank Africa Trade Barometer Issue 4

The trade openness index score can vary between 0 and 100, where 0 indicates a high burden of obstacles inhibiting trade, 50 indicates a moderate burden of obstacles inhibiting trade and 100 indicating a low burden of obstacles inhibiting trade. In the Aug 2024 SB ATB survey results, Tanzania's trade openness index score declined from 58 to 51.

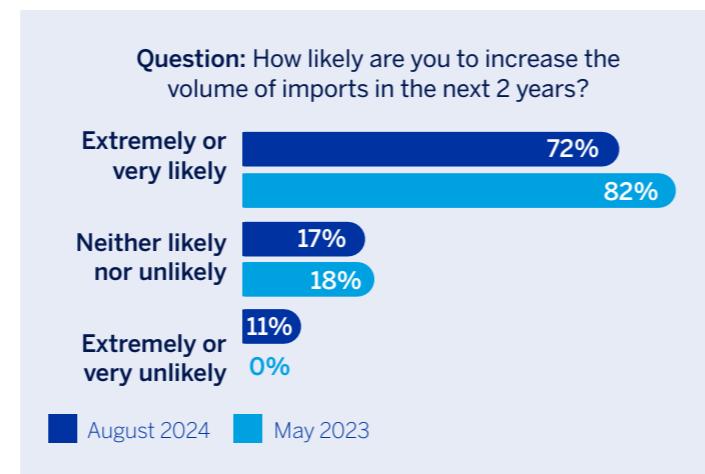
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Perceptions of trade openness decreased among surveyed businesses in this iteration of the survey compared to May 2023 as these businesses reported experiencing an increased level of challenges that negatively impact trade. This is echoed in a lower proportion of surveyed businesses believing that their import (see Figure 9) and export (see Figure 11) volumes will increase in the next two years. There has also been a decline in domestic trading by surveyed businesses, dropping from 59% in May 2023 to 43% in August 2024.

## 43%

of surveyed businesses reported that they trade exclusively within the domestic market, compared to 59% reported in May 2023.

**Figure 9: Importers' perceptions of their likelihood to increase import volumes**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**Note:** Arrows denote whether the value of the variable is significantly higher/lower than in the previous survey.

On the import side, the proportion of surveyed businesses that import have increased to 50% from 39% in May 2023. Import activities have not fluctuated significantly, with moderate decreases in imports sourced from an international wholesaler (7% decrease) and international manufacturers or farmers (8% decrease) being mostly made up by an increase in imports sourced from an international retailer (10% increase). On an aggregate level, total imports (evaluated in USD) declined by 4% from 2022 to 2023.<sup>54</sup>

<sup>54</sup> Bank of Tanzania, 2024. Available [here](#).

<sup>55</sup> EY, 2024. Available [here](#).

<sup>56</sup> Bowman's, 2023. Available [here](#).



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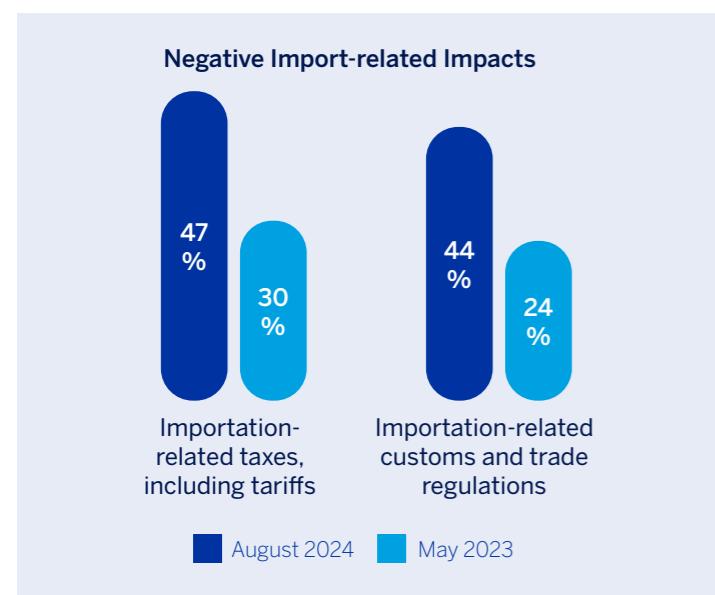
Cross-border trade is very much constrained by customs procedures, regulatory constraints, standards, and quality of goods just like in internal trade.

Representative from the Bank of Tanzania

”



**Figure 10: Perceived negative impacts of import-related taxes and custom regulations to business growth**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

The graph above reflects the percentage of surveyed businesses that reported a major or severe impact in response to the following questions: (1) Importation-related taxes, including tariffs: To what extent do importation-related taxes, including tariffs, impact your business growth?; (2) Importation-related customs and trade regulations: To what extent do importation-related customs and trade regulations impact your business growth?

On the export side, the proportion of surveyed businesses that export goods stayed the same as reported in May 2023 (14%). While power and infrastructure exports increased significantly from 19% in May 2023 to 31% in August 2024, likely bolstered by developments in power supply infrastructure, this was balanced by decreases in consumer goods (11%) and services (10%) exports. On an aggregate level, total exports (evaluated in USD) rose by 17% from 2022 to 2023.<sup>57</sup>

**22%**

of surveyed businesses exported to Kenya in May 2023, compared to 8% this year.

## FAST FACT:

Tanzania is a significant player in the African coffee market. It ranks 4<sup>th</sup> among the top coffee-producing countries in Africa. Tanzania's coffee production averages between 40,000 and 59,000 metric tonnes annually, with about 70% being Arabica and 30% Robusta.

<sup>57</sup> Bank of Tanzania, 2024. Available [here](#).

<sup>58</sup> World Bank, 2024. Available [here](#).

<sup>59</sup> Ibid.

<sup>60</sup> Embassy of Switzerland in Tanzania, 2024. Available [here](#).

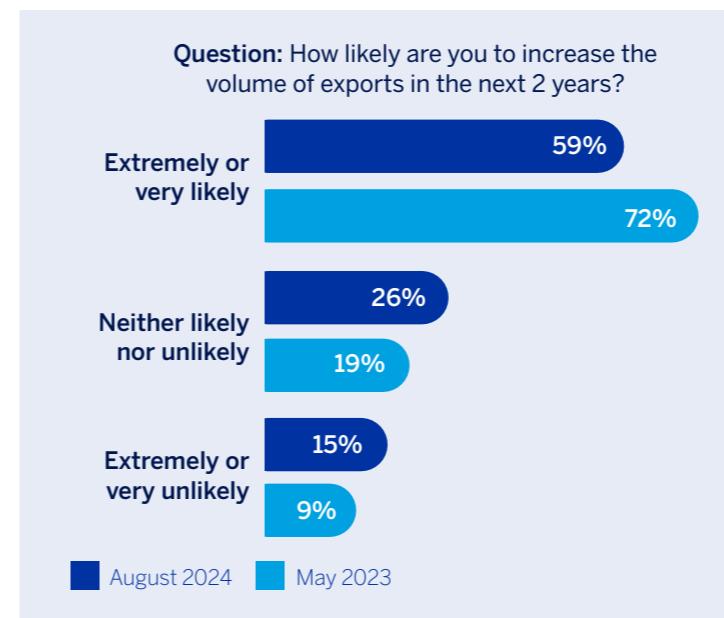
<sup>61</sup> Anami, 2024. Available [here](#).

