CTI NEWS FLASH
The Voice of Industry
March 2017

CTI's tax proposals to Task Force on Tax Reforms for 2017/18 financial year unveiled

The Chairman of CTI's Fiscal and Economic Affairs Committee Mr. Hussein Sufiani (First-Right), presenting the CTI Tax Proposals to the Task Force on Tax Reforms for 2017/18 financial year, at the Ministry of Finance and Planning

CTI has presented its Tax proposals to the Task Force on Tax Reforms for 2017/18 financial year for consideration. The proposals range from excise duty, import duty, VAT to income tax.

Presenting the proposals to the Task Force on Tax Reforms at the Ministry of Finance and Planning, the Chairman of CTI's Fiscal and Economic Affairs Committee Mr. Hussein Sufiani said it is prudent for the government to maintain the current excise duty rates on Beer and Spirits on the current inflation rate. He observed that maintaining the current excise duty rates have many benefits to both the manufacturers as well as the government.

Mr. Sufiani said that the proposed measures would increase Government revenue by an estimated TZS 65 Billion a year. The past experience shows that on average, a **5%** volume growth resulted into **a 15%** increase in total product tax collected. TBL paid more than TZS 380 billion in taxes in 2015. Other benefits of maintaining the status-quo are:

- Preventing consumption of unhealthy, and unregulated alcohol.
- Supporting and growing the economy with at least TZS 100 Billion a year in capital expenditure.
- Maintaining and increasing employment of over 2 million people through the production and supply chain.
- Supporting the agricultural sector growth via contract farming with local farmers.
- Preserving and encouraging local production (industries).

It should be noted that in 2012/13 financial year for instance, increases of consumer prices resulted in reduced sales volume.

The **25%** increase in beer excise Duty resulted into an **8%** loss in sales volume and revenue for TBL company and the government respectively while it encouraged consumption of both unregulated and unhealthy alcohol.

Other highlights of the proposals:

1. On Excise Duty:

- **Maintain the current Excise Duty on carbonated soft drinks of TZS 58 per litre.**

  Benefits:

  - Evidence shows that the reduction of excise duty from TZS 91/Lt to TZS 55/Lt in 2014/2015 enabled producers to increase investments. For one year alone 2014/2015, the industry made investments of $110,000 which was equivalent to TZS 240 billion. This included new production investment made in Mbeya, Mwanza, Moshi and Dar es Salaam.
  - These investments created 400 direct jobs and 4000 indirectly in one year.
  - Over four years, soft drink industry invested more than $400 mil which is more than TZS 850 billion and created almost 1000 direct jobs and 10,000 indirect jobs. The investment needs to be protected and recovered. Increase of excise duty slows down growth and hence adversely affect the return on these investments and government revenue.
  - Excise duty reduction helped the industry to reduce and maintain price which is helping to stimulate growth. The industry has held price for the last three to four years. Increase may reverse the good momentous growth and government will lose revenue. Government can get the more revenue through VAT, Corporate Tax and other taxes if the sector grows.

- Growth in the sector helps government to collect revenue and create employment in the value chain (The multiplier effect up and down the value chain) i.e. greater demand for inputs – packaging, crowns, closures, PET, Sugar, etc. with growth of even smallest sellers like roadside sellers and hookers; hence more revenue to the government and create employments.

- All 14 SADC countries have removed/don't have excise on soft drinks except Tanzania and Angola. Angola is at 3%. Zambia, Zimbabwe, Namibia, South Africa, Malawi, within few years had removed completely excise duty on soft drinks resulting in to growth in the industry and more revenue to government.

- Prices for soft drinks are very elastic. Any small change in prices have huge impact on volume. This explains why the industry has maintained the price for a long time.

▪ **Retain current Excise Duty rate on cigarette.**

Benefits:

- Maintain the current 3tier Excise Duty structure with its 75% domestic tobacco requirement.

- Increasing capacity utilization.

- Encouraging investment in capacity/expansion; For instance: Since 1999 to date, TCC has invested over U$ 100 million in plant, machinery and other business activities.

- Maintaining and encouraging new employment; For instance: Currently, TCC employs 474 people directly and indirectly supports the employment of over 100,000 tobacco farmers and over 2,500 suppliers, dealers and retailers.

