

# COVID-19 and its Impact on Trade and Transport Sectors in Tanzania

*Lucas Katera*

*Working Paper - COVID-19\_014*

AFRICAN ECONOMIC RESEARCH CONSORTIUM  
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By

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# List of abbreviations and acronyms

BOT	Bank of Tanzania
CCTTFA	Central Corridor Transit Transport Facilitation Agency
COVID-19	Corona Virus Disease 2019
EAC	East African Community
FOB	Free of Board
GDP	Gross Domestic Product
NBS	National Bureau of Statistics
NPIs	Non-Pharmaceutical Interventions
TAHA	Tanzania Horticulture Association
TICTS	Tanzania International Container Terminal Services
TMEA	TradeMark East Africa
TPA	Tanzania Ports Authority
TRA	Tanzania Revenue Authority
URT	United Republic of Tanzania
WHO	World Health Organization

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## Executive summary

The COVID-19 pandemic has hit the countries around the East African region in different ways with its impact varying across the countries. Also, each country has adopted its approach to dealing with this health crisis, even though they share common borders and also a lot of activities are done across borders, including trade in all sizes. As a result, all sectors whose activities involve crossing borders were heavily affected in different ways mainly due to limitations of the flow of goods and people from one country to another. These problems were amplified by countries' mistrust of the approach used by others in dealing with the pandemic.

This study examines the extent to which COVID-19 has affected the trade and transport sectors in Tanzania. In the trade sector, the study examines the performance of the sector and goes into deep analysis of selected goods. In the transport sector, the study focuses on assessing the effective flow of goods along the central corridor. Also, the tourism sector has been analysed, given that the transport sector is one of its important aspects in its chain. In that manner, the study assesses the tourists' arrival in Zanzibar, which is one of the main sources of Zanzibar's income. Overall, the study analyses the performance of transport and trade sectors in Tanzania before and after the outbreak of the COVID-19 pandemic.

This study used secondary data from the Bank of Tanzania (BOT), Tanzania Revenue Authority (TRA), the National Bureau of Statistics (NBS), the Tanzania Ports Authority (TPA) and lastly from the Zanzibar Commission for Tourists and the Department of Immigration Zanzibar. Descriptive statistics were used to capture trends of variables that constituted the trade and transport sectors before and after the outbreak of the COVID-19 pandemic.

The findings show that COVID-19 pandemic has impacted the trade and transport sectors differently. In some cases, even within the same sector, different sub-sectors have been affected differently. The trade sector was not very much affected, though imports were relatively more affected. Due to fewer imports during the COVID-19 pandemic, the trade balance was not very much affected like it was in 2019.

In the transport sector, port activities were not very much affected by COVID-19 due to measures taken by the port to increase efficiency to reduce congestion that would lead to the spread of the pandemic. However, transit goods were negatively affected due to conditions imposed at borders like mandatory screening and quarantine of travellers for a specified time. Tourism was also negatively affected due to travel restrictions and flight cancellation.



To address these challenges, it is useful that countries opt for a common resilient approach to tackle the problem. If, for example, countries opt for mandatory screening, a one-point screening should be sufficient for a driver traveling to other countries within the region. Also, improvement of regional integration in order that trade is mostly done within a region and to a less extent with other countries outside the region. Finally, the promotion of local tourism would help to keep the sector alive during the pandemic, unlike currently where the sector is dominated by foreign tourists. As a result, the sector has suffered heavily simply due to limited movement and entry of foreigners.

# 1. Introduction

Towards the end of 2019, Chinese authorities announced the outbreak of mystery pneumonia cases in one of its biggest cities, Wuhan. Initially, the disease was referred to as 2019 Novel Coronavirus (2019-nCoV) and later it was named Corona Virus Disease 2019 (COVID-19). By March 2021, the disease had spread to more than 200 countries and territories,<sup>1</sup> infecting about 114 million people globally. Out of the infected people, about 64.4 million recovered, whereas, about 2.5 million lost their lives globally. To date, Africa has reported a total of about 2.8 million cases of COVID-19 associated with a total of about 71,991 deaths (WHO, 2021).

Within the context of Tanzania, the first case of COVID-19 was announced on 16 March 2020. Official statistics shared by the government reported a total of 509 cases by 29 April 2020. However, Tanzania, like many other countries in the world, adopted various remedial measures in controlling the spread of the virus. The country initiated several Non-Pharmaceutical Interventions (NPIs), including public campaigns on social distancing, ensuring washing hands facilities are available in public places, discouraging unnecessary crowds, wearing of face masks, and covering of mouth and nose when coughing and sneezing even before identification of the first confirmed case. After the first case was announced, unlike other countries, Tanzania took a slightly different approach of restricting unnecessary movement especially in public areas rather than lockdowns. Consequently, schools at all levels were closed and entry points in the country from highly infectious countries/places were restricted, the prohibition of large gatherings and other NPIs highlighted above. The government implemented several strategies from the national to the community level, the most unusual ones being an announcement for all religions to dedicate three days for prayers and encouraging the public to use herbal medicine. However, recently many countries around the world, especially developed ones, have discovered the COVID-19 vaccine where its distribution is in progress in many other parts of the world, including developing countries. The pandemic has, not only claimed people's lives, but also affected negatively economic activities and increased burden to the health sector beyond capacity. In the sub-Saharan Africa region, the situation seems serious than in other parts of the world, perhaps due to its weak capacity to deal with disasters. The World Bank has projected that the region will suffer its first recession in 25 years with GDP shrinking by as much as 5.1% due to the disease.<sup>2</sup> This is in addition to the potential loss of 20 million jobs.<sup>3</sup>

## 2. The context

The COVID-19 pandemic has hit the countries around the East African region in more or less the same way. However, each country has adopted different approach to dealing with this health crisis. This is so even though these countries share common borders, and are involved in cross border activities including trade in all sizes (see also Katera et al., 2020). Limited movement between countries affected all sectors whose activities involve crossing borders because travel limitations disturbed the flow of goods and people from one country to another. This would mean the volume of trade likely went down during the pandemic. Secondly, given country differences in addressing the problem, restrictions on movement from one country to another was amplified by negative perception of one country's approach on the way the counterpart has reacted to the problem.

While there is a general agreement that the pandemic affected countries in the region, the extent of the effect is not known. More importantly, movement of people and goods between countries in the East African region is very common. Within this context, transport and trade between these countries, not only constitute substantive share of service sector contribution, but also majority of the people, particularly those at the borders, derive their livelihood from the two sectors.

This study seeks to examine the extent to which trade and transport sectors in Tanzania have been affected by the COVID-19 pandemic, by providing a snapshot of the performance of these sectors before and after outbreak of the pandemic. In the trade sector, the study goes into deep analysis by examining the performance of key selected goods. In the transport sector, the study focused on analysing the effective flow of goods along the central corridor. However, the tourism sector has also been analysed given that transport system is marked as a key aspect of the value chain of tourism. Therefore, the study analysed the arrival of tourists in Zanzibar, which is one of the main sources of Zanzibar's income.

