

cost-benefit analysis for Tanzanian goods will be made available to the product-market development consultants to be hired within the provisions of URT/97/004, in view of a competitiveness analysis to be undertaken in the framework of the market surveys.

- a) *Establishing the product-market matrix*
- b) *Disseminating the product-market matrix to potential investors and exporters*

2. Output 3.2 Market potential for Tanzanian services assessed

As well as the information that would be made available as an output of the series of thirteen market analysis studies and market penetration strategies for the selected non-traditional products, indicated under section V.D. 1.a. above, this Project will help to further determine Tanzania's potential for export in the services' sector. A survey was conducted in Dar Es Salaam by an UNCTAD team of international and local consultants, to determine the potential for Tanzania in this sector, which should be updated.

Based on enterprise interest and the country's obvious potential in the services sector, and taking account of Tanzania's unique geographical position, as a gateway to many African land-locked countries, a series of three market surveys will be realized under UNCTAD and ITC implementation, on two selected service sectors, namely, tourism and transit services.

This work will be undertaken by a team of technicians from relevant ministries and organizations, including the TCCIA. It will be supervised by the Ministry of Industries and Trade in association with the Ministries of Tourism and Transport.

- a) *Market survey for the tourism sector*

This survey will assess the actual potential of Tanzania to attract more tourists and help to define specific products to be promoted. The results of the survey will be disseminated among tour operators and hotel traders and sponsors, to draw attention to the country's investment opportunities.

- b) *Market survey for the transit trade*

This survey will review the current and medium-term opportunities for Tanzania to develop its ports and its transit services toward neighbouring land-locked countries. It will use, among other elements, the findings and conclusions of a recent survey realized for the Bank of Tanzania on free-trade zones.

3. Output 3.3 Sectoral export development strategies, formulated for selected goods and services

A national export development strategy has already been formulated. This is a framework for a global institutional setting and policy measures, supportive of export development, as described under section II.C.1 above. On the basis of data collected in the framework of the export potential and market surveys, carried out under the UNDP/ITC project URT/97/004, this project will help to build up capacity for trade and export strategy formulation. At the same time, it will assist sectoral associations and BET in shaping out medium-term sectoral strategies, to foster export-oriented investment in selected product groups, having comparative advantage for Tanzania, according to the findings of the study described in section IV.D. 1.a. above. Private sector institutions, such as CTI and TCCI, should be closely associated with the formulation of sectoral strategies, using desk and field research conducted within Project URT/97/004.

When achieved, output 3.3 will also be directly supportive of activities planned under objective 2, aiming to seek maximum advantage from the multilateral trading system for Tanzania. In particular, the formulation of sectoral strategies will benefit from the ideas developed in the study on the impact of the URAs on the country's external trade (activity 2.1.a, p. 33) and during the national Symposium on trade policy measures (activity 2.1.c, p. 34), while the measures to improve the business environment in Tanzania will surely be further refined when sectoral strategies are established.

a) Training workshops on export strategy design

The technical staff of professional associations to be involved in the strategy design exercise will attend a workshop for training in the methodologies of information gathering, screening and usage. Two workshops will be held during the project to train and form two teams, which will then accomplish the strategy formulation.

b) Formulation of sectoral marketing strategies for selected goods

Based on the assessment of export potential for each sector, highlighting business development perspectives, sectoral strategies should be proposed for use by Tanzanian exporters and professional associations in the following subsectors:

- Coffee, tea, and tobacco,
- Cotton: yarn, fabrics and textiles
- Oilseeds, including cotton seeds,
- Cereals (maize, and beans)
- Spices (Cloves, Chillies, etc.)
- Fruits and vegetables
- Fish, edible and aquarium, seaweed, and marine products.

The sectoral/product group strategies will be elaborated by the sponsorship of the relevant professional associations, with the support of the Project. The role for the executing organizations will be to provide information and guidance to enterprises and institutions within this framework. The cost will be shared with the associations concerned.

c) Design of sectoral strategies for the development of exports of services

Sectoral marketing strategies will be proposed for the two services for which market surveys will be conducted under IV.E.2, namely tourism and transit trade. Here too, the strategy to develop services will be formulated with strong involvement of the relevant professional associations, the executing organizations providing advisory services, information and guidance. The Project will share costs with the professional associations concerned.