- Maintaining consumer affordability; Excise duty driven price reduces consumer affordability of cigarettes. Affordability (measured as price per pack of 20 cigarettes as a percentage of the average daily disposable income), is currently at about 60%. That is, the average consumer would have to spend 60% of his daily disposable income to buy a pack of 20 cigarettes. According to the November 2015 study on affordability conducted by Japan Tobacco International in 25 cigarette markets around the world, cigarettes produced in Tanzania are the most expensive.

- Encouraging production and increasing sales; For instance, the TCC factory is capable of producing 10 billion cigarettes per annum. Currently, it produces 5 billion cigarettes for the domestic market and 3 billion cigarettes for the export market, giving a capacity utilization of 80% and idle capacity of 20%. Thus maintaining the current excise duty will lead to full capacity utilization.

- Increasing government revenue; In 2016, the Government did not increase excise duty. The result was volume growth of 5%, the highest in over 5 years, and more tax venue generated for the Government.

Currently, TCC employs 474 people directly and indirectly supports the employment of over 100,000 tobacco farmers and over 2,500 suppliers, dealers and retailers.

- Discouraging illicit trade; as a result of high cigarette prices relative to prices in export markets (Zambia & DRC, etc.), illicit trade in tobacco products in Tanzania has increased from 2% in 2010 to about 10% in 2015. That is, for every 1000 cigarettes sold in the domestic market, 100 cigarettes are nonduty paid. This undermines both domestic sales revenue for manufacturers as well as tax revenue for the Government. The estimated tax revenue loss in 2015, assuming illicit trade is 10% of the legal market for cigarettes, was TZS 21 billion.

- Extra tax revenue of up to TZS 10 billion per annum; Generating more tax revenue for the Government through a reduction in illicit trade in tobacco products. Assuming illicit trade declines from 10% to 5%, the Government could generate an extra TZS 10 billion in tax revenue.

- Generate more tax revenue through volume growth as VAT and excise duty are driven by volume.

- Encourage use of locally available raw materials and domestic value addition.

- The "75% local content requirement" encourages use of locally available tobaccos. Almost 100% of cigarettes produced by TCC for the domestic and export markets use Tanzanian tobacco. This is in line with the 5th Phase Government's drive to promote use of locally available raw materials and encourage domestic value addition.

- Encourage inward investment and industrialization.

- Furthermore, the "75% local content has encouraged further investments in the tobacco value chain. For example, JTI Leaf Tanzania set up a local operation in 2012 to procure Tanzanian tobacco for use by domestic manufacturers as well as export.

▪ **Maintain Excise Duty Rates on fruit juices on the current inflation rate.**

Benefits:

- Maintaining the current excise duty will encourage consumption of locally produced juices.

- Increase the sales volume for local producers e.g. SMES

- Encourages local investments in agroprocessing in the country

▪ **Reduce Excise Duty on bottled water from TZS 55 per litre to TZS 40 per litre.**

Benefits:

- Encouraging consumption of clean and safe bottled water.

- Increasing sales volume for local manufacturers.

- Discouraging outbreak of waterborne diseases.

- Reducing Government expenditure to treat waterborne diseases such as cholera and diarrhea.

- Supports local industrialization as 5th phase government plans.

- Employment generation in industries.

2. On Import Duty:

- **Remove the 15% refundable additional import duty on industrial sugar.**

Benefits:

- It doesn't serve the purpose it was introduced for (curbing illegal importation of sugar). Illegal sugar is mainly done through 3 ways which additional 15% duty cannot address.
- Transit sugar being dumped in the country.
- Illegal route of Zanzibar which get dumped to mainland through illegal ports.
- Excessive quota approvalsthis is currently well addressed.
- All other East African Countries are still at 10%. Manufacturers who export to EAC region are competitively disadvantaged.
- Currently we effectively pay 16% of duties as summarized below unlike our few East African Manufacturers who pay 10%.
- There is no white refined sugar produced in Tanzania or in East Africa at large. Reducing remission scheme will significantly affect industrial sugar users as they don't have alternative option to get the same raw material within the region.
- The spirit for establishing the remission scheme (which was to help local industries because of the unavailability of this key raw material) is not dead. This key raw material is still not available and the Government is even more committed to help local industries develop and grow better.
- It is a Kenyan agenda to support one investorKIBOS who is investing in refinery but does not have enough capacity to meet Kenyan demand. The proposed refinery will have capacity of 150,000MT while Kenyan industrial sugar demand alone is 180,000MT.
- The investor will not only affect users of industrial sugar, but farmers as well. KIBOS has been given permit to import 150,000MT brown sugar from

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world market at ZERO DUTY in order to refine. The imported brown sugar is a support to foreign farmers instead of East African farmers. If the brown sugar leaks to the market it will adversely affect local sugar manufacturers and farmers.