## **3. Approach and methodology**

### **Objective**

The main objective of this study is to assess whether the COVID-19 pandemic has had any impact on the trade and transport sectors in Tanzania. There are two sides of the debates on the extent to which Tanzania was hit by the COVID-19 pandemic. On the one side, there are arguments that the measures the country took have reduced the negative impacts of the pandemic. On the other side, others argue that, the impacts must have been severe because COVID-19 was a global pandemic and Tanzania is not an island. Notably, while many countries opted to shut down many operations including economic activities, Tanzania continued with its economic activities and lifestyle in many aspects. Hence, this study aims at filling this gap of argument contradiction by analysing the impact of the COVID-19 pandemic on transport and trade sectors in Tanzania and then it will provide policy advice on better ways to approach such pandemics should they arise in the future.

### **Approach**

#### ***Data source***

This study used secondary data from the Bank of Tanzania (BOT), Tanzania Revenue Authority (TRA), the National Bureau of Statistics (NBS), the Tanzania Ports Authority (TPA) and lastly from the Zanzibar Commission for Tourists and the Department of Immigration Zanzibar. Data was presented on a monthly basis up to September 2020. To be able to compare the situation before and after the outbreak of COVID-19, compiled data for analysis was from January 2019 to September 2020. This enabled comparison of the trend in the first nine months of each year. The choice of this period is informed by the fact that the first nine months of 2019 were free from COVID-19 while the first nine months of 2020 are considered to have been severely affected by the pandemic as the world started to experience it in December 2019.

The data on the volume of trade, both imports and exports, passing through the port was collected from the Tanzania Ports Authority (TPA) and presented on monthly basis. The TPA also provided data on the duration of the cargo from the time it arrives

at the port until when it is ready for land transportation. Data was collected from transporters on the transit time taken to transport cargo from the Dar es Salaam Port to various neighbouring destinations between the period with and without COVID-19. As with previous sets of data, this data covers the first nine months of both 2019 and 2020. Lastly, data on the number of tourists that visited Zanzibar during COVID-19 and the period prior to COVID-19 was collected from Zanzibar Commission for Tourists and the Department of Immigration Zanzibar. The data available was for the first ten months of 2019 and 2020.

In addition to the secondary data collection from the mentioned sources, the research benefited from anecdotal evidence reported by news articles. This information was useful in providing context to the information depicted from the data.

## ***Data analysis***

Descriptive statistics were used to analyse the performance of trade and transport sectors. With this approach, the study used visual graphs and tables to demonstrate trends of trade and transport sector performance before and after the outbreak of the COVID-19 pandemic. As noted earlier, analysis of the data was complemented with information obtained from news articles on sectors that were studied.

## **Limitation of the study**

- Despite severe global attack of the COVID-19 pandemic in early 2020, the pandemic was first announced in Tanzania and other neighbouring countries from mid-March 2020, the period up to October might be too short for some aspects to have felt the impact of COVID-19. Thus, some areas where COVID-19 impact was not realized could be as result of time lag, implying that the timing of the impact could be in the near future if the pandemic persists.
- The study failed to capture data on monetary costs, which include calculated total revenues lost associated with long waits at the ports, and longer transit time taken by the cargo to reach borders and neighbouring destinations. It would be interesting to know the total revenues lost due to long waiting delays of the cargo at the port before the goods are on transit, as well as the revenues lost due to longer transit time. This could be possible if we could get data on the number and size of containers to associate that with the delaying charges. Also, knowing the number of workers per truck and associated payment, together with the costs of screening. This would provide a clear picture of actual monetary value of the total costs incurred by transporters. This would give us a rough representation of the extent of the increased costs of doing business in the country.

## **4. Trade sector**

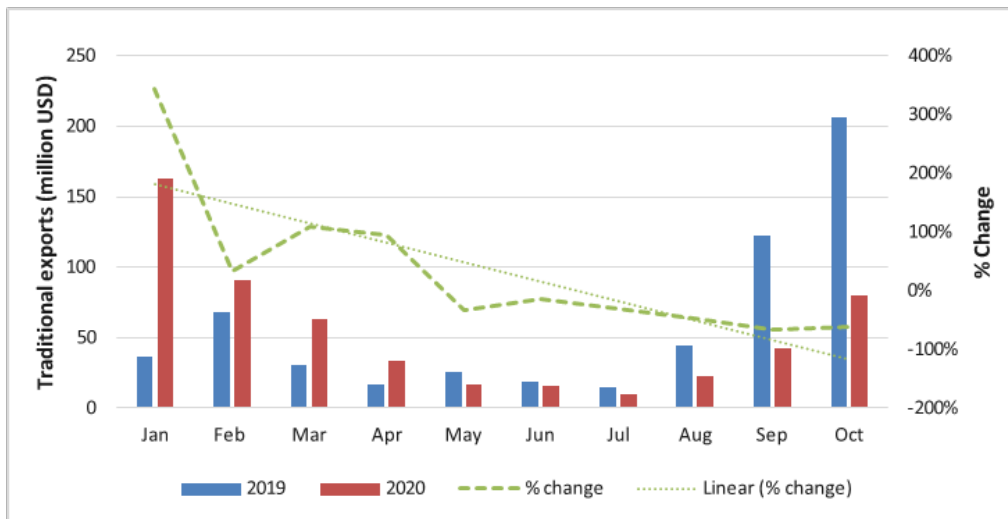
Tanzania has enjoyed economic dividend with its economic growth stabilizing at 6.7% for the past decade. Its growth has been driven by different potential economic sectors, including transport and communication, mining, construction, and financial services (World Bank, 2020).

In the trade sector, the study analysed performance of the export and import of goods and services in Tanzania from January 2019 to October 2020. As noted earlier, this study will focus on assessing the impact of COVID-19 on the trade sector. Given COVID-19 was noted in the country since March 2020, the pandemic was at the peak after few months from when the first case was announced. To gauge the actual impact of the COVID-19 pandemic on the trade sector, the study analysis focused on the first ten months of 2019 and 2020.

### **Overview of exports and imports performance in Tanzania**

In Tanzania, exports are categorized into traditional and non-traditional goods. Traditional exports comprise mainly of agricultural crops, which include coffee, cotton, sisal, tea, tobacco, cashew nuts, and cloves; while non-traditional exports include minerals, fish and fish products, horticulture products, and manufactured goods. Figure 1 shows the general trend of traditional exports, on monthly basis from January 2019 to October 2020.

**Figure 1: Trend of traditional exports on monthly basis**



Source: BOT and TRA.