d) National strategy for the promotion of subregional trade

To complement the matrix of exchangeable goods and markets of interest to Tanzania, and to contribute to the improvement of Tanzania's trade position with its EAC and COMESA neighbours, the Project will support the undertaking of an overall assessment of Tanzania's comparative advantages in its trade relations with Kenya and Uganda in the framework of the EAC on the one hand, and with other members of COMESA on the other hand. This exercise will lead to the formulation of a strategy proposal related to the development of sub-regional trade relations. It will, among other utilizations, help BET to establish an agenda for its proposed subregional and cross-border fairs, to promote Tanzanian and subregional products, to be carried out within the framework of its new focus on selected areas. This survey will be undertaken by a team from the Ministry of Industries and Trade, BET, CTI and TCCIA. Leading enterprises involved in

subregional trade should be consulted. The cost of defining the strategy will be supported by the Project.

4. Output 3.4 Selected components of the Tanzania Economic Trade Information System, set up

As stated earlier, trade information is one of the basic tools of competition on international markets, that should be readily available to Tanzanian exporters. Although various initiatives are under way, trade information is still not widely accessible to SMEs, as a tool to draw greater advantage from opportunities in the global and regional markets, and to improve management practices.

In the framework of its technical assistance project URT/97/004, financed by the Government of the Netherlands and UNDP, ITC will undertake during 1997 and early 1998 studies related to the assessment of the Tanzanian market for trade information, and the feasibility study of the Tanzanian Economic and Trade Information System (TETIS), needed to design the networking linkages and mode of operation of the system, as described in paragraph III.B.5.

As soon as these studies are completed, this Integrated ITC/UNCTAD/WTO project will take over the actual implementation of TETIS, through the networking of the information facilities at the various public and private sector institutions, hence promoting their complementarity. This project will also assist Tanzanian institutions and enterprises in operating TETIS, through (i) the provision of documentation, (ii) the training of personnel at expert level (to provide programming and management skills where needed, and not only operator training), and (iii) the linking to the appropriate databases and sources of information worldwide.

The financial and infrastructural conditions for this networking will vary, according to the needs and costs. This project will secure the availability of current technical documentation, prepared by ITC, UNCTAD and WTO, on the URAs, and support the cost of certain subscriptions to on-line databases and documentation, to be specified in the feasibility study. The access to worldwide networks, including Internet, that will be provided by the Project, for the establishment of Reference Centres, will also be used to operate connections of TETIS with other regional and worldwide networks and systems. In this context, BET could be used as a gateway, in connection with its home page on Tanzania, which will be upgraded and completed.

The Reference Centres, to be established at the Ministry of Industries and Trade and at the Board of External Trade, in fact will be part in fact of the information setting at those sites. They will be of course accessible to users through the designated organizations which host them. They will provide specific information about the multilateral trading system, the rules of the global market, and relevant information of the international trade agenda.

BET has already established a Web-site through an access provider in Dar Es Salaam. It contains information on the 1997 Dar Es Salaam International Fair, such as names and addresses of exhibitors, their product lines, etc. The Web site also encompasses an economic profile of Tanzania, produced by BET, as well as some trade statistics. Information on tourism will soon be included. Furthermore, a mirror site has been created with a South African "info-door site", specialized in information on exhibitions and fairs. BET has developed some knowledge on the use of Internet,⁴ and is willing to set up its own ISP capacity to serve the business community.

⁴ BET Headquarters are not connected to the Internet, not even through the computer of ITC's project, located at the same premises, due to lack of appropriate equipment and telephone lines.

In this respect, it has to be recalled that the organization has been selected in 1994 as the location for the Trade Point. To prepare for receipt of the equipment, to be provided by the Japanese cooperation (JICA), BET was planning, in August 1997, to move its trade information function to a more appropriate location in Dar Es Salaam. The access to the Internet by BET and its equipment with a full-fledged computer network configuration, will offer the organization a technical advantage for hosting the focal point of TETIS.

The problem of financing of TETIS could also be dealt with by a progressive billing of information consumers, as will be indicated in the feasibility study. A specific common fund might be created to collect the proceeds and support expenses of common interest of the network members, thus preparing TETIS for relative self sustainability. The fund will be managed by an NGO, to be created about one year after operation, to make sure that only interested institutions are associated and to avoid institutional bottlenecks. This NGO could become the backbone of the Trade Efficiency Association, planned to be set up in the framework of the Trade Point. After completion of this Project's technical assistance activities, the NGO should take over the responsibility for and results of subscriptions to databases, periodicals and other sources of information.