– If the move is implemented will severely affect businesses that use industrial white refined sugar. It will significantly affect the cost of this key raw material and hence increase cost of making beverages, prompting price on one hand, and decreasing in volume on the other.

– All East Africa Manufacturers Associations and East Africa Business Council object the proposal as it will have big impact on industrial sugar users and may also affect local sugar farmers if imported and then leaks in to the market.

– The objective of sugar producers and the Government is to produce sugar from locally grown sugar cane in order to support farmers. Allowing importation of brown sugar at ZERO DUTY defeats the purpose of the producers and the Governments to promote local sugar production. Producers will have no incentive to produce locally if they can import the same at ZERO DUTY.

– EAC supporting one investor to import brown Sugar for refining at ZERO DUTY while charging other investors **10% IMPORT DUTY** on industrial sugar and again proposing to increase the same is highly questionable. KIBOS investment is approximately USD 18 million while the three major soft drinks producers in Tanzania alone invested more than $400mill over four years.

- **Reduce import duty on aluminium foils (HS. 7607.19.90) from 25% to 10%.**

  Benefits:
  – Promote competitiveness of pharmaceutical industries which use aluminium in packaging of products for hygienic purposes.

  – Increase sales volume for products such as cosmetics, paste.

  – Increased Government revenue.

- **Reduce import duty on imported self-adhesives labels (HS. 4821.10.90) from 25% to 10%.**

  Benefits:
  – Promote competitiveness of domestic industries by lowering their production costs. A decrease in duty will make our local industries competitive in 14 export markets.

  – Increase Government revenue as a result of increase in sales volume. The Government collected TZS 13 billion from cosmetics in 2015.

- **Reduce Import Duty on toothpaste tubes HS. 3923.90.20 from 25% to 10%.**

  Benefits:
  – Promote competitiveness of the domestic industry. With a high duty on a raw material similar to that of a finished product it becomes more rational for a producer to import finished goods than producing domestically.

  – The toothpaste plant provides 300 jobs.

- Continue stay application of Import Duty on paper used to manufacture corrugated boxes (HS. 4804.19.90, HS. 4804.42.00,
  HS. 4805.93.00, HS.4810.13.00, HS. 4810.19.00, HS. 4810.31.00,
  HS. 4810.32.00, HS.48.04.52.00) from **25% to 10%.**

  Benefits:
  - These papers are intermediate materials for manufacture of corrugated boxes.
  - No industry in the region produces these products.
  - Promotes competitiveness of domestic industries.
  - Encouraging investment in production of corrugated boxes where it is becoming less reasonable to import materials for producing corrugated boxes at a rate similar to that of a finished product.
  - Retaining about 700 jobs provided by the industry.
  - Increasing capacity utilisation of industries and thus increase government revenue through VAT and Corporate taxes.

- **Increase import duty on trailers (HS. 8716.39.90) from 10% to 25%.**

  Benefits:
  - Remove exemptions granted on raw materials/finished goods granted for projects with TIC Certificate that can otherwise be sourced domestically.
  - Promoting domestic production of trailers.
  - The local producers can meet the local demand as the annual local Manufacturing capacity is 9020 trailers and can increase capacity (supply) when demand increases.
  - The industry provides more than 3000 jobs provided by trailer manufacturers in the country who are threatened by closure due to unfair competition.
  - Increase Government revenue. Trailer Manufacturers. An estimated gain of TZS 11.7 Billion from removal of exemptions.
  - Promote domestic investment in production of trailers.
  - Support the 5th phase government plan for industrialization.