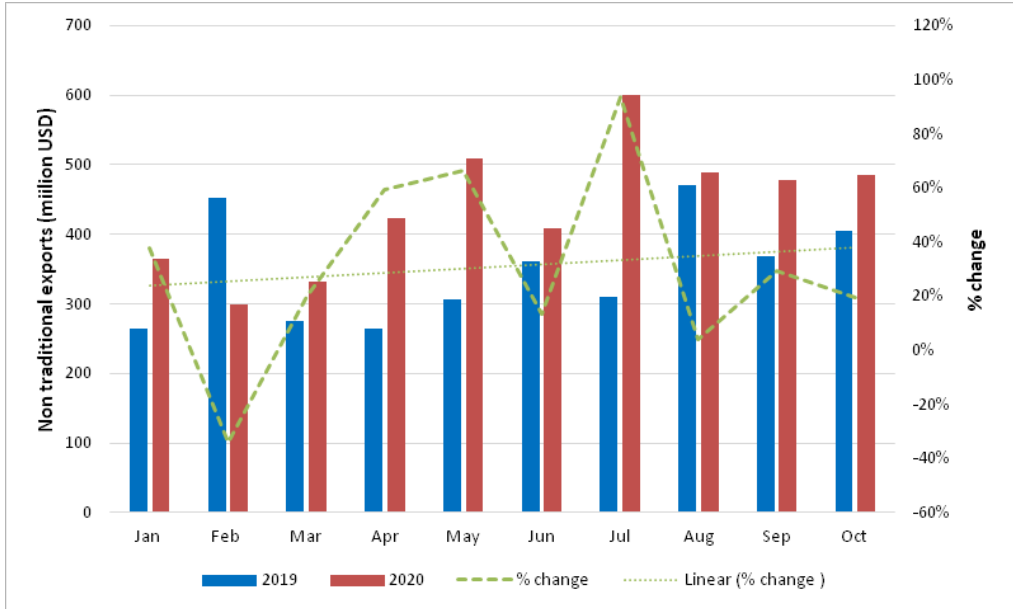
Figure 1 shows the trend in the value of traditional exports between January and October of 2019 and 2020. The results show that, overall, Tanzania has experienced a declining linear trend in the value of traditional exports between 2019 and 2020. The first seven months of 2019 witnessed declining trend in value ranging from 68 million USD in February to 15 million USD in July. However, between July and October in the same year, the trend showed sharp and consistent increase in the value of traditional exports from 15 million USD to 207 million USD.

For 2020, the value of traditional exports declined consistently from 163 million USD in January to 10 million USD in July. While the whole period was characterized by decreasing trend, the decrease was even higher in April, May and June 2020 (see Figure 1). Thereafter, the value started to pick up slowly in August and September before a sharp increase of 80 million USD in October from 42 million USD in September 2020.

The clear message in the above analysis is that, while there has been a decreasing trend in the value of traditional exports up to July in both 2019 and 2020, the value of the later is relatively lower in those three months, that is, May, June and July. The picking up in the other three months up to October for the two years shows lower trend in 2020 than in 2019. This shows that the COVID-19 pandemic had negative effects in the export of traditional exports as April to July 2020 was the peak of the pandemic. While after July the situation stabilized, the recovery was slow, making picking up of such exports to be lower in 2020 than the situation in 2019 during the same period. The recent report provided by Tanzania Horticulture Association (TAHA),

indicates that suspension of many cargo flights resulted in the reduction of exports of horticulture products during COVID-19 pandemic.<sup>4</sup> This is likely the case with the traditional exports, which depends on the cargo flights operating on public basis.

**Figure 2: Trend of non-traditional exports on monthly basis**



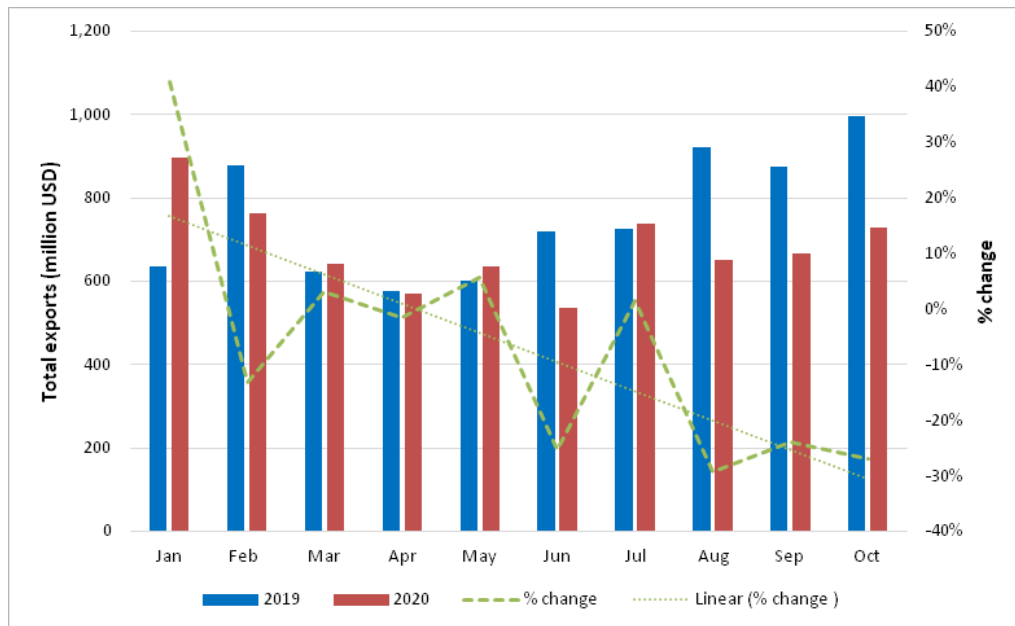
Source: BOT and TRA.

Figure 2 shows the trend of non-traditional exports between January and October of 2019 and 2020. The results show there was an increasing linear value trend of non-traditional export. The value of non-traditional exports experienced fluctuation over time where a notable increasing trend was realized from 265 million USD in January 2019 to 406 million USD in October 2019. The highest value during this period was 471 million USD recorded in August 2019. Just like it was the case of 2019, value of non-traditional exports increased from 365 million USD in January 2020 to 485 million USD in October 2020, with the highest export value of 600 million USD recorded in July.

This analysis provides a clear message that the first ten months in both years, that is 2019 and 2020, were characterized by ups and downs. This means the impact of COVID-19 on non-traditional exports was not severe compared to the effect on traditional exports. Specifically, the value of minerals, especially gold, which takes substantial share of non-traditional exports increased as countries wanted to keep their gold asset share.



**Figure 3 : Trend of exports in Tanzania on monthly basis**



Source: BOT and TRA.

Figure 3 shows the overall trend of total exports. It shows that Tanzania’s total exports have experienced a declining trend between January and October of 2019 and 2020. In terms of share of exports, there were fluctuations of traditional share between 5% and 34% in 2019 from January to October. Single digit share was noted between April and August 2019, while January to March and September to October of the 2019 were noted with double digit share, with the latter two months having relatively the higher share. Also, between January and October 2020, there were noted fluctuations between 2% and 31%, respectively. Like in 2019, the single digit share was found at the middle, that is, from April to September. The double digit share in 2020 is from January to March and in October. However, unlike in 2019, the relatively bigger share in the double digit category is in January to March 2020. What is interesting in the trend between 2019 and 2020 is that, while the two years had the lowest share at the middle of the period, the 2020 had relatively the lowest. Consistent with the previous discussion, the lowest share in 2020 occurred when COVID-19 was at the peak. And even with an upward trend recorded thereafter, the year 2020 has a slower upward trend than 2019, suggesting that the recovery was slower in 2020.