As soon as they are accomplished, the results of market and feasibility studies will be proposed to the future partners of the system through a national seminar on trade and economic information, during which the participants will adopt a temporary *modus operandi* of the system. These three activities will be accomplished under the Project URT/97/004, implemented by ITC and supported by UNDP and the Government of the Netherlands.

The current Project will provide the expertise and the auxiliary equipment to establish connectivity among the participating institutions, as will be indicated in the feasibility study. It will deliver full computer configurations only for the operation of the Reference Centres at MIT and BET. As a reminder, the WTO will be directly involved only in the setting up of the official Reference Centre.

In addition, training will be organized to train the information managers and operators. At the time this Project proposal was finalized, MIT, BET, TCCIA, CTI, TANEXA, and IPC, were preparing for the connectivity exercise. TBS might also join, if a project proposal to extend technical assistance was accepted by SIDA. The installation of components of TETIS will partially achieve the creation of the Trade Point (cf. Output 3.7 below).

The following activities will be undertaken to reach the indicated goals:

- a) *Provision of additional equipment to enable connectivity and multimedia operation, where necessary*
- b) *Establishing connections between participating members of TETIS*
- c) *Bridging with the Tanzania Trade Centre in London*
- d) *Subscription to selected databases*
- e) *Connection to GTP Net*
- f) *Training Trade information managers*
- g) *Provision of selected documentation, written and electronic*
- h) *Improvement / Creation of a "Tanzania Business" Web-site*

As stated before, BET has established a Web-site through an access provider in Dar Es Salaam. It basically contains information on the 1997 Dar Es Salaam International Fair, as well as an economic profile of Tanzania. The Project will help to evaluate the site and improve its services, presentation and operation, both technically and commercially. Information from the supply and market surveys achieved in the framework of the URT/97/004 project will be fed in, as well as information on tourism. Other members of TETIS will be hosted and their information made available on the site.

i) *Organization and design / Improvement of a "Tanzania Business" home page*

A home page will be established accordingly, which would include information provided by other members of TETIS.

j) *Advisory services to the TETIS member organizations*

Technical assistance should remain available for an extended period of time (two to three years after the establishment of the system), to assist the member organizations in taking the appropriate decisions, and in trouble shooting in relation to the system's operation, to avoid the collapse of the whole setting because of any eventual mismanagement. The inputs in this respect will take the form of advisory missions, by specialized consultants on a roving basis.

k) *Formation of a non-profit association to manage the Tanzanian Economic and Trade Information System*

After the establishment and beginning of full operation of the Economic and Trade Information System, a non-profit association will be formed by the different participants to the System, to manage it and maintain its coherence. This association will be financed by its members without any financial inputs from the Project budget, except for technical advice on its organization and methods. The Project will contribute to this activity by the drafting of the charter and rules of operation of the association.

l) *Establishing coordination links with counterpart information systems in neighbouring countries*

In addition to information flows to be secured through the participation of the TETIS to the GTP Net, formal ties will be institutionalized at EAC level, to exchange information among foreign trade enterprises and public sector entities, through the connection of the trade information facilities and systems, in order to exchange whatever information is not regularly offered on the Web-sites. This will not only facilitate communication of data on trading opportunities in the newly established economic community, it also will allow the exchange of ideas and experiences among private sector institutions and business people, through discussion groups. Furthermore, the Tanzanian Economic and Trade Information System to be set up will be hooked to the COMESA TINET, where information on trading opportunities and other market data will be exchanged. The activities in this respect will be fully coordinated with those activities of the ITC-implemented regional project at the COMESA in Lusaka.

5. Output 3.5. Provincial trade information outlets established

TCCIA is strengthening its regional branches in ten selected provincial capitals, thanks to assistance from the Swedish Government. An arrangement to further strengthen these branches, which have been equipped with the latest technology computers, would have to be discussed

between BET and the Chamber. A selected number of branches, namely Mwanza, Arusha, Mbeya and Tanga, together with Zanzibar, which has a particular status, would be connected to TETIS, in order to be the local information collectors and providers to traders, producers and regional authorities alike. The approach will consist of forming regional trade information associations, and establishing connectivity. Training will also need to be extended to the managers of the branches or their operating personnel.