- Stay application of **25% import duty** or USD 200/MT on Steel Re – Enforcement bars (HS. 7213.10.00, HS. 7213.20.00, HS. 7214.10.00,
  HS. 7214.20.00, HS. 7214.30.00, HS. 7214.91.00, HS. 7214.99.00) and Hot-rolled Angles, Sections, Flats etc. (HS. 7216.10.00,
  HS. 7216.21.00, HS. 7216.22.00, HS. 7216.50.00). So that maximum EAC CET rates should be 25% or USD 200 PER MT whichever is higher.

Benefits:

- Promote production of steel products.

- Encourage investment in steel production where currently manufacturers are being discouraged by high production costs and uncompetitive practices.

- Increase in government revenue. The steel industry contributed to approximately TZS 125 Billion and was expected to surpass TZS 143 Billion in 2015, a **15% increase** due to positive Government Action.

- Retention of approximately 52,000 direct and indirect jobs provided by the steel industries.

- The **25% import** duty or specific duty of USD 200 PER MT whichever is higher will reduce unfair competition from influx of low priced steel products predominantly from China.

▪ Introduce a specific duty on cold rolled steel in coils with 600 mm or more (HS 7209.16.00, 7209.17.00, 7209.18.00), and Cold rolled steel plates with 600 mm or more (HS 7209.26.00, 7209.27.00, 7209.28.00, 7209.90.00) to be **10%** or USD 125 MT.

▪ Introduce specific duty on Galvanised Steel zinc coated in coils with 600 mm or more (HS 7210.30.00) to be **25%** or USD 250/MT whichever is higher.

▪ Introduce a specific duty on Galvanised steel in corrugated or other sheets width 600 mm or more (HS 7210.41.00, HS 7210.49.00) to **25%** or USD 275/MT whichever is higher.

▪ Introduce a specific duty on aluminium and zinc coated steel in coils (HS 7210.61.00) to be **25%** or USD 250/MT whichever is higher.

▪ Introduce a specific duty on Aluminium and zinc coated steel corrugated or other sheets width 600 mm or more (HS 7210. 69. 00) to be **25%** or USD 275/MT whichever is higher.

▪ Introduce a specific duty on colour coated/painted steel in coils width 600 mm or more (HS 7210. 70. 00) to be **25%** or 350/MT whichever is higher.

▪ Introduce a specific duty Colour Coated/Painted Steel Corrugated or Other Sheets width 600 mm or more (HS 7210. 90. 00) to be **25%** or USD 375/MT whichever is higher.

▪ Increase import duty on Galvanised Steel Zinc coated, width less than 600 mm (HS 7212. 30. 00) to be **25%** or USD 250/MT whichever is higher.

▪ Increase import duty on Colour coated/Painted Steel width less than 600 mm (HS 7212.40.00) to be 25% or USD 350/MT whichever is higher.

▪ Increase import duty on Otherwise Plated or Coated Steel or Clad width less than 600 mm (HS 7212. 50. 00, HS 7212. 60. 00) to be 25% or USD 350/MT.

Benefits:

- The global economic slowdown has severely affected iron and steel manufacturing sector due to the excess manufacturing capacities and drop in prices in the world market. For instance, in 2016, China alone produced iron and steel products to the excess of 1,150 million tonnes equivalent to about 48% of the total global capacity.

– Reports show that global demand for iron and steel products is expected to remain weak in the near future as economic recovery is expected to be slow.

– To promote domestic industries in the face of competition from cheap and subsidised products from China and other South East Asian Countries.

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- **Grant duty remission of 0% on iron and steel products of HS 7228.10.00 used to manufacture leaf spring.**

  Benefit:

  – Promoting domestic production of leaf springs. There are two main manufacturers of leaf springs in Tanzania that were adversely affected by the introduction of **25%** duty or USD 200/MT whichever is higher on their raw material.

- **Reduce Import duty on malt HS 1107.20.00 from the current 10% to 0%.**

  Benefits:

  – Increase in sales volume as Malt constitutes **25%** of total cost of manufacturing beer.

  – There is no sufficient supply in the region.

- **Reduce Import Duty on Infant Formula/Specially prepared for infants** (HS: 0402.29.10) from **25% to 10%.**

  Benefits:
  - Promote competitiveness for infant formula by making it available at affordable prices. This will help in addressing nutritional problems facing Tanzanian children such as stunted growth, vitamin A deficiency, and anemia and iodine deficiency disorders.

  - Special group in the community who are below one year of age will access these products. This will enable Tanzania to have wellnourished food especially as a supplement for breastfeeding.