For total trade, which combines both exports and imports, the statistics show very impressive trend. For 2019, the value of total trade increased first from 1,037 million USD in January to 1,188 million USD in February, after which it decreased to 1,034 in March. From March 2019, the value of trade consistently rose to 1,435

million USD in October. On the other hand, the period January to June 2020 was characterized by consistent decrease in the value of trade from 1,392 million USD to 1,024 million USD. This shows that, generally, the trade sector was affected by COVID-19 because, while the value of trade for the first few months of 2019 were lower than those of the same period in 2020, for the period towards June the trend shows reversal. The value for May and June of 2020 were not only lower than those of the same period in 2019, but the general trend for the whole period of January to June 2020 has shown decreasing trend in the value of trade. The data for the remaining months from July to October of 2020 cannot compare with those of 2019 as the figures are in Free of Board (FOB) whereas those of 2019 include both freight and insurance. However, the available data has provided a clear picture of how the trade sector was affected by COVID-19.

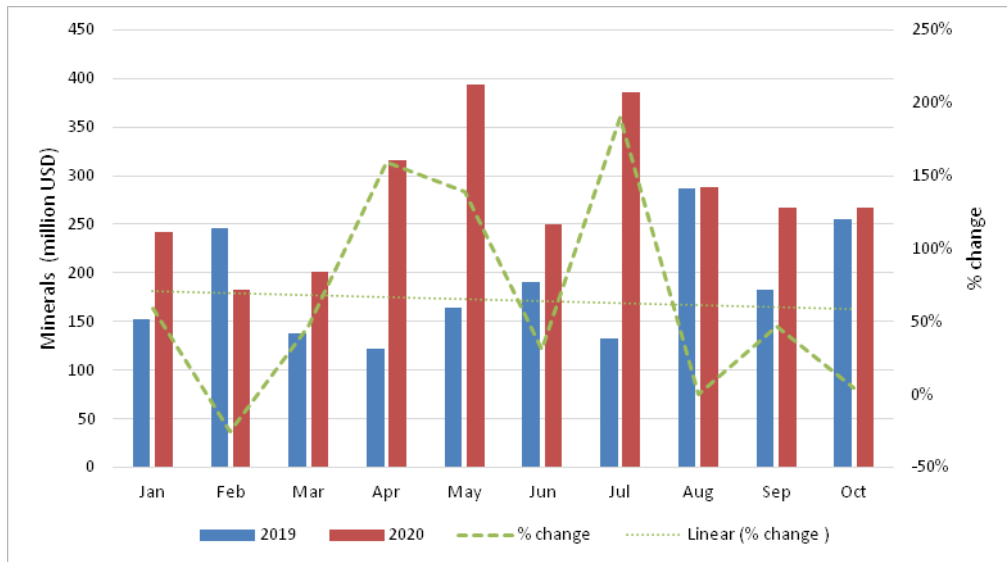
Looking now at the total trade, it was noted that expenditures in imports have been mostly higher than export earnings for Tanzania, regardless of the presence or absence of COVID-19 pandemic. Disaggregating the two, it was noted that export earnings were higher during 2020 than they were during 2019, driven by increased export of non-traditional exports which were not very much affected by COVID-19. This is more likely to be attributed by gold export, which experienced price hike in the world market. On the other hand, it was noted that, import expenditures were on increasing trend in 2019 but decreasing trend in 2020; this is partly because Tanzania is a net importer of oil, and import oil bill went down significantly following OPEC crisis early in 2020. Following the decline of value of imports in 2020, trade balance must have improved in Tanzania with COVID-19 than it was the case with the period 2019 before the pandemic.

## **Performance of disaggregated non-traditional exports**

Data on all products, both exports and imports is available. However, for the purpose of this analysis, the study focused on few non-traditional export products including minerals, manufacturing, fish and fish products, horticulture and re-exports, which have not been seriously affected by COVID-19 for almost the whole period of 2020. It is also very important to understand critically the performance of non-traditional exports because they form the biggest share of the country's total export earnings.

Inclusion of the selected non-traditional exports in the analysis was due to the following; firstly, minerals were selected because of their large contribution share of earnings to the economy; secondly, manufacturing was taken into account given the country's strategy to transform into a middle income economy by 2025, driven by industrialization. Also, export of horticulture and fish and fish products were captured in the analysis due to their vulnerability to natural calamities. On the other hand, export of these products relies mostly on air transport which has been severely hit by COVID-19. Thirdly, the interest on re-exports is because they are first imported and then exported, so they are likely to have double effects.

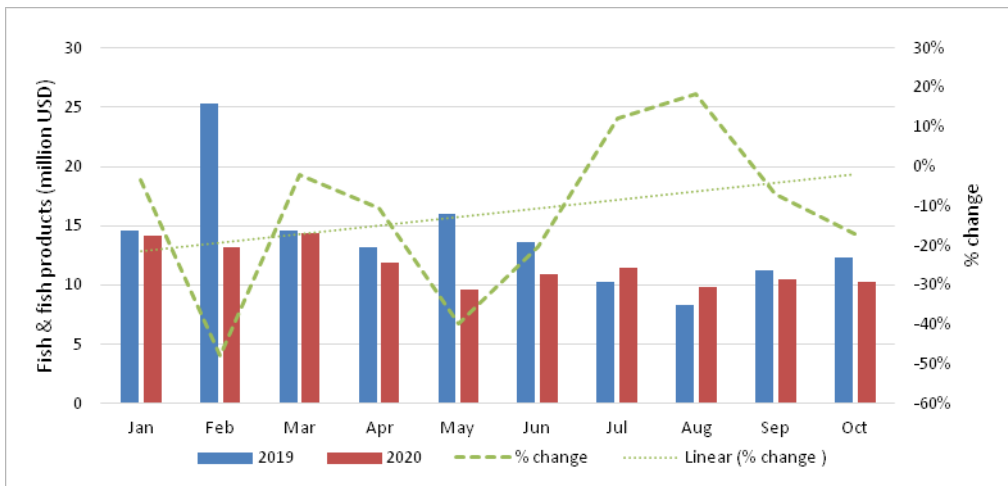
**Figure 4: Trend of mineral export value**



Source: BOT and TRA.

Figure 4 shows the trend in the export value of minerals between January and October of 2019 and 2020. The results show that there was a notable slight decline in the linear trend of the export value of minerals. However, the performance of mineral value is more likely to be attributed by the impressive growth of gold export which increased consistently between 2019 and 2020, with the volume being relatively higher in 2020 than 2019. Other minerals had very small share in 2019 but increased substantially in April and May 2020, then decreased substantially in June 2020, before again increasing substantially in July. Thereafter, the value decreased and remained at lower level for the rest of the year. Gold had also small shares in 2019 but nothing for the three months from April to June 2020. It thereafter increased slightly in July and then decreased and remained at lower level for the rest of the year (Ibid). Given the dominance of gold in mineral exports, the overall trend has been influenced by its value of exports. Thus, while minerals seem to have not been affected by COVID-19, this trend is driven by value of gold. This might mean that, in the absence of gold, minerals are likely to be affected by COVID-19, though the effects may not be as much as they were in other sectors.