<sup>62</sup> Anyanzwa, 2024. Available [here](#).

amounting to USD 1.3 billion.<sup>60</sup> This is echoed in the experiences of surveyed businesses for whom exports to East Africa have decreased significantly from 81% in May 2023 to 48% in August 2024. The most significant decrease in trade was to Kenya after only 8% of surveyed businesses exported to the market this year, while it was almost three times as much in the May 2023 survey.

The fall in exports to Kenya by surveyed businesses is possibly due to the series of trade barriers between Kenya and Tanzania that have only recently been resolved.<sup>61</sup> Tanzania's restrictive export measures, such as compulsory export certificates for maize, together with periodic export bans to secure domestic supply, have significantly reduced maize exports to Kenya. These non-tariff barriers, compounded by Tanzania's controls on export permits especially during periods of low domestic supply, have prompted Kenyan traders to increasingly import maize from alternative sources like Zambia, South Africa, and Uganda, impacting the traditional trade dynamics between Kenya and Tanzania.<sup>62</sup> As businesses are able to benefit from the improved ease of trade with Kenya, perceptions around export volumes not increasing (see Figure 11) are expected to shift.

**Figure 11: Exporters' perceptions of their likelihood to increase export volumes over the next 2 years (%)**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4



Each trade corridor plays a crucial role in Tanzania's regional trade dynamics, offering unique opportunities for market access, export diversification, and economic growth.

Leveraging regional trade corridors effectively requires strategic alignment with global trade agreements, infrastructure development, and sector-specific policies to maximise Tanzania's trade potential and economic benefits.

Representative from the Dar es Salaam City Council



# 8 TRADERS' FINANCIAL BEHAVIOUR & ACCESS TO FINANCE

Card transactions have become a key method of payment for both cross-border and domestic transactions.

## TANZANIA'S ACCESS TO CREDIT INDEX SCORE



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

Access to finance can vary between 0 and 100, where 0 indicates an extreme difficulty in accessing finance, 50 neutrality and 100 indicates no difficulty in accessing finance. In the August 2024 SB ATB survey results, Tanzania's access to finance index score increased to 59 from 41 in May 2023. This means surveyed businesses in Tanzania found it easier to access credit compared to May 2023.

\*\*\*

**Card payments are the preferred method of cross-border payment for sales and purchases among surveyed businesses.** 81% and 63% of surveyed

businesses use card for cross-border sales and purchases, respectively. The increased adoption of card payments is partially attributed to the strides made in improving digital payment infrastructure in Tanzania.<sup>63</sup> Digital payment infrastructure such as Tanzania Instant Payment System has significantly enhanced the interoperability of payment systems across various banks. This improvement, coupled with the increased availability of point-of-sale terminals, has greatly facilitated more accessible and widespread card payments throughout the country.<sup>64</sup>

### FAST FACT:

Formal financial inclusion in Tanzania has increased to 76% of adults in 2023, up from 65% in 2017, largely driven by the adoption of mobile money services.

**An increasingly interoperable digital payment infrastructure has also significantly supported the growth of mobile money in Tanzania, as mobile money accounts are linked to traditional bank accounts.** Mobile money adoption has significantly increased to 41% from 7% in May 2023. This upward trend closely mirrors macro-level data, where the number of active mobile money subscribers increased by 35%, from 38.3 million in 2022 to 51.7 million in 2023.<sup>65</sup> Additionally, Tanzania's mobile money agent network has grown, rising from 1 million agents in 2022 to 1.2 million in 2023.<sup>66</sup> This expansion has significantly

enhanced the accessibility of mobile money services, making it easier for cross-border traders to conduct transactions. Moreover, the digitisation of government payments such as salaries, social benefits, and tax payments has also contributed to the increased adoption of mobile payments in Tanzania.

**Card is tied with cash as the most used payment method for cross-border sales, with 81% of surveyed businesses accepting in cash (see Figure 12).** Cash is the preferred method of payment across the informal economy and despite e-commerce opportunities, many smaller businesses have not adopted digital methods of payments.<sup>67</sup>

### FAST FACT:

The number of registered Virtual Cards increased to 511,826 in 2023, a significant increase from 309,006 in 2023.

<sup>63</sup> Tanzania Invest, 2024. Available [here](#).

<sup>64</sup> Ibid.

<sup>65</sup> Bank of Tanzania. National Payment System Annual report, 2024. Available [here](#).

<sup>66</sup> Bank of Tanzania. National Payment System Annual report, 2024. Available [here](#).

<sup>67</sup> UNDP. Available [here](#).





**Figure 12: Total of payment for cross-border sales**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**While cash remains king in the domestic trade sector, there is a notable shift toward digital payment methods.** Cash (92%) remains the dominant payment method for domestic sales among surveyed businesses in Tanzania, slightly increasing from 90% in the May 2023 survey. However, an analysis of the usage by each payment method reveals a shift toward digital payment methods, especially card (see Figure 13). While surveyed businesses received 47% of their domestic sales in cash, there has been a notable 10-percentage point decline from May 2023. In contrast, card usage has significantly increased, constituting 21% of all domestic sales compared to 7% in May 2023. This trend aligns with cross-border transactions, where the use of card in an increasingly interoperable NPS has become a reliable method of payment for surveyed businesses.

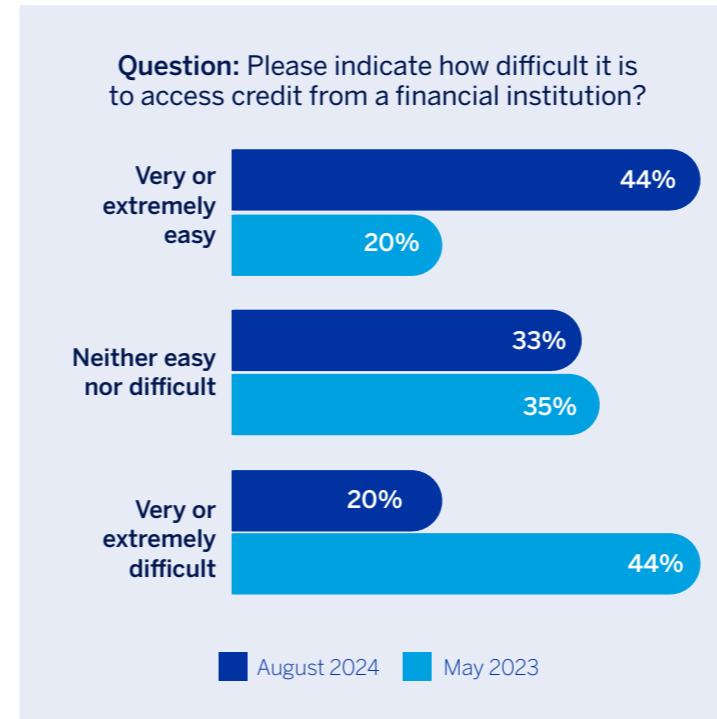
**Figure 13: The proportion of domestic sales made using each payments method**



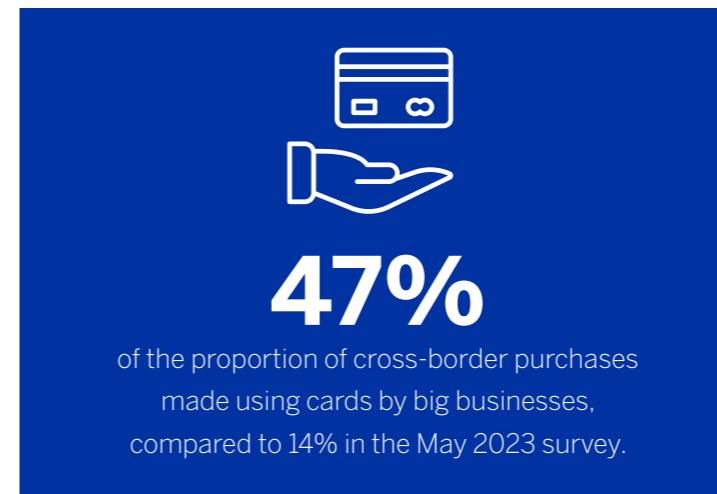
**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**A significantly higher proportion of surveyed businesses in Tanzania found access to credit easier, at 44%, compared to 20% in May 2023 (see Figure 14).** This could be attributed to improved economic conditions and stabilisations as the economy grows. Further, the Central Bank of Tanzania reduced statutory minimum reserve requirements for banks that extend credit to priority sectors like agriculture,<sup>68</sup> more banks have entered the market which leads to increased competition resulting in banks offering attractive credit terms.<sup>69</sup> 20% of surveyed businesses found access to credit difficult though, with lack of collateral (66%), high interest rates (63%) and stringent loan terms (53%) among the top three reasons.

**Figure 14: The level of difficulty in accessing credit**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4



The main challenges are the lack of investment, trade financing and high tax rates. Banks demand collateral up to 120% of the loan amount, reducing creditworthiness. Loan sharks offer financing at exorbitant rates. Recently, traders went on strike due to the Tax Authority's actions.

Representative from Bank of Tanzania



<sup>68</sup> Federal Reserve Bank of New York, 2024. Available [here](#).

<sup>69</sup> World Economic Forum, 2024. Available [here](#).



# 9 FOREIGN TRADE & TRADING IN AFRICA

Both awareness and perceived benefits of the AfCFTA have declined among surveyed businesses.

## TANZANIA'S EASE OF TRADE INDEX SCORE



August 2024   May 2023

**Source:** Stanbic Bank Africa Trade Barometer Issue 4

Ease of trade can vary between 0 and 100, where 0 indicates an extreme difficulty when trading with other countries, 50 neutrality and 100 indicates no difficulty when trading with other countries. In the August 2024 SB ATB survey results, Tanzania's ease of trade index score increased to 46 from 44 in May 2023. This means surveyed businesses in Tanzania found it easier to trade compared to May 2023.

\*\*\*

**Surveyed Tanzanian businesses prefer to trade with countries that are in Africa (48%) and Asia (17%).**

Surveyed Tanzanian businesses have developed a distinctive dual-market strategy that leverages Asian supply chains, notably China and India, for imports while capitalising on the growing demand for their products in African markets. The reason for this strategy is attributed to faster response times (46%) and the lower cost of exporting (33%) in African markets, while the lower cost of products (66%) and lower cost of imports (50%) in Asian markets. Notably, North American markets hold the least appeal for Tanzanian businesses, with only 4% of businesses expressing this preference.

**China is the most significant trading partner in Asia for surveyed businesses**, with the nature of their trading activity centred on buying final goods and services (64%) and importing raw materials (36%) directly from China. At least 80% of surveyed businesses identified the provision of advanced technology and a wide range of good quality products as the most important elements of doing business with China.

### FAST FACT:

China has remained Tanzania's largest trading partner for eight consecutive years. To promote further bilateral trade, China has granted zero-tariff treatment for 98% of Tanzanian products, including avocados, seafood, and cashews.

**Surveyed businesses found intra-Africa and global trade to be less difficult in this iteration of the survey.** In terms of the ease of trade with the rest of Africa, 51% of surveyed businesses said that it was neither easy nor difficult, compared to 30% last year. 23% of businesses also felt that trading with African markets is difficult, a significant decline from 33% in May 2023 (see Figure 15). Surveyed businesses identified affordable transportation (23%) and strong intra-African trading relationships (22%) as the primary factors contributing to their perception that intra-African trade has become easier. Notably, while a greater proportion of surveyed businesses (33%) find trade with the rest of the world more difficult than intra-African trade, there has been a significant 10-percentage point decline in the difficulties associated with global trade. The easing trading landscape can be attributed to the President's efforts to revive Tanzania's role within the EAC and SADC communities and improve the country's image as a reliable global partner.<sup>70</sup>

**Tanzania is one of 54 signatories to the African Continental Free Trade Agreement (AfCFTA).** AfCFTA is an initiative which looks to, amongst other things,

“

China's major infrastructure projects in Tanzania are expected to boost regional trade by reducing transportation costs for goods and services.

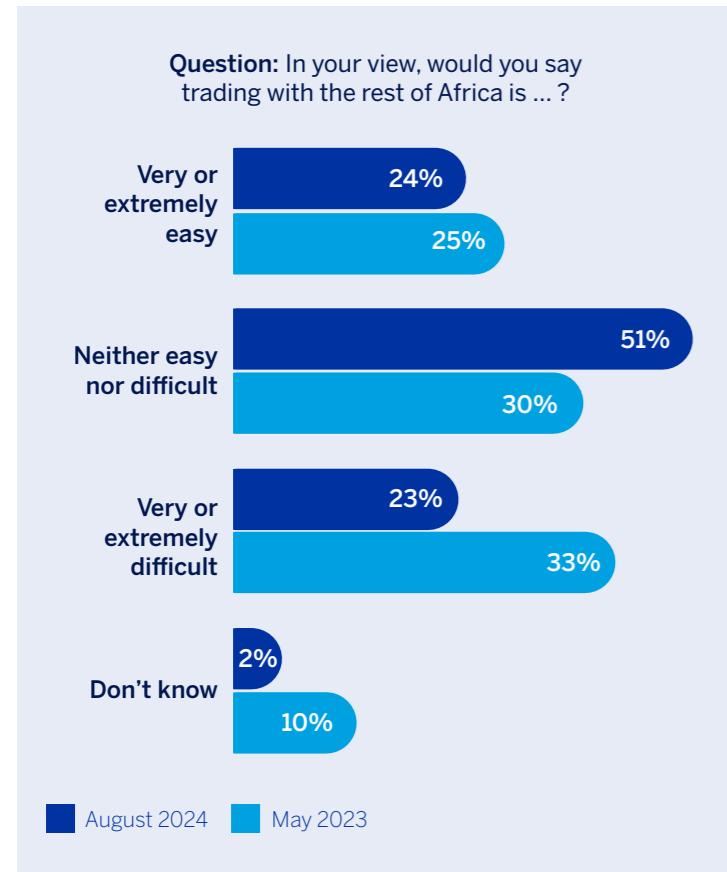
Representative from the Bank of Tanzania

”



improve the level of intra-African trade by creating a single market for goods and services and lower some of these aforementioned trade barriers. To this end, members of the AfCFTA are committed to eliminating tariffs on most goods and services that are traded between African countries over a given period following the AfCFTA entering its operational phase in July 2019.

**Figure 15: Businesses' perceptions of the ease of trading with other African countries**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**Note:** Arrows denote whether the value of the variable is significantly higher than in the previous survey

**Awareness of AfCFTA amongst surveyed Tanzanian businesses has significantly decreased to 29% in August 2024 from 40% in May 2023.** The perceived benefits of the AfCFTA have decreased as well with fewer surveyed businesses believing that it will allow for a larger market for goods/services, allow for greater competition or facilitate greater investment across countries (see Figure 16).

## FAST FACT:

The African Continental Free Trade Area will boost intra-Africa trade and create a market of over 1 billion people with a combined GDP of over USD 2 trillion.

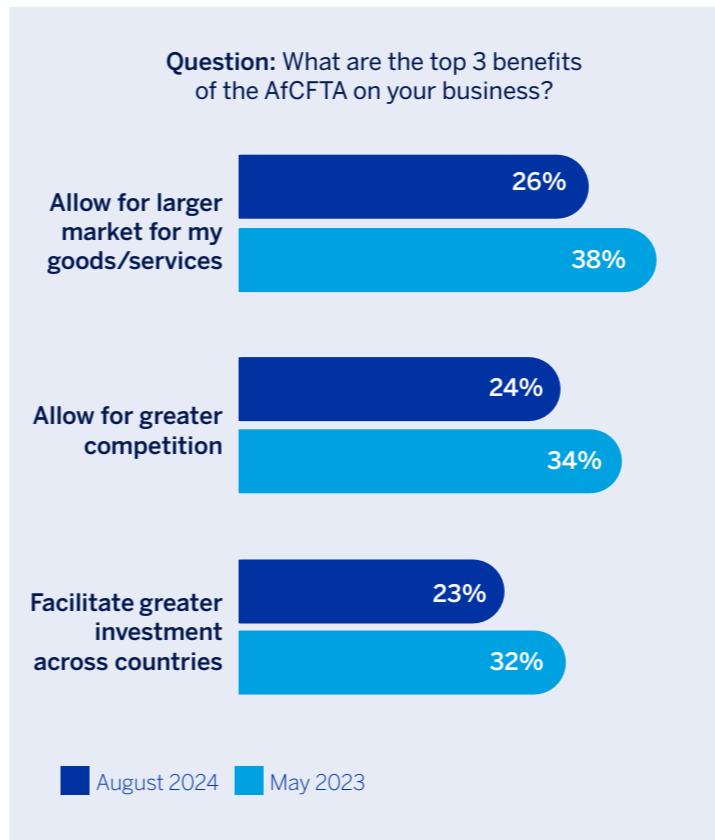


**Tanzania is one of 54 signatories to the African Continental Free Trade Agreement (AfCFTA).**



**Awareness of AfCFTA amongst surveyed Tanzanian businesses has significantly decreased to 29% in August 2024 from 40% in May 2023.**

**Figure 16: Businesses' expected benefits of the AfCFTA**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4



Effective implementation of AfCFTA will open opportunities for Tanzania, fostering economic prosperity and global integration. Success hinges on addressing infrastructure, regulation, and capacity-building challenges, requiring commitment, political will, and cooperation among member states.

Representative from Bank of Tanzania

Alignment with AfCFTA depends on our commitment to implementing supportive policies and reforms.

Representative from the Dar es Salaam City Council





# CONCLUSION

**Tanzania's leap to 4<sup>th</sup> place in the trade rankings marks a significant turning point, highlighting the positive impacts of President Samia Suluhu Hassan's tenure and the government's commitment to massive infrastructure projects.** This rise is a notable improvement, especially considering the descent from 5<sup>th</sup> to 8<sup>th</sup> place observed in the previous SB ATB survey. Surveyed businesses have acknowledged enhancements in several key areas, including access to credit and the quality of government support, which have collectively contributed to reshaping Tanzania's trade landscape. This positive shift reflects growing confidence in the current administration's policies and their direct correlation to infrastructure developments across the country.

**Despite these gains, Tanzania still faces hurdles that temper the overall business sentiment, particularly concerning confidence levels and anticipated growth in imports and exports.**

Addressing these persistent challenges will be crucial for sustaining the momentum. The administration's ongoing infrastructure initiatives are not only reinforcing the physical foundations for trade but are also establishing a stronger reputation, which is gradually enhancing Tanzania's profile in regional trade and investment.

**Looking ahead, it is essential to capitalise on the current wave of optimism surrounding President Hassan's administration and use it as a springboard for continued progress.** The effectiveness of these infrastructure projects, along with supportive policies and a stable political environment, will be key determinants of Tanzania's ability to maintain its upward trajectory.





# APPENDICES

## Appendix 1: Stanbic Bank Africa Trade Barometer (SB ATB) Country Ranking for Issue 4, 2024

The Stanbic Bank Africa Trade Barometer (SB ATB) scores are an aggregate of the Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and the Stanbic Bank Survey Trade Barometer (SB STB) scores. Countries are ranked against each other, i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that at a common starting point of 0 and maximum point of 100, this is how the two markets fared.

SB ATB scores remained the same for Namibia, Angola and South Africa, while half of the countries saw their scores decrease from May 2023 (see Table 2).

### Countries that have retained their ranking from May 2023:

- Namibia (2<sup>nd</sup> position)
- South Africa (1<sup>st</sup> position)
- Angola (10<sup>th</sup> position)

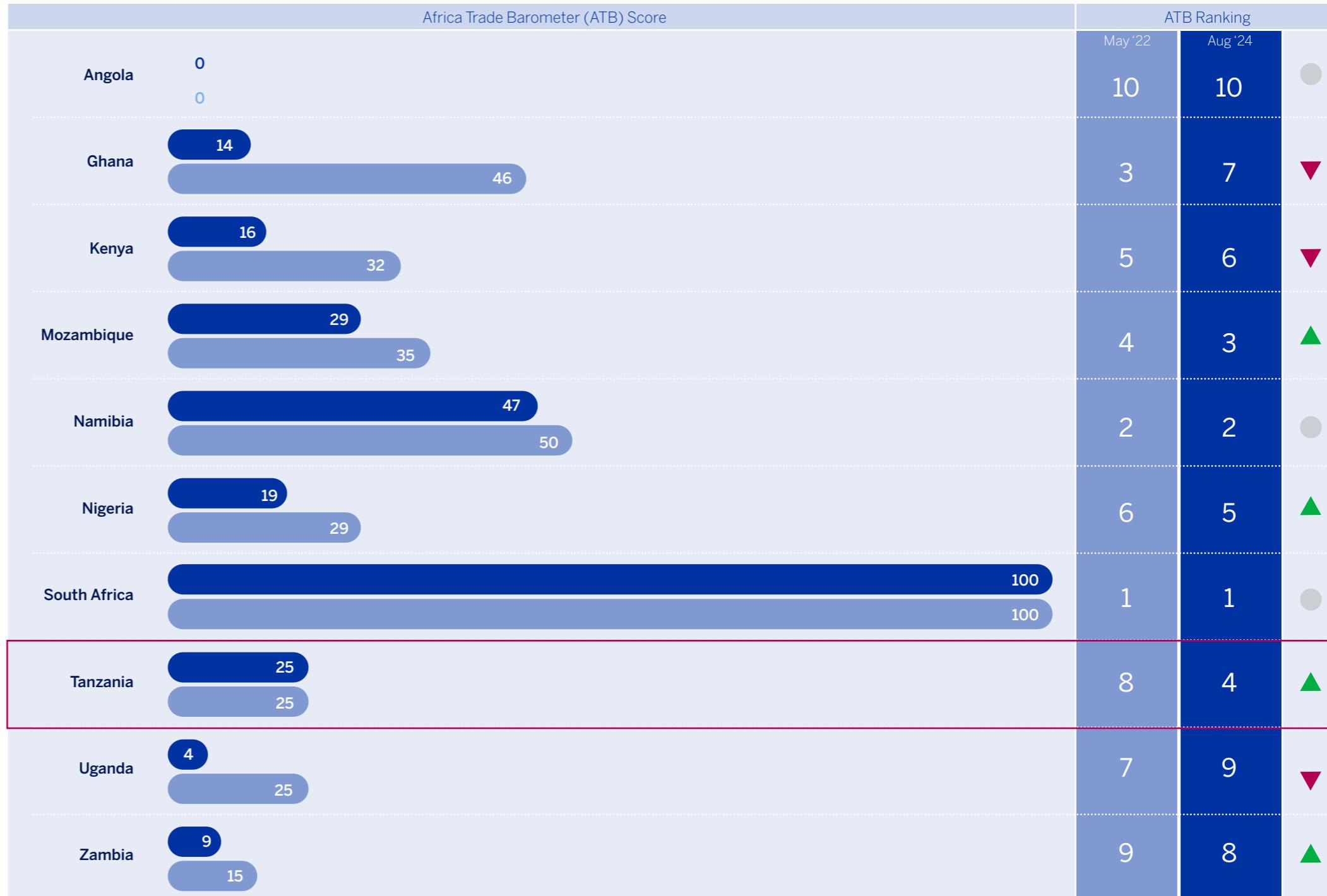
### Countries that have improved in their ranking from May 2023:

- Tanzania (8<sup>th</sup> to 4<sup>th</sup> position)
- Mozambique (4<sup>th</sup> to 3<sup>rd</sup> position)
- Nigeria (6<sup>th</sup> to 5<sup>th</sup> position)
- Zambia (9<sup>th</sup> to 8<sup>th</sup> position)

### Countries that have declined in their ranking from May 2023:

- Ghana (3<sup>rd</sup> to 7<sup>th</sup> position)
- Kenya (5<sup>th</sup> to 6<sup>th</sup> position)
- Uganda (7<sup>th</sup> to 9<sup>th</sup> position)

**Table 2: Stanbic Bank Africa Trade Barometer (SB ATB) scores by country**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

■ August 2024 ■ May 2023

**Note:** The scores denote the performance of each country relative to the full country list on the specified measures.



## Appendix 2: Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) Country Ranking for Issue 4, 2024

The Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reported facts.

SB QTB scores remained the same for Angola, Mozambique, Namibia, Nigeria, South Africa and Uganda, while most countries had their scores decline from May 2023 (see Table 3).

### Countries that have retained their ranking from May 2023:

- Namibia (2<sup>nd</sup> position)
- South Africa (1<sup>st</sup> position)
- Angola (10<sup>th</sup> position)
- Mozambique (3<sup>rd</sup> position)
- Nigeria (4<sup>th</sup> position)
- Uganda (9<sup>th</sup> position)

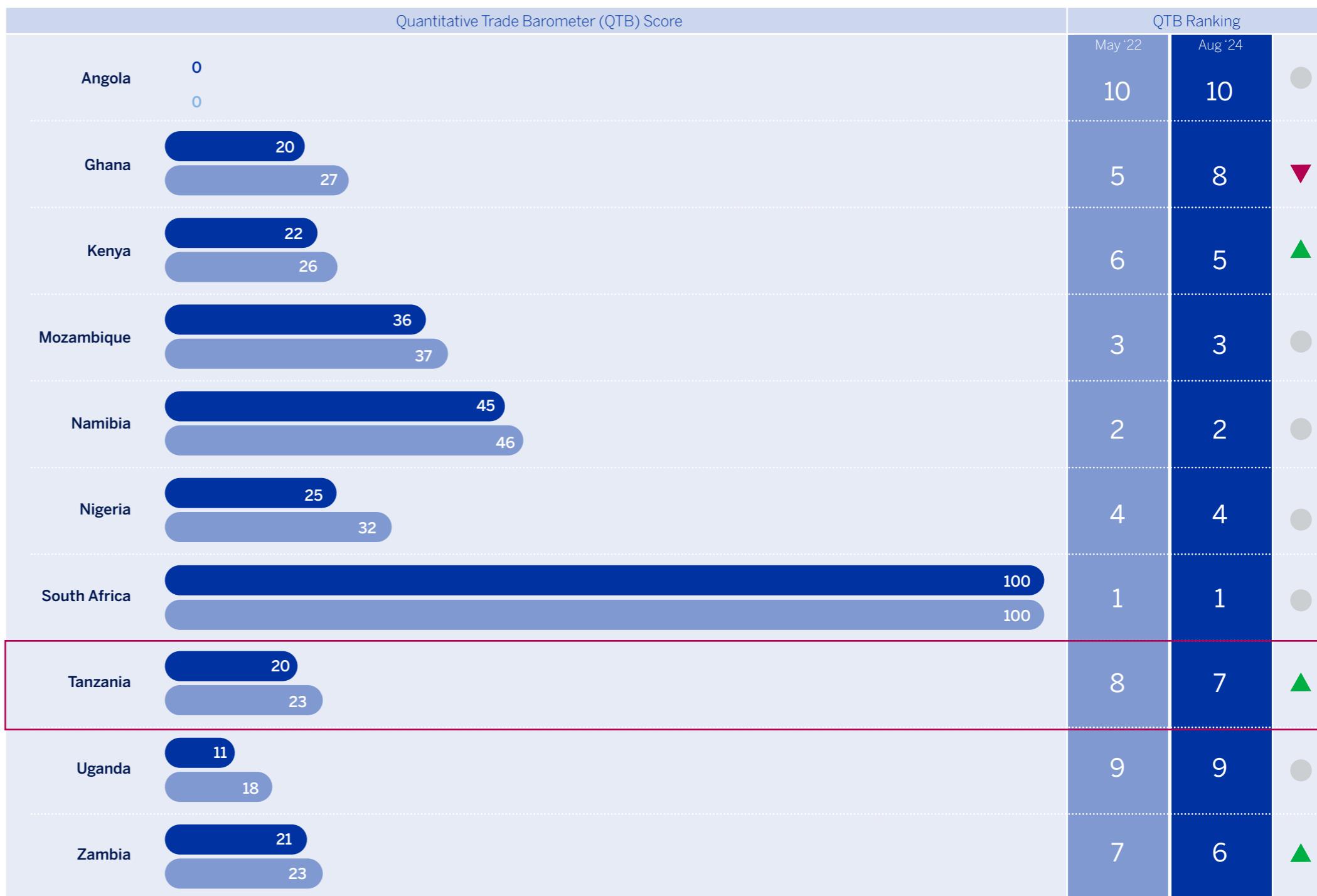
### Countries that have improved in their ranking from May 2023:

- Tanzania (8<sup>th</sup> to 7<sup>th</sup> position)
- Kenya (6<sup>th</sup> to 5<sup>th</sup> position)
- Zambia (7<sup>th</sup> to 6<sup>th</sup> position)

### Countries that have declined in their ranking from May 2023:

- Ghana (5<sup>th</sup> to 8<sup>th</sup> position)

**Table 3: Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) scores by country**



■ August 2024 ■ May 2023



## Appendix 3: Stanbic Bank Survey Trade Barometer (SB STB) Country Ranking for Issue 4, 2024

The Stanbic Bank Firm Survey Trade Barometer (SB STB) scores and ranking by country are the averages of all the data collected from the primary research surveys conducted with 2 258 businesses.

Except for Zambia, SB STB ranks have changed in this wave for all countries, while the majority of the countries saw their scores rise (see Table 4).

### Countries that have retained their ranking from May 2023:

- Zambia (10<sup>th</sup> position)

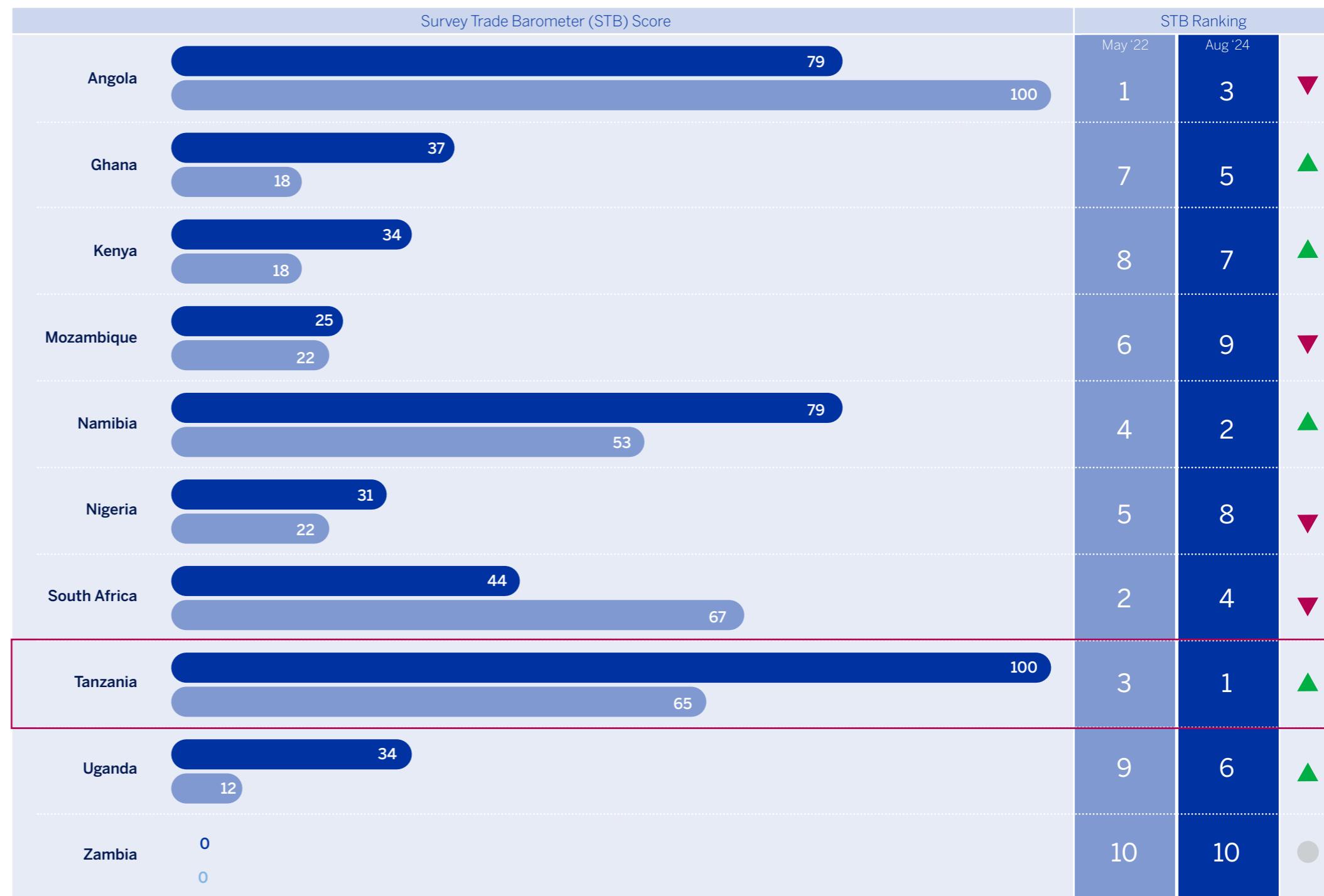
### Countries that have improved in their ranking from May 2023:

- Tanzania (3<sup>rd</sup> to 1<sup>st</sup> position)
- Namibia (4<sup>th</sup> to 2<sup>nd</sup> position)
- Ghana (7<sup>th</sup> to 5<sup>th</sup> position)
- Kenya (8<sup>th</sup> to 7<sup>th</sup> position)
- Uganda (9<sup>th</sup> to 6<sup>th</sup> position)

### Countries that have declined in their ranking from May 2023:

- Angola (1<sup>st</sup> to 3<sup>rd</sup> position)
- Mozambique (6<sup>th</sup> to 9<sup>th</sup> position)
- Nigeria (5<sup>th</sup> to 8<sup>th</sup> position)
- South Africa (2<sup>nd</sup> to 4<sup>th</sup> position)

**Table 4: Stanbic Bank Survey Trade Barometer (SB STB) scores by country**



**Source:** Stanbic Bank Africa Trade Barometer Issue 4

**Note:** The scores denote the performance of each country relative to the full country list on the specified measures.

August 2024 May 2023



## Appendix 4: Selected Macroeconomic Indicators for Tanzania

This appendix is structured around the thematic categories of the Stanbic Bank Africa Trade Barometer: macroeconomic stability, trade openness and foreign trade, access to finance and infrastructure. These are important in evaluating the trade environment and prospects of a country. Within each theme, specific indicators have been selected to quantify elements contributing to the overall trade climate. The data spans from 2019 to the forecasted values for 2024 and 2025, offering a temporal perspective on trends and potential future directions.