- Reduce import duty on Wheat Grain from **35% to 0%** HS. 1001.99.10 and HS. 1001.99.90.

  Benefits:
  - Increasing food security as wheat products are one of the major food items in the country.

  Benefits:
  - There is inadequate supply of domestically produced wheat grain to meet industry demand.

  - Complementing the effort of reducing micro nutrient deficits in the country by making fortified products (wheat products) more affordable to the general public.

- **Remove the stay of application of 10% import duty on Crude oil HS 1511.10.00.**

  Benefits:
  - *Promoting production of refined edible oil*; The demand for edible oil in Tanzania is estimated to be about **35,000MT** a year**, 60%** of the demanded edible oil is met from imported crude palm oil (CPO) and the remaining **40%** is met by local production of unrefined crude sunflower and cotton oil.

  - *Reducing the cost of producing products of CPO such* as RDB sterin which is used to produce margarine, soap and solid edible oil.

  - Reduce prices of refined edible oil.

  - *Promoting competitiveness of domestic industries*; The import duty of Crude Palm Oil in Kenya is **0%**. This will encourage more smuggling of edible oil in Tanzania from other EAC Partner States and kill our own industries.

  - *Encouraging consumption of nutritional products*; Domestically manufactured cooking palm oil is fortified with vitamin A.

  - *Promotes a level playing field in the oil sub sector;* Palm oil is not a direct competitive with sunflower oil and its importation does not affect domestic production of sunflower. The oil from sunflower has more unique characteristics making it to fetch higher prices.

- **Grand duty remission of 0% on RBD Stearin HS 1511.90.40 and LABSA.**

  Benefits:
  - Enhance competitiveness of the stand-alone soap manufacturers as **25%** of total cost of production is from LABSA (Justification **25%).**
  - Note that all other *raw material ingredients required* for soap and detergents are not charged any import duty.
  - Some of the EAC countries e.g. Rwanda and Uganda are granted reliefs through stay of application on RBD stearin and LABSA.
  - LABSA is not adequately available in the region (justification by how much).

- **Continue stay of application remission on inputs for manufacture of air filters: HS 3506.10.00 PU-Glue; 3919.90.10 Air Filter adhesive; 3921.19.10 Air Filter PVC Materials; 3923.29.00 Air Filter Plastic bag**

  3923.30.00Air Filter end Cap; 3923.30.00Air Filter Frame + Plastic cap

  3923.50.10 Air Filter Plastic Bucket; 3923.50.10 Air Filter Plastic Cap

  3923.50.10 Air Filter Plastic Top Cover; 4008.19.00 Air Filter Rubber

  4016.99.00 Air Filter Rubber ring; 4812.90.00 Air Filter Paper

  4819.10.00 Air Filter Packing Boxes; 4821.90.00 Air Filter stickers (small + big); 5603.11.00 Non-Woven Air filter Paper (250 GSM); 5603.11.00 Non-Woven Air filter Paper (320 GSM); 5911.40.00 Air Filter Hole Paper; 7314.19.00 Air Filters Wire Mesh; 7314.49.00 Air Filters Wire Mesh; 8421.23.00 Oil or Petrol filter inter. combustion

  8421.29.00 Air Filter Foam; 8421.99.90 Air filter wire mesh; 8480.79.00PU-Mould.

  Benefits:
  - Reducing cost of production thus increasing competitiveness of the domestic industry. For instance, prices for air filters have reduced by **12.5%** due to provision of duty remission making them more affordable.

- Reduce import duty on corn semolina from **25% to 10%.**

  Benefits:
  - The corn gr*its are not produced in any EAC country.*
  - *Corn grits are a raw material and not finished products.*
  - *Increasing* employments.

- **Grant Duty remission of 0% on parts used for local assembling of cargo and passenger three-wheel (tri-circles) famously known as TOYO.**

  Benefits:
  - There is an assembly plant here in Tanzania in good condition to start operations.
  - Provide direct employment of 200 people.
  - Chases will be made locally and therefore have multiplier effects in the economy.
  - Indirect employment creation.
  - Support industrialisation in Tanzania.
  - Contribution to road safety as the cheap produced tri-circle will replace unsafe wheel-barrows (Mikokoteni and Maguta).
  - The cargo three wheelers will also support agriculture sector.
  - Increase in government revenue through PAYE and VAT collections.

- **Reduce import duty on printed multilayer cartons HS. 4819.20.90 from 25% to 10%.**

  Benefits:
  - There is no domestic production of multilayer printed cartons.
  - Multilayer printed cartons are an intermediate product used for packaging of toothpaste.
  - Similar products skillets, free hinge lid packets for cigarettes packaging are charged a 10% import duty.

3. On Values Added Tax (VAT):

- **Zero rate VAT on materials for manufacture of exercise books (HS 4820.20.00).**

  Benefits:
  - Exercise books are made for primary and secondary schools for education purpose. As of now all students have an added cost of paying 18%. This cost has a negative impact on the number of books they can buy for school subjects.
  - Retain employment. For instance, a single company with the 200 direct jobs and 300 indirect jobs can retain the workers and consider increasing them with lower production costs.

- **Exemption of VAT on animal feeds and in its raw materials.**

  Benefits:
  - Promote co*mpetitiveness of Poultry feed producers who widely used oil seed cakes for manufacture of poultry feed.*
  - *Encourage investment in production of poultry feed where costs are already higher due to low technology.*
  - *Promote* competitiveness of domestic industries.

- **Zero rate VAT on inputs used for manufacture mosquito nets locally. Benefit:**
  - The imported mosquito nets are not charged import duty or VAT.

- **Zero rate VAT on inputs used for manufacture of fertilizers locally.**

  Benefit:
  - Creating le*vel playing field with imported fertilizers which are either charged import duty nor VAT.*
  - *Reducing p*rices of locally produced fertilizers.

- **Re-introduce ZERO rating on locally manufactured textiles using Tanzanian cotton as it was under special provisions prior to new VAT ACT.**

  Benefits:
  - Promote local textiles industries to be able to regenerate production.
  - Encourage ginners to sell to local textiles industries.
  - Protect employment.
  - Promote investments.

- **Introduce a robust mechanism to accurately determine the factory costs of imports based on weights, type of fabric, style and actual costs of the inputs.**

- **Introduce Minimum Duty-able Values after study and training of TRA officials.**

  Benefits:
  - Increase government revenue from increased production and taxation of imports.
  - Promote textile and garments industries in Tanzania.

4. INCOME TAX:

- **Remove Withholding income tax** of **5%** made to resident professionals' services providers working with large tax payers. Reform sections 83(1)(c) and 4(c) (iii) of First schedule, ITA 2004.

  Benefits:
  - Reduce cost of doing business in the country.
  - Improve business environment.

5. CROSS CUTTING ISSUES:

- **Reduce SDL** from **4.5% to 3.5%.**

  Benefits:
  - Promote competitiveness of domestic industries.
  - Increasing employment creation.
  - Other countries in EAC do not charge the Levy except Kenya which charges **2%** on hotel sector.
  - Best practice elsewhere the levy does not exceed **1%** of payroll.
  - Enhance compliance with payment of SDL.
  - With increased compliance and tax law enforcements the measure can generate more government revenue in long run.

- **Simplify administration of Withholding income tax of 5% made to resident professionals' service providers working with large tax payers.**

  Benefit:
  - Reduce cost of doing business for manufacturers.

Government reviewing guidelines, procedures to undertake EIA

THE Vice President's Office, Union and Environment has embarked on a programme to revise the entire procedure requiring Companies to undertake Environmental Impact Assessment (EIA) prior to establishing industries in the country.

The move, according to Hon. January Makamba, Minister of State, Vice President's Office, Union and Environment aims to remove all bureaucracies that have been discouraging investment in Tanzania.

"I have evidence some investors have come and decided to leave because of some bureaucracy attached to the procedure requiring them to undertake EIA" he said.

He also added that; "We cannot continue this way where every time we meet in the Cabinet meetings my ministry is being pointed a finger as being responsible for impeding investments through bureaucratic procedures of conducting EAI.............we want to remove this".

Hon. Makamba who was speaking to the stakeholders in the Tanzania business circles at his office observed that the private sector needed predictable policies, taxes, and fees, and that his ministry has realized it was a problem to smooth business undertaking as far as conducting EIA is concerned.

Hon. January Makamba
Minister of State, Vice President's Office, Union and Environment

"We want to put in place fees which are, unlike the current one, transparent as well as the entire process of conducting EIA....... We undertake to review EIA because we cannot afford to continue undertaking things the same way for 20 years" he said.

He said that there were more than 400 backlog projects waiting to be accessed, discussed by the Technical Assessing Committee which is a clear indication of unnecessary bureaucracy.

"For every one project to be approved to have its EIA approved, the TAC members convene and I am told that during such meetings each member is paid by the applicant TSH 80,000.00 which in the Minister's view is a burden to the investors and add up to unnecessary cost of doing business" he said.

What infuriated the minister most was the fact that of the 19 members of the TAC committee who sat to discuss and approve one investor's project, 16 were from the National Environment Management Council (NEMC).

“This is not acceptable and some NEMC officials may have turned the TAC committee into their own money earning project instead of serving investor……and you can tell how much they could earn when the 400 backlog projects are all discussed and or approved” he said.

Earlier, CTI raised concerns that some of the NEMC approved EIA consultants were taking money from incoming investors and disappear or take long time before they presented final report of the EIA.

CTI suggested that it should be made mandatory for the consultants to be paid 30% of the agreed price and the remaining made payable after completion and presentation of the final report.

Responding to the proposal, NEMC’s director of EIA Dr. Fadhila Khatibu said NEMC was not concerned with the incoming or existing investors’ agreement with EIA consultants because their agreements do not involve NEMC.

However, Dr. Fadhila’s response to the CTI’s proposals seemed infective after the Director of Environment in the Vice-President’s Office Dr. Richard Muyungi said that as long as the EIA consultants were being approved by NEMC, there was no way it could exonerate itself from the blames of the consultants misconducts.

The Minister, Hon. Makamba, said that when an EIA consultant, who has been approved by NEMC, fails to complete and present the EIA as per agreed agreement between him and the investor, Tanzania’s image in the face of International arena is severely tarnished.

CTI suggested that it should be made mandatory for the consultants to be paid 30% of the agreed price and the remaining made payable after completion and presentation of the final report.

“We cannot continue losing investors because of such consultants, we will act by reviewing the procedures and all requirements that guide implementation of EIA so as to promote investments in Tanzania” he said.

Business/Training Opportunities

Uganda Eastern Reginal Trade Fair (ERTF) in offing

The Uganda Manufacturers Association (UMA) has organised an Eastern Regional Trade Fair scheduled to take place **from 30th -6th June, 2017 at Mbale Municipal Council Stadium, Eastern Uganda.**

The UMA ERTF is a multi-sectoral business event which provides a wide platform for exhibiting products and services in the sectors such as Industrial/Manufacturing, building and construction, clothing, textile, food and beverages, education, packaging, printing and stationery, business and financial services, telecommunication and information technology, leather, handcrafts, wood and wooden items, agricultural products and machinery, tourism and tourism products.

The fair also avails opportunities for the business community, overseas manufacturers' representatives, promoters of both the indigenous and foreign technologies, non-governmental organization (NGOs) to participate and benefit from the event.

The deadline for application is **30th April, 2017**. You may contact TanTrade using:

Email: info@tantrade.or.tz

Tel: +255222850238.

Malawi International Trade Fair starts on May 24th, 2017

The Tanzania Business Communities have been invited to the 29th Malawi International Trade Fair (MITF) to be held **from 24th May to 3rd June,2017 at Blantyre Malawi.**

This is the general fairs encompassing all sectors of the economy whereas expected to attract many visitors from all over the world especially from neighbouring countries, provides unique sales, promotion and networking forum for the business community.
Malawi is the strategic market for Tanzania products taking into consideration the potential within the SADC countries.

Participants will have to observe the following conditions:

- Prepare good quality products sample which will be accompanies with promotional literatures and the export price list.
- Designate an officer to promote the product sample in Tanzanian stand during the fair.
- Organisation/companies falling under SMEs should fulfil the following:
  -Good quality exportable products
  -The capacity to supply external market
- Be able to afford of her/his costs associated to their participation (accommodation, personal transport and the general up keep while in Blantyre)
- SMEs contribute USD 200 as cost sharing for administrative purposes.
- Companies not falling under SMEs will contribute USD 500 as cost sharing for booth and administrative costs.

Please, book before **20th April, 2017** by contacting TanTrade through:
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