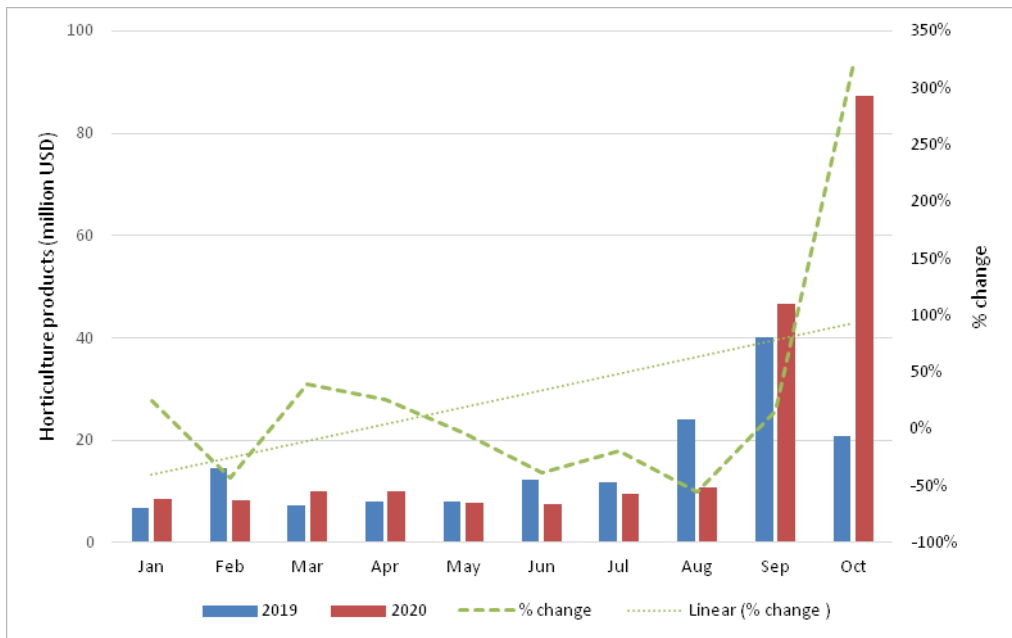
**Figure 5: Trend of fish and fish products export values**



Source: BOT and TRA.

Figure 5 shows the trend of the export value of fish and fish products between January and October of 2019 and 2020. Despite notable fluctuation in the percentage change of the export value, its linear trend has experienced a slight increase in percentage change in the values between 2019 and 2020. Comparing trends of exports of fish and fish products for the two years, 2019 and 2020, it was noted that the trend for 2019 remained more or less stable except February in which the value was extremely large. For the 2020, the export values were, not only generally less than those of 2019 in the first half of the year, but also there is a consistent decline in the value of exports from March to June. March to June is the period in which COVID-19 pandemic was at its peak in the country. The decrease in this period must have been so because exports of fish and fish products depend on public air transport, of which many airlines suspended their operations. Thereafter to September, both years have shown consistent increase, which shows that the trend of export of fish and fish products increases during the period from July. However, the increase is faster in 2019 than in 2020, meaning that the later year was still experiencing spill overs of the COVID-19 pandemic.

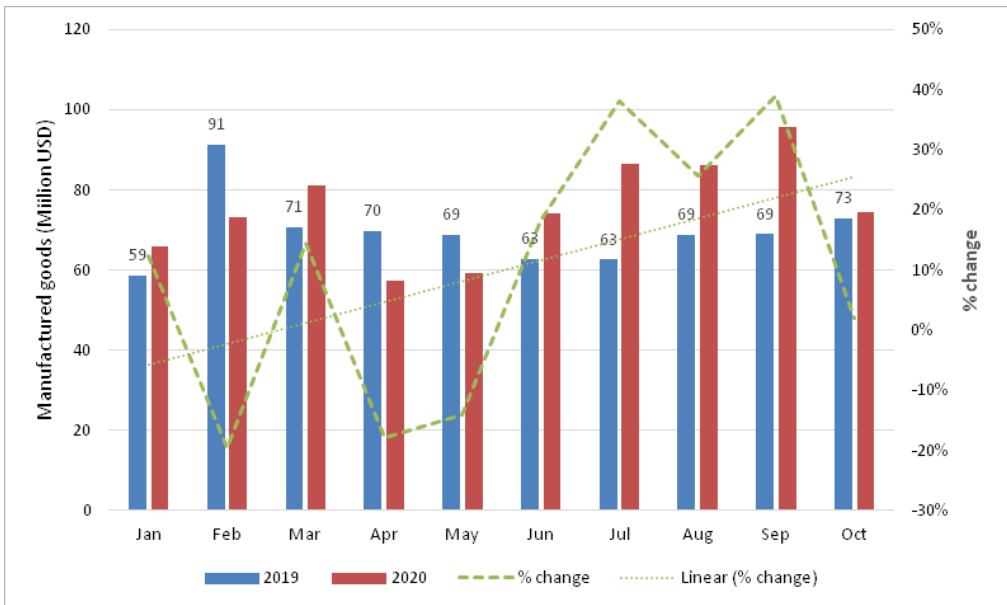
**Figure 6: Trend of export value of horticulture products**



Source: BOT and TRA.

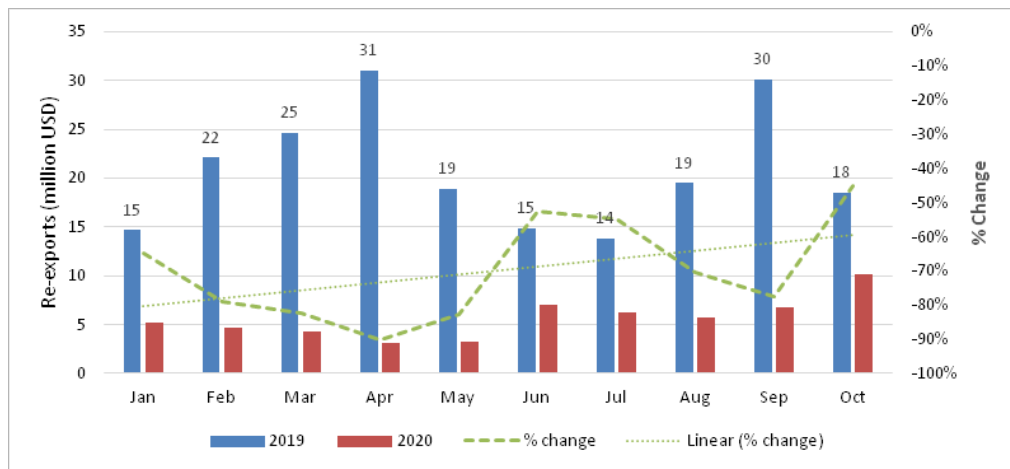
Figure 6 shows the trend in the export values of horticulture products between January and October of 2019 and 2020. The results show horticultural export earnings experienced a slight increasing linear trend in the percentage change of values between 2019 and 2020. For the case of horticulture, the effect of COVID-19 was nearly similar with that of fish and fish products. Reflecting the trend of fish and fish products as demonstrated above, the period May to August 2020 was characterized by very low export of horticulture products. This is a period in which many commercial flights were cancelled. Thereafter, exports increased dramatically from 7 million USD in June 2020 to 87 million USD in October 2020. The sharp increase represents the resumption of commercial planes following world recovery from COVID-19 pandemic.