- a) *Establishing TETIS in Mwanza*
- b) *Establishing TETIS in Arusha*
- c) *Establishing TETIS in Mbeya*
- d) *Establishing TETIS in Zanzibar*
- e) *Establishing TETIS in Tanga*

6. Output 3.6 Trade efficiency enhanced, through the setting up of a full-fledged Trade Point

A Trade Point is a unique combination of practical tools available to local enterprises and government agencies to lower the cost of their import and export transactions. It combines three main functions: trade facilitation, trade information and global networking. The facility offers to SMEs access to business opportunities worldwide, ways to collect and transmit information, the use of advanced communication techniques, market research, and facilitation of customs and financing procedures, banking, transport, and insurance services.

The establishment of the Tanzanian Trade Point (TTP) will be operated progressively. TETIS with the two Reference Centres will constitute the first phase of implementation of TTP. The idea of establishing a Trade Point in Dar Es Salaam was first adopted in 1994, at the suggestion of UNCTAD. BET was designated as a temporary focal point, while TCCIA was entrusted with the formation of a Tanzanian trade efficiency association. Neither one has yet undertaken any initiative to advance the scheme. The TTP, which should have been established in the framework of the UNCTAD/ITC executed programme initiated in 1991 aiming at establishing the Global Trade Point Network (GTP Net), is therefore dormant. Any initiative to establish it should be restarted from the beginning, including the institutional aspect.

In fact, the approach proposed in this Project will help in setting up TTP progressively. Activities indicated under Output 3.5 above, take a pragmatic avenue to set up TTP, since current conditions would not allow for the selection of a physical site for it, nor permit the formation of the Tanzania Trade Efficiency Association. For the time being, private sector representatives do assert that their institutions are lacking capacity to run such a facility, to ensure its sustainability, or even to define its mission, until a clear vision for Tanzanian private sector development has been adopted. It is believed that the operating of TETIS will give an opportunity to the various stakeholders of private sector development in Tanzania to appreciate the usefulness of coordination and of easy access to trade support services.

By that time, and after more reforms have taken place in the field of trade facilitation and investment promotion, the Project will undertake a feasibility study to define the contours of the Tanzania Trade Point and to establish it at a selected location, well accessible to private sector enterprises, including the possibility of establishing provincial antennas.

a) Feasibility study of a full-fledged Trade Point

The study should envisage establishing provincial Trade Points, in selected sites, notably where TETIS would have been put in operation, as set out under Output 3.5 above, in Zanzibar, Mwanza, Arusha, Mbeya and Tanga. Duplication of the Dar Es Salaam setting in Zanzibar and Mwanza will be envisaged.

b) Formation of a Trade Efficiency Association

There will be a possibility to upgrade the TETIS managing body in a Trade Efficiency Association, although keeping them separate would be preferable. The feasibility study will determine the best options.

c) Establishing the Trade Facilitation component of the Trade Point in Dar Es Salaam

d) Establishing the Trade Facilitation component of a Trade Point in Zanzibar

e) Establishing the Trade Facilitation component of a Trade Point in Mwanza

7. Output 3.7 Guide to "Trade Secrets - the Export Answerbook " adapted to the Tanzanian context

ITC has developed the generic version of a Guide entitled "Trade Secrets - The Export Answerbook", together with guidelines for its adaptation to the national context in developing countries. The Guide, customized to local situations, will be a business improvement tool and reference source for export management by SMEs and business support organizations. It will contain a complete package of readily accessible information, that managers would find useful for day-to-day operation of their export businesses. One hundred frequently asked questions (FAQ) are answered in clear, concise and user-friendly terms. The answers are supplemented by appropriate references to additional information resources. Technical assistance will secure the customization of the generic version of "Trade Secrets - The Export Answerbook", through the production of a country-specific Guide for Tanzania. This will be done in partnership with interested local or subregional counterparts, who will co-sponsor the production of the adapted version.

a) Advice on the preparation of the Guide to Trade Secrets

An ITC consultant will undertake a mission to train a local team of the counterpart organizations and those responsible for the adaptation process, on how to prepare the draft of the customized version of the Guide.

b) Realization of the Guide to Trade Secrets in Tanzania

The customization will be carried out, under ITC's technical guidance, by a national / subregional subcontractor. The counterpart organization will be directly involved in the implementation of the process, in accordance with a "joint publication arrangement" with ITC, and will benefit from the proceeds of sales. The subcontractor will elaborate the draft for each country covered, on the basis of the process manual. ITC will perform a quality check before publication. The Guide will be printed using local or subregional facilities.

c) Distribution of the Guide to Trade Secrets

The Guide will be distributed on a commercial basis, in accordance with the "joint publication arrangement" by the counterpart organization, which could be one of the following: