

## **TRANSPORT SECTOR**

### **Overview on the Institutional, Legal and Regulatory Framework in the Transport Sector in Tanzania**

In order to enhance efficiency in the transportation sector, the central government has decentralized its roles in road construction and maintenance of transport infrastructure. It has put in place institutional, legal and regulatory framework for and efficient, effective sustainable transport operations in the country. Rural roads construction and maintenance are implemented by the Local Government Authorities, whereas supervision on the construction and maintenance of major roads is the responsibility given to the Tanzania Roads Agency (TANROADS), which is a semi autonomous body.

Realizing the need for establishment of a regulatory body to oversee the economics and safety aspects regarding the surface and marine transport systems the government passed the Surface and Maritime Transport Regulatory Authority (SUMATRA) Act (2001). In recent years there has been a fast increase of vehicles in the country. This has led into serious traffic congestions particularly in big cities such as Dar es Salaam, Mwanza and Arusha. Therefore, in order to mitigate the traffic congestion in Dar es Salaam the government has established an authority (Dar es Salaam Rapid Transport Agency) responsible in designing and operationalise rapid transport network for the city. The government is also encouraging private operators to create medium-size commercial fleet operations; establishment of the commuter city bus transport companies; and provision of infrastructure facilities for Dar es Salaam City (Parking, Bus Bays and shelters). Construction of fly-over roads is also considered as another means to mitigate traffic congestion in large cities in Tanzania.

In the railway transport system, the Railway Act (2002) was enacted as a process of restructuring the Tanzania Railways Corporation (TRC). The Act has clearly separated the functions of running the railway business from ownership of the infrastructure assets and its regulations. Railway services are concessioned to private sector while economic and safety regulation remains under SUMATRA. On the other hand, the Tanzania Civil Aviation Act (1977) has been reviewed to enable Tanzania Civil aviation Authority to perform safety and regulatory functions. Moreover, the Tanzania Airport Authority (TAA) has been given the responsibility to run and manage airports. The Civil Aviation Act was further reviewed in 2003 to enhance the role of TAA in Bid to protect consumers and environment and to give more powers to the Authority.

Air transport has been liberalized since 1992 and to-date, about 29 air carriers for both scheduled and chartered services has been licensed. The national

airline, Air Tanzania Cooperation (ATC) has been privatized with government retaining minority shares. For efficient air transport services, Tanzania strives to construct Aircraft maintenance Hangers at J. K. Nyerere International Airport (JKNIA), and Mwanza and Arusha airports; construct Airport Hotels at, JKNIA, and Mwanza Arusha and Mafia Airports; Develop EPZ at JKNIA, Kilimanjaro International Airport (KIA), Mtwara, Kigoma and Songwe Airports; establish Cold Storage Facilities at Kigoma and Mwanza Airports; construct first and business class lounges at JKNIA; and expand Arusha Airport, to accommodate bigger aircraft.

### **Regional Transport Network and Trade**

In an effort to improve its economic performance, Tanzania is pursuing economic integration through several bilateral and regional trade protocols. Currently, Tanzania is a member of the Southern Africa Development Community (SADC) and East African Community (EAC) Regional blocks. Also, Tanzania has concluded a customs union with the East African countries, i.e. Tanzania, Kenya and Uganda as a way of facilitating trade amongst the member states. Most of the constrains to cross-border trade and investment are considered to be related to the limited development of transport and communications networks in the region and to inadequacies in the rules and regulations governing trade, payments and investment in different countries. The EAC and SADC member states are trying to address this bottleneck. Under EAC, a number of common transport and communications programmes and projects aiming at simplifying transport and communications in the region are being developed.

Among the major contribution of the cost of inputs and consumer goods as well as the price of traded goods, is the cost of transport whereby in the region is high and approximated to be four to five times as compared to that in developed countries. For landlocked countries, the cost accounts for 30 - 40 per cent of the price of goods. Low levels of the intra-regional trade in the region are a result, of among other things poor transport and communications infrastructure. It is the desire of Tanzania to reduce transportation costs with the objective of achieving competitiveness, poverty alleviation, and sustainable development.

One of the main objectives of Tanzania's Development Vision 2025 and those of EAC and SADC partner States is to attain faster economic growth in order to reduce and in the long run eradicate poverty. The major thrust are towards:- Improving road and rail network; Improving marine and air transport; Minimizing boarder posts delays; Reducing insurance costs; Attraction of investment in infrastructure development; Involvement of private sector in infrastructure operation and service provision; and Effective legal and regulatory reforms.

### **Development Corridors**

Tanzania is committed in development of transport corridors with view of facilitating transit trade with neighbouring countries, including:- Infrastructure development and inter-modal linkages; Interconnection of railway systems; Development of container terminals; Rehabilitation and revamping; Maintenance of existing infrastructure; and Resources mobilization. There are four major development corridors which need to be developed, including Central corridor (Dar es Salaam - Kigoma railway network); Tanzania Zambia Railway (TAZARA) Mtwara corridor (extending from Mtwara port in the southern part of Tanzania and joins the Dar es Salaam Corridor at Tunduma in Mbeya region); and Tanga Corridor (extending from Tanga port in the Northern part of Tanzania to Uganda through Lake Victoria).

### **Regional Infrastructure Projects**

Some major projects have been initiated in East African Community member states with view of improving infrastructural systems. Tanzania in collaboration with other member countries have embarked in a number of projects including air, road, railway and maritime projects, such as the East African Civil Aviation Project; (aiming at studying the establishment of East Africa Upper Flight Information Region, Search and Rescue region and an international NOTAM office among others); East Africa Road Network project, (which is about 7426 km); Restructuring of the East African Railways; and Lake Victoria Safety of Navigation Project. The objective of these projects is to develop cross border links with a view to facilitate trade.

### **CONCLUSION**

Tanzania Government is committed to the continued development in a liberalized economy by recognizing that private sector is the catalyst of her development growth. If poverty reduction goals are to be achieved, significantly strides must be made in Private sector development for both indigenous and foreign direct investment through reforms on:- Central and local taxation, Labor laws, Land planning allocation and development.

The Government will continue to address good governance issues to sustain the existing peace and security. Will strengthen relations with EAC, SADC and other regional economic groups in pursuing development goals by removing physical and non-physical barriers on transit trade.