**Figure 7: Trend of export value of manufactured goods**



Source: BOT and TRA.

Figure 7 demonstrates the trend in the export values of manufactured goods between January and October of 2019 and 2020. The results portray a slight increasing linear trend in the percentage change values of manufactured goods between 2019 and 2020. For manufactured goods, a sharp increase in export earning was realized from 59 million USD in January to 91 million USD in February 2019. Thereafter, an increase in export earnings was noted from 63 million USD in June 2019 to 73 million USD in October 2019. During the same period in 2020, a consistent increase in the export value of manufactured goods was realized from 66 million USD in January 2020 to 81 million USD in March 2020. Thereafter, export values of manufactured goods declined to 57 million USD in April 2020 and remaining the same in May and then increased significantly and consistently to 96 million USD in September 2020, before declining to 74 million USD in October 2020. The relatively more decline in the months of April and May for 2020 compared to 2019 shows that export of manufactured goods felt the negative impact of COVID-19 quickly. But also, the reversal trend from June 2020 to the levels greater than those of the same period in 2019 shows that exports of manufactured goods recovered quickly also perhaps due to restoration of confidence created by the government to citizens on the reduced incidence of the pandemic.

**Figure 8: Trend of export values of re-exports**

Source: BOT and TRA.

Figure 8 demonstrates the trend in the export values of re-exports between January and October of 2019 and 2020. The results show that the export earnings of re-exports experienced a linear trend, which is increasing at a declining rate. However, re-exports are defined as goods which are first imported into the country then exported to the rest of the world. Alternatively, re-exports could also be goods in transit to landlocked countries. The results show that export values of such products were relatively higher throughout 2019 than it was in 2020. The value of re-export products increased from 15 million USD in January 2019 to 31 million USD in April 2019, the highest value being recorded in April and the lowest in July. Export values of re-exports for the same period in 2020 shows consistent decline from 5 million USD in January to 3 million USD in May. Thereafter there was a sharp increase of the value of their exports to 7 million USD in June 2020, with a stable trend up to September.

Since such goods must cross several borders before reaching their destination, they are likely to suffer relatively more from the effects of COVID-19 than those crossing only one border to destination due to conditions imposed by countries on goods crossing borders. Thus, given that some countries experienced the COVID-19 problem earlier than others, it is not surprising to see that export values of these products were lower since the beginning of 2020. However, the sharp increase of export values observed in June might be explained by, not only the relaxation of border restrictions as the situation improved across partner countries, but also alternative ways of dealing with COVID-19 in countries changed and allowed limited movements.

In summary, the impact of COVID-19 in the trade sector of Tanzania is obvious, though perhaps not as much as in other countries around the globe. There is a notable differential impact between traditional and non-traditional exports. Traditional exports have been highly affected by COVID-19 compared to non-traditional exports. Within non-traditional exports, there were other products than minerals being

relatively more affected by COVID-19. However, the share of non-traditional values of exports in Tanzania is higher than that of traditional exports, where the latter has hardly reached 30%. Within the non-traditional products component, the share of minerals is the highest. Given this trend, it is notable that the overall export values of the country were not very much affected by the COVID-19. As the result, balance of trade was not affected by COVID 19 in the country.



## 5. Transport sector

Transport sector is one of the important sectors expected to have been seriously affected by the COVID-19 pandemic. This study used data on volume of goods and services that go through the central corridor to and from the Port of Dar es Salaam to assess performance of the transport sector. Volumes from various sources pass through the central corridor to the port ready for export or they are off-loaded at the port from abroad ready to be transported to other countries.

Transporting goods and services through the central corridor has been affected very much by COVID-19, resulting to additional costs, both monetary and non-monetary. Monetary costs include additional costs of screening of drivers and their assistants as they cross the border. There are several non-monetary costs including the time spent on transit because of restrictions requiring travellers crossing borders to be isolated in another state for several days before they can get in. Moreover, there is an issue of additional time that vehicles must either wait at the border or at the port before leaving to the next destination because the workers are few to allow social distancing.

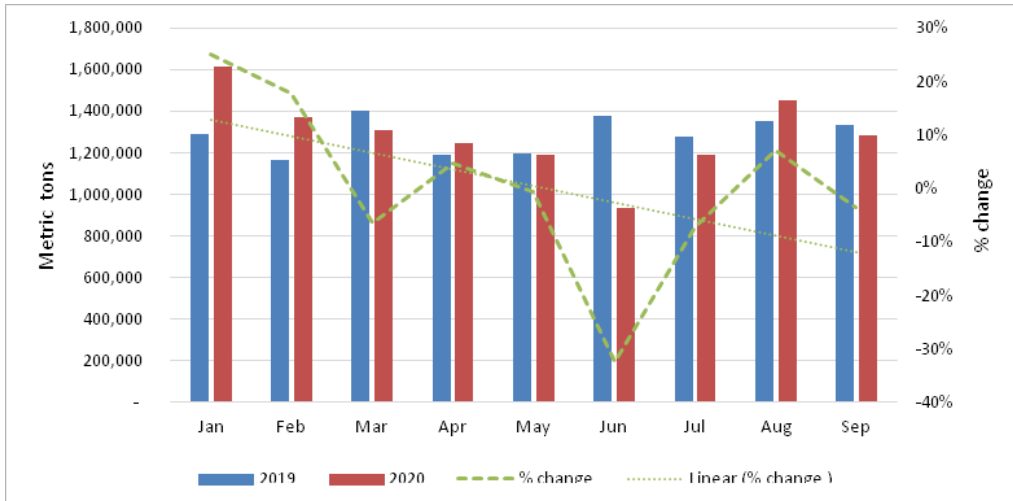
In addition, as part of examining the impact of COVID-19 on the transport sector, tourism was taken into account, given its heavy reliance on the transport sector. Hence, this part focused on the number of travellers who entered Zanzibar. We have chosen Zanzibar in this analysis given the extent to which the sector contributes to its economy. As we will see from the data provided by the Ministry of Tourism and Natural Resources, there was a substantial decline in the number of tourists, which negatively affected the transport sector.

### **Volume of goods imported and exported through Dar es Salaam Port**

The Tanzania Port Authority (TPA) produces monthly reports for the volume of goods transported through the ports that are operated by the authority. This section provides data collected for goods imported and exported through the Port of Dar es Salaam for the period January to September 2019 and 2020. Goods that enter the port from overseas have their destinations in either upcountry or other landlocked countries. Similarly, the goods that leave the port to overseas must have come from either upcountry or other landlocked countries. Since

transporters are responsible to transport such goods to and from the port, it follows that if COVID-19 affected the volume of goods going through the port, then transporters will also be affected by the same magnitude. Figure 9 provides a summary of volume of goods that passed through the Port of Dar es Salaam in the period January to September 2019 and 2020.

**Figure 9: Total throughput in Dar es Salaam Port (metric tons)**



Source: TPA.

