TANZANIA

Intra-Africa trade and tariff profile

Tanzania belongs to two regional economic communities in Africa. It is a member of SADC and the EAC. It is currently negotiating the Tripartite Free Trade Area and recently signed the AfCFTA.

SADC is a Regional Economic Community with 16 member states, including all SACU countries, Zimbabwe, Zambia, Mauritius, Mozambique, Malawi, Seychelles and Comoros. 13 SADC members are in a Free Trade Agreement (FTA); Comoros, DRC and Angola are yet to join the FTA.

The EAC is a customs union (Burundi, Rwanda, South Sudan, Kenya, Uganda and Tanzania) with duty-free intra-EAC trade and a common external tariff (CET). The member states also adopted a Common Market Protocol in 2009, which came into effect in 2010. However, the Protocol has not yet been fully implemented.

1. Regional Economic Communities

- Tanzania is a member of SADC and the EAC.
- It is currently negotiating the Tripartite Free Trade Area.
- Recently signed the AfCFTA.

2. Intra-Africa trade

**Exports:**
- 37% of Tanzania's total exports (US$1.5 bn) are intra-Africa.
  - Gold (43%)
  - Wheat flour (4%)
  - Dried vegetables (3%)
  - Live animals (3%)

**Imports:**
- 11% of Tanzania's total imports (US$0.86 bn) are intra-Africa.
  - Maize/Corn (9%)
  - Flat rolled steel (5%)
  - Medicaments (13%)
  - Alcoholic mixtures (4%)

*Destination markets:
- South Africa: 45%
- Kenya: 19%
- DRC: 10%
- Zambia: 6%
- Comoros: 6%

*Source markets:
- South Africa: 48%
- Kenya: 24%
- Mozambique: 11%
- Uganda: 6%
- Swaziland: 4%
The majority of Tanzania’s intra-Africa trade is with members of the EAC and SADC. South Africa and Kenya account for a large chunk of Tanzania’s intra-Africa trade.

Non-REC imports account for 7% (US$ 59 million) of Tanzania’s total intra-Africa imports.

**Tanzania belongs to a customs union with a common external tariff and a common list of sensitive products.**

**Highest applied tariff band range is between 50% - 60% for goods entering Tanzania without preferences. Tariffs for sugar can sometimes go as high as 100%**

Only 20% (US$ 11 million) of imports originating from non-REC Africa enter Tanzania duty free.

**High ad valorem duties**
- Dairy products (60%)
- Clothing & Textiles (50%)
- Maize; Wheat (50%)
- Manufactured tobacco (35%)

**Duty free imports**
- Medicaments
- Semi-finished iron or steel
- Coal or Briquettes
- Polymers of propylene

**Tanzania’s top intra-Africa imports (excluding SADC; EAC) 2017 – US$ millions and MFN (CET) tariffs**

<table>
<thead>
<tr>
<th>2017 (US$ m)</th>
<th>%Share</th>
<th>Average tariff</th>
<th>Max tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL</strong></td>
<td>59</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>1701 Cane or beet sugar</td>
<td>21</td>
<td>36%</td>
<td>20%</td>
</tr>
<tr>
<td>3105 Mineral or chemical fertilisers</td>
<td>8</td>
<td>14%</td>
<td>0%</td>
</tr>
<tr>
<td>2710 Petroleum oils (excluding crude)</td>
<td>4</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>1103 Cereal grains, meal and pellets</td>
<td>3</td>
<td>5%</td>
<td>25%</td>
</tr>
<tr>
<td>3909 Amino-resins, phenolic resins and polyurethanes</td>
<td>2</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>3402 Organic surface-active agents (excluding soap)</td>
<td>2</td>
<td>3%</td>
<td>18%</td>
</tr>
<tr>
<td>8544 Insulated &quot;incl. enamelled or anodised&quot; wire, cable</td>
<td>2</td>
<td>3%</td>
<td>22%</td>
</tr>
<tr>
<td>9619 Sanitary towels (pads) and tampons</td>
<td>1</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>9406 Prefabricated buildings</td>
<td>1</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>3004 Medicaments</td>
<td>1</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Other products</strong></td>
<td>13</td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>

There is scope for Tanzania to boost its intra-Africa trade under the AfCFTA and the TFTA.

Opportunities exist for both goods and services.

Source: UN, ITC TradeMap & MacMap databases