**Table 5:** Tanzania macroeconomic overview

Thematic Categories	Indicator	Unit	2019	2020	2021	2022	2023	2024**	2025**
Macroeconomic Stability	GDP per capita	USD	1 075	1 158	1 214	1 268	1 185	1 104	1 102
	Nominal GDP	USD, billions	60.5	62.9	67.9	73.2	73.1	71.3	71.2
	Real GDP growth rate	%	7	4.8	4.9	4.7	5.1	5.3	5
	Inflation rate	%	3.5	3.3	3.7	4.4	3.7	3.3	4
	Lending interest rate	%	16.7	15.7	16.8	16.8	16.5	N/A	N/A
	Exchange rate stability (USD/TZS)	TZS per USD	2 311	2 314	2 304	2 327	2 436	2 644	2 797
	BOT Discount rate	%	7	5.5	5	5	5	5.9	5.4
	FX reserves, period end	USD, billions	5.6	5	6.4	5.2	4.6	5.8	5.5
	Domestic debt (% of GDP)	%	11.1	10.7	12.6	14.7	16	15.3	14.9
	External debt (% of GDP)	%	28.6	28	30.1	28.1	29.5	31.7	30.1
	External debt (% of GDP)	%	33.0	28.0	29.9	35.0	37.8	N/A	N/A
Trade Openness and Foreign Trade	Trade (exports and imports as % of GDP)	% of GDP	23.4	21.3	24.0	25.2	24.0	N/A	N/A
	Merchandise trade	USD, billions	-1.2	-0.1	-1.8	-5.1	-6	-5.9	-6.9
	Balance of trade*	%	-2.6	-1.5	-3.5	-7.4	-3.9	-3.5	-4.1
	Current account (% of GDP)	USD, billions	9.7	8.8	10	11.6	13.5	14.4	14.5
	Exports of goods and services	USD, billions	10.9	8.9	11.7	16.7	16.1	16.1	16.5
	Imports of goods and services	%	12.6	12.4	13.0	15.2	16.3	N/A	N/A
Access to Finance	Domestic credit to private sector (% of GDP)	%	39.7	38.8	39.7	41.1	40.3	N/A	N/A
	Gross capital formation (% of GDP)	USD, billions	2.3	2.4	2.6	2.7	N/A	N/A	N/A
	Net official development assistance and official aid received	%	0.71	0.49	0.79	0.92	0.42	N/A	N/A
	Personal remittances received (% of GDP)	USD, billions	1.2	0.9	1.2	1.3	1.3	1.3	1.4
	FDI	%	18.3	25.6	29.7	31.89	N/A	N/A	N/A

Infrastructure	Individuals using the internet (% of population)	%	37.7	39.9	42.7	45.8	N/A	N/A	N/A
	Access to electricity (% of population)	Ratio	79.6	83	85	92	N/A	N/A	N/A
	Mobile cellular subscription (per 100 people)	million ton-km	0.96	0.86	4.36	N/A	N/A	N/A	N/A
	Air transport, freight	Kilometres, thousands	9.5	9.8	11.2	N/A	N/A	N/A	N/A
	Total road network (paved trunk and regional roads)	total route-km	529	564	637	N/A	N/A	N/A	N/A
	Rail infrastructure	TEU***, thousands	17.3	16.2	18.3	N/A	N/A	N/A	N/A

**Source:** Stanbic Bank, 2024. Available [here](#). | World Bank. Available [here](#). | International Telecommunication Union (ITU). Available [here](#). | National Bureau of Statistics, 2021. Available [here](#).

**Notes:**

\*Negative values indicate that a country is a net importer, while positive values indicate it is a net exporter.

\*\*2024 and 2025 data points are estimates.

\*\*\*TEU: Twenty-foot equivalent unit.

N/A denotes that the relevant data was unavailable from the specified source.

**Note:** Information collected is up to June 2024 and forecasts could have been revised by the time of publication.

## Appendix 5: Key Results of the Stanbic Bank Africa Trade Barometer Issue 4 Survey in Tanzania

This appendix presents the key results of the main questions asked to businesses in Tanzania as part of the fourth edition of the Stanbic Bank Africa Trade Barometer. The results are structured according to the SB ATB thematic categories: macroeconomic stability, trade openness and foreign trade, infrastructure, government support, as well as traders' financial behaviours and their access to finance. **Not all questions in the SB ATB survey are presented here.** The questions selected for inclusion have been chosen for their closed-ended nature and being succinct enough for a concise presentation. Questions pertaining to the general profile of businesses and individual respondents, or those requiring open-ended responses, have been omitted. This approach ensures that the findings detailed in the following table are directly relevant and valuable for interpreting the trade dynamics within the Tanzania context.

**Table 6: Key findings of the survey**

Thematic Categories	Question	Responses							
Macroeconomic Stability	Thinking of your business turnover over [from 2020 to 2021], please indicate if turnover increased, decreased or remained the same.	Increased	Decreased	Remained the same	Don't know	Refused	-	-	-
		52%	39%	9%	N/A	N/A	-	-	-
	Thinking ahead [from 2024 to 2025] do you expect business turnover to increase, decrease or remain the same.	Increased	Decreased	Remained the same	Don't know	Refused	-	-	-
		80%	10%	7%	3%	N/A	-	-	-
	Thinking ahead [from 2025 to 2026] do you expect business turnover to increase, decrease or remain the same.	Increased	Decreased	Remained the same	Don't know	Refused	-	-	-
		84%	9%	4%	3%	N/A	-	-	-
Please indicate how you feel about the performance of the economy in relation to business in the next 3 years.	Extremely optimistic	Very optimistic	Neutral	Not very optimistic	Not at all Optimistic	Refused	Don't know	-	-
	36%	30%	24%	7%	3%	N/A	N/A	-	-

Infrastructure	[Road infrastructure] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		31%	21%	27%	12%	9%	N/A	N/A	-	-
	[Water supply] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		23%	32%	27%	7%	8%	3%	N/A	-	-
	[Telecommunications] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		44%	26%	19%	6%	4%	N/A	1%	-	-
	[Ports] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		20%	26%	31%	12%	7%	1%	3%	-	-
	[Airports] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		37%	26%	23%	8%	2%	3%	2%	-	-
	[Customs and trade regulations] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		15%	21%	34%	14%	15%	1%	N/A	-	-
	[Power supply] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		29%	27%	28%	12%	3%	N/A	1%	-	-
	[Rail infrastructure] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/use this	Don't know	-	-
		23%	23%	30%	11%	7%	3%	3%	-	-
Trade Openness and Foreign Trade	How likely are you to increase the volume of imports in the next 2 years?	Extremely likely	Very likely	Neither likely nor unlikely	Very unlikely	Extremely unlikely	-	-	-	-
		36%	36%	17%	9%	2%	-	-	-	-
	How likely are you to decrease the volume of imports in the next 2 years?	Extremely unlikely	Very unlikely	Neither likely nor unlikely	Very likely	Extremely likely	-	-	-	-
		16%	18%	46%	14%	6%	-	-	-	-
	To what extent do importation-related taxes, including tariffs, impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	-	-	-	-
		16%	31%	33%	13%	7%	-	-	-	-
	To what extent do importation-related customs and trade regulations impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	-	-	-	-
		16%	28%	36%	12%	8%	-	-	-	-
	How likely are you to increase the volume of exports in the next 2 years?	Extremely likely	Very likely	Neither likely nor unlikely	Very unlikely	Extremely unlikely	-	-	-	-
		33%	26%	26%	11%	4%	-	-	-	-
	How likely are you to decrease the volume of export in the next 2 years?	Extremely unlikely	Very unlikely	Neither likely nor unlikely	Very likely	Extremely likely	-	-	-	-
		22%	22%	52%	N/A	4%	-	-	-	-
	To what extent do exportation-related taxes, including tariffs, impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	-	-	-	-
		12%	29%	37%	13%	9%	-	-	-	-