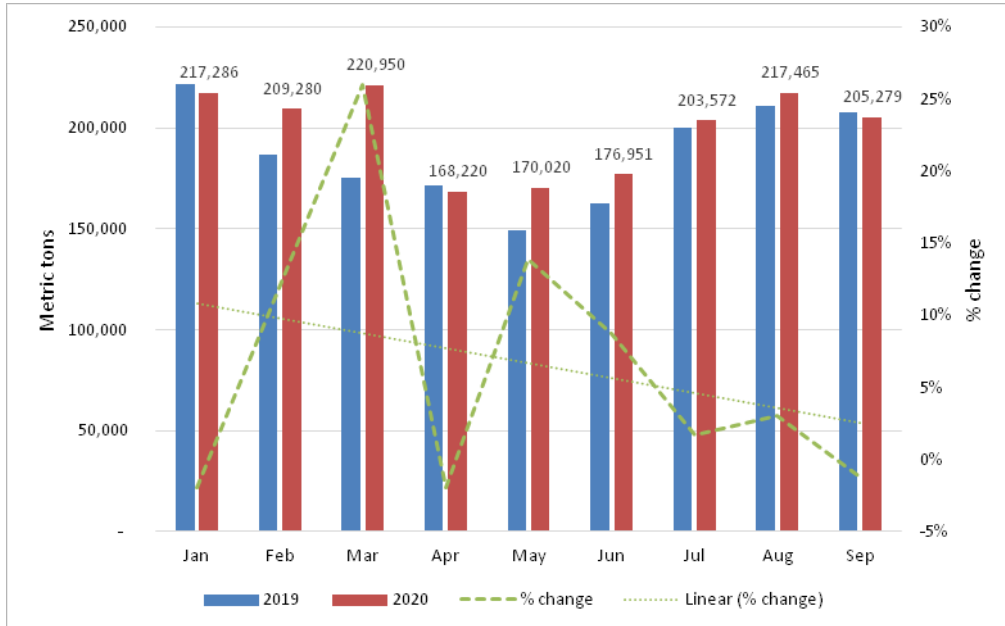
Figure 9 shows the volume of goods passed through the Port of Dar es Salaam from January to September of 2019 and 2020. The results show that the total throughput in the Port of Dar es Salaam experienced a declining linear trend in the percentage change of the volume of cargo through the port between January and September of 2019 and 2020. In 2019, the biggest volume was recorded in March, June and August while the smallest volume was recorded in February, April and May. For the whole period of 2019, the trend shows that the volume of goods was moving up and down with no significant change between months. In other words, the period January to September 2019 was characterized by stable volume of goods that passed through the Port of Dar es Salaam.

For the case of January to September 2020, the volume of goods passed through the Port of Dar es Salaam experienced fluctuations. The highest volume was recorded in January and the lowest volume was recorded in June. The general trend shows consistent decline from January to June and then consistent rise to August, before a slight decrease in September. The figures of volumes of goods passed through the Port of Dar es Salaam in January and February were higher than those observed in 2019. Thereafter, the volume of goods passing through the port in 2020 was lower than those of 2019, except in April and May when both years had the same volume of 1.2 million metric tons.

The difference in the two years was very significant in June, in which the figure for 2019 was 1.4 million metric tons compared to 1 million metric tons in 2020. An interesting feature of the trend in 2020 is not only consistent decline in the volume, but also the sharp decline from 1.2 million metric tons in May to 1 million metric tons in June. As stated earlier in this report, the first case of COVID-19 was identified in China in late 2019 and spread faster in other countries. Tanzania and other neighbouring countries which depend on the Port of Dar es Salaam realized the pandemic later in March/April 2020. However, it is noted that the volume of goods passing through the Dar es salaam Port had already suffered the negative impacts of COVID-19 earlier than when new cases were reported in Tanzania and its neighbouring countries as seen in the differences in volumes for the two years from March. This is possible because goods passing through the Port of Dar es Salaam depends, not only on smooth functioning of the countries around Tanzania, but also from the rest of the world where we export or import goods and services.

Further, to get a wider picture of how COVID-19 may have impacted the transport sector of Tanzania since the beginning of 2020 even though the first cases of COVID-19 in Tanzania and neighbouring countries were identified in March/April, disaggregated total volume of goods passing through Dar es Salaam Port into exports and imports have been analysed.

**Figure 10: Exports through the Dar es Salaam Port**

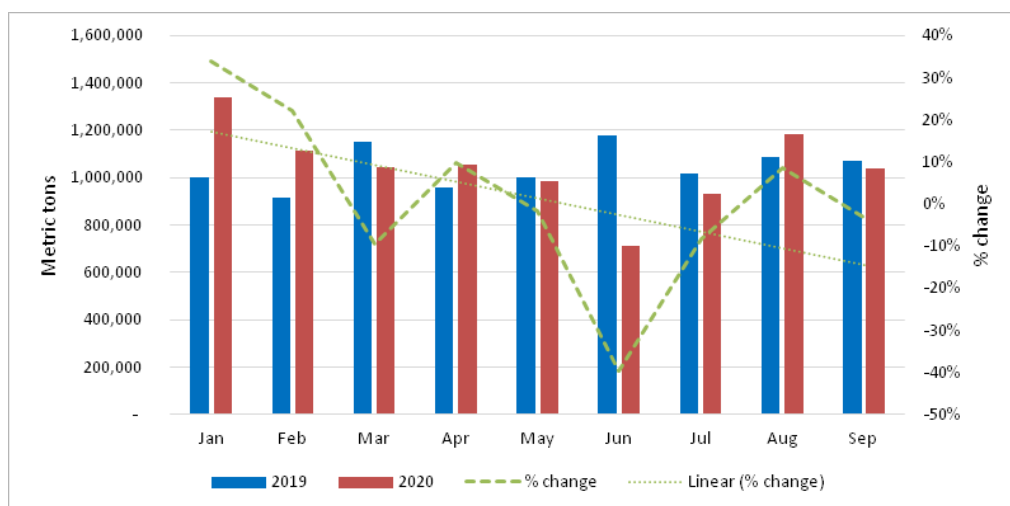


Source: TPA.

Figure 10 shows the trend of the volume of exports through the Dar es Salaam Port. The results show the export volume of goods through the port have experienced a

fluctuating trend in the percentage change of volume between January and September of 2019 and 2020 associated with a declining linear trend of percentage change in the same time. In 2019, exports through the Port of Dar es Salaam increased from 149,325 tons in May to 211,010 tons in August while in 2020, there was also a notable increase in export volume from 170,020 tons in May to 217,465 tons in August. More striking feature of this trend is that the year 2020 has been characterized by relatively higher volumes of exports than in 2019 for the period under review. However, this is more likely to be attributed to measures taken by the Port of Dar es Salaam to reduce congestion as a way to curb the spread of COVID-19 pandemic. The port management introduced more working hours, including introduction of night shifts to speed up clearance of goods at the port.

**Figure 11: Imports through the Dar es Salaam Port**



Source: TPA.