Trade Openness and Foreign Trade (Cont.)	To what extent do exportation-related customs and trade regulations impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact	-	-	-	-
		11%	29%	38%	11%	11%	-	-	-	-
	In your view would you say trading with the rest of Africa is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?	Extremely easy	Very easy	Neither easy nor difficult	Very difficult	Extremely difficult	Don't know	Refused	-	-
		6%	18%	51%	12%	11%	2%	N/A	-	-
	In your view would you say trading with the rest of the world (OUTSIDE OF AFRICA) is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?	Extremely easy	Very easy	Neither easy nor difficult	Very difficult	Extremely difficult	Don't know	Refused	-	-
		6%	11%	47%	19%	14%	4%	N/A	-	-
	Are you aware of the African Continental Free Trade Area Agreement?	Yes	No	-	-	-	-	-	-	-
		29%	71%	-	-	-	-	-	-	-
	What are the top 3 benefits of the AfCFTA on your business?	No benefits (Exclusive)	Ease the movement of goods/ services across borders	Allow for a larger market for my goods/ services	Allow for greater competition	Promote the availability of more products and services to choose from	Contribute to the movement of capital and people across borders	Facilitate greater investment across countries	Promote industrial development across the countries	Enhanced regional payment systems
		26%	16%	22%	24%	19%	12%	26%	19%	15%
Government Support	Please indicate how supportive your government is with regards to cross-border trading activities.	5 - Extremely supportive	4	3	2	1 - Not at all supportive	Refused	Don't know	-	-
		22%	32%	29%	7%	5%	N/A	5%	-	-
Traders' Financial Behaviour and Access to Finance	Please indicate how difficult or easy it is to get credit from financial institutions	Extremely easy	4	3	2	1 - Extremely difficult	Refused	Don't know	-	-
		17%	27%	33%	11%	9%	1%	2%	-	-
	Why do you prefer using cash to pay for your goods or services when trading with suppliers in other countries?	Minimal cost/ fees	Allows for negotiations	Limited knowledge in other payment methods	Convenient - easy to deal with	Privacy	Other	-	-	-
		55%	45%	22%	40%	15%	N/A	-	-	-
	What challenges, if any, do you encounter when using cash when trading with suppliers in other countries?	Fraud	Loss of money/ security risks	Fluctuating exchange rates	Customs declarations	Inconvenience - of carrying large amounts of money	Other	-	-	-
		44%	38%	42%	22%	35%	N/A	-	-	-
	What benefits or incentives would encourage you to entirely switch to formal channels (such as cards, electronic payments, international transfers) when trading with suppliers in other countries?	Faster transaction processing times	Minimal document requirements	Competitive exchange rates	Guaranteed security	Recorded transactions	Other	-	-	-
		29%	47%	27%	62%	29%	N/A	-	-	-
	Do you offer credit terms to your clients?	Yes			No			-	-	-
		48%			52%			-	-	-
	Do you have credit terms arrangements with your suppliers?	Yes			No			-	-	-
		45%			55%			-	-	-



# ABOUT THE RESEARCH

**The Stanbic Bank Africa Trade Barometer is based on both primary and secondary research sources.** This is Issue 4 of the SB ATB. Issues 1, 2 and 3 were released in June 2022, November 2022 and September 2023, respectively. Data collection (both primary and secondary research) for Issue 4 was carried out between July and September 2024 in all 10 countries of interest.

The primary research component involves the administration and analysis of a firm survey (i.e., a survey of sample businesses in the countries of interest) and in-depth interviews with key stakeholders. The sample is stratified by size (small, big and corporate), region and industry. A total of 2 258 businesses were surveyed and 30 in-depth interviews were conducted across the 10 countries in Issue 4.

In Tanzania, 190 businesses were surveyed. 47% of these businesses were in Dar es Salaam, 21% in Mwanza, 13% in Arusha, 9% in Mbeya and 11% in Moshi.

**The breakdown of surveyed businesses in Tanzania by business segment was as follows:**

- 68% were small businesses
- 16% were big businesses
- 16% were corporates

In the context of the SB ATB, small businesses are defined as those with a turnover of less than TZS 8 billion, large businesses as those with a turnover of between TZS 8 billion and TZS 92 billion and corporates as those with a turnover of more than TZS 92 billion.

**The breakdown of surveyed businesses in Tanzania by industry is as follows:**

**Table 7: Breakdown of surveyed businesses in Tanzania by industry**

Industry	%	Industry	%
Construction	24%	Administrative and support service activities	3
Wholesale and retail trade; repair of motor vehicles and motorcycles	15%	Other service activities	3
Transportation and storage	11	Electricity, gas, steam and air conditioning supply	2
Manufacturing	8	Arts, entertainment and recreation	2
Human health and social work activities	8	Public administration and defence; compulsory social security	1
Financial and insurance activities	7	Water supply; sewerage, waste management and remediation activities	1
Accommodation and food service activities	6	Real estate activities	1
Agriculture, forestry and fishing	5	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	1
Education	4	Professional, scientific and technical activities	0
Mining and quarrying (includes oil & gas)	3	Activities of extraterritorial organizations	0
Information and communication	3		

**The breakdown of surveyed businesses by staff complement was as follows:**

- 18% had below 5 employees
- 29% had 5 - 10 employees
- 19% had 11 - 20 employees
- 16% had 21 - 50 employees
- 10% had 51 - 100 employees
- 6% had 101 - 1 000 employees
- 1% had 1 001 - 5 000 employees

With regards to individual respondent characteristics within the businesses, there is a nearly equal split of 50% (103 male and 102 female respondents).

**The breakdown by their job titles is as follows:**

- 24% were chief accountants
- 22% were general managers
- 15% were owners, partners or co-owners
- 14% were heads of departments
- 6% were director generals
- 4% were managing directors
- 4% were chief financial officers
- 3% were treasurers
- 3% were financial directors
- 3% were chief executive officers (CEOs)

Further details by region, business segment, industry, staff complement, age of firm, the firms' corporate and strategic decision-making structures as well as individual respondent characteristics (gender, job title, etc.) are available on request.

There were three in-depth interviews conducted in Tanzania as part of Issue 4. The interviews were held with representatives from the Bank of Tanzania, the Dar es Salaam City Council and the Ministry of Finance and Planning. These interviews are quoted in this report, as relevant.

The survey and in-depth interviews were conducted on a confidential basis.

The secondary research component involves the gathering and analysis of quantitative data. This data is primarily collected from World Bank sources, although additional data is obtained from the International Monetary Fund (IMF), the International Trade Center and individual country central banks.

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In-depth details on how the Stanbic Bank Africa Trade Barometer scores for each country are calculated, and the resultant country rankings, are available on request.

\*\*\*

The research was produced by Standard Bank Business and Commercial Banking Research & Insights. For any questions or information requirements on this report please contact [tradebarometer@standardsbg.com](mailto:tradebarometer@standardsbg.com).



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