Figure 11 demonstrates the import trend of goods through the Port of Dar es Salaam over the period January to September of 2019 and 2020. The results show that the percentage change in the volume of import goods have undergone fluctuations over time associated with a declining linear trend. Also, the results portray, generally, that most of the goods through the port are dominated by imports. This is not surprising because Tanzania and its neighbouring landlocked countries depend mostly on the Port of Dar es Salaam as net importers of many goods and services. Close examination of imports shows that, the period January to September 2019 was characterized by relatively stable volume of imports while the volumes of imports recorded in the period between January and September 2020 had relatively higher variability.

Hence the above analysis demonstrates clearly that COVID-19 has negatively affected imports, but not so much for exports. Even with the imports, a bigger impact was felt in June. While other countries had started implementing measures to curb the spread of the pandemic, exports were still possible since some of these orders

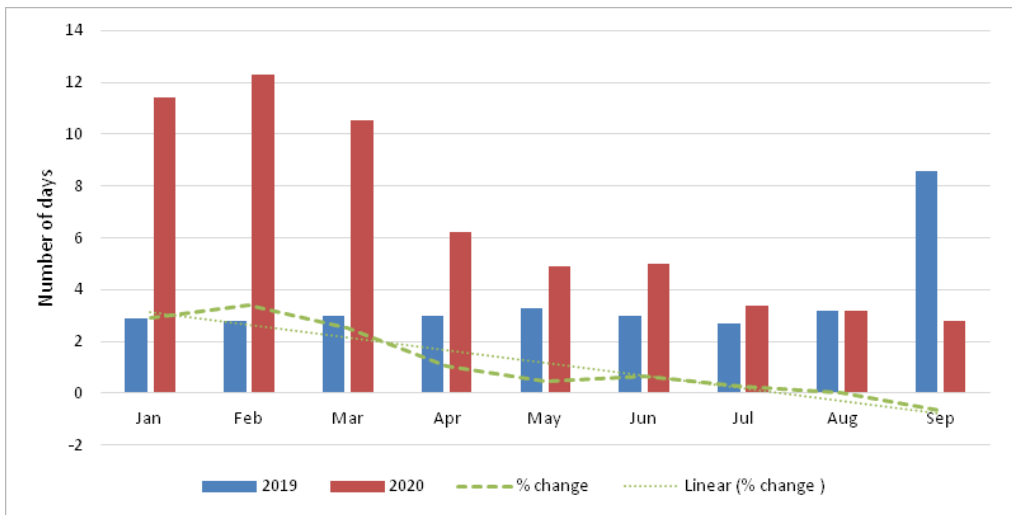
are placed and prepared long before actual delivery. However, decreasing trend of imports shows that as the countries were implementing measures to curb COVID-19 pandemic, flow of goods from outside the country was decreasing. Nevertheless, for the exports, still Dar es Salaam Port was able to export goods in large volume because, while the country implemented measures to curb the problems of COVID-19, none of the measures involved serious close-down of workplaces. Moreover, given that the COVID-19 pandemic in Tanzania and many surrounding countries started gaining momentum around March and April 2020, it is very possible that preparations for exports that covered April to June had already been completed. Therefore, it is not surprising to note that the exports in these early days of COVID-19 were not much affected by the pandemic.

## **Container time between arrival and land transportation**

This subsection discusses the ship turnaround and dwell time. Ship turnaround is the average time between when a ship is on-berth to when the ship is off-berth, measured in hours per ship. Put it differently, ship turnaround is the average time a ship takes between arriving, off-loading, and leaving. This includes the time a ship must wait for other ships which are in the queue up to completion of cargo off-loading.

On the other hand, dwell time is the total time spent by containerized cargo at the port from when the cargo is discharged from the vessel until port exit. In other words, it is the average number of days a container stays in a yard before it is loaded onto the track ready for transportation within or outside the country. Within the context of Tanzania, after discharging the cargo from the vessel, containers are either kept at the port or at the Tanzania International Container Terminal Services (TICTS). Statistics from TPA show differences between the time the containers stay at TICTS and that at TPA. For simplicity of analysis, the study analysed the average time for the two locations. Another point to note here is that there exists a big difference between the time taken by local containers and those that are transported to other countries (transit containers). This is because, clearing procedures differs between local and transit containers. Thus, statistics for the two destinations have been analysed separately.

**Figure 12: Average ship turnaround time (days)**



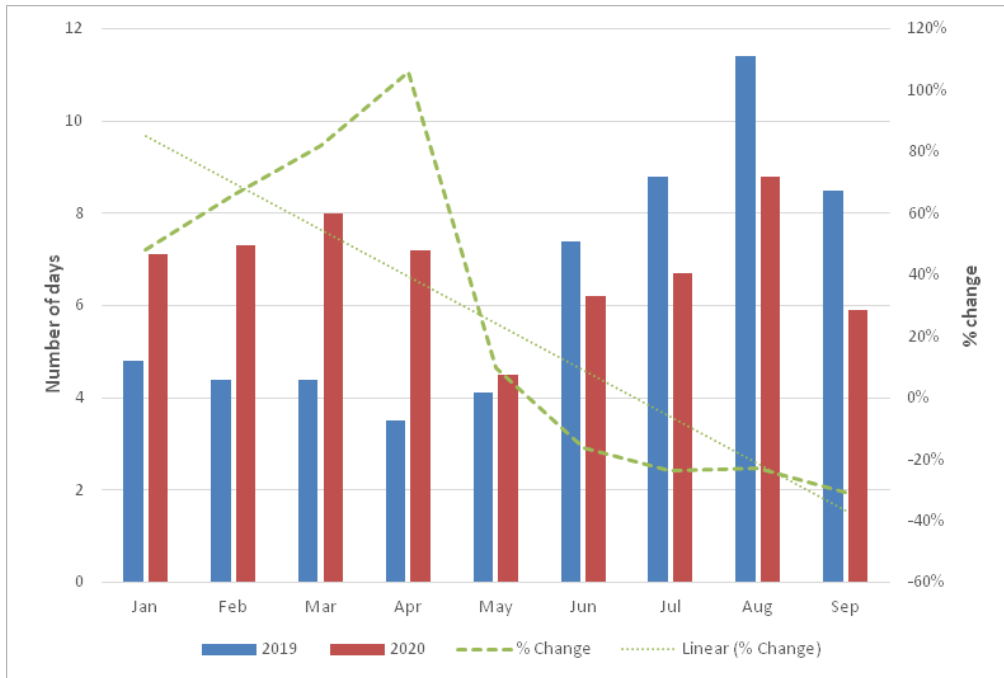
Source: Own computation using TPA data.

Figure 12 demonstrates the average ship turnaround time between January and September of 2019 and 2020. The results show that the average ship turnaround time has undergone a wide fluctuation in percentage change of time associated with steep declining linear trend of the time taken for ship turnaround. The study analysis portrays there was a sharp increase in the average ship turnaround time in between January and March of 2020 as compared to the less time observed in the same months of 2019.

The many number of days in most of the months in the time of ship turnaround in 2020 compared to 2019 is partly the results of adherence with the WHO regulations of keeping social distancing, hence reducing the number of workers at a point in time to avoid overcrowding. While the 2020 period seems to have many days, there is a huge improvement from more than ten days in January to March to six days and below from April onwards. Unlike in 2019 where the number of days in all months were the same except September, in 2020 efficiency was relatively significantly more during the months of COVID-19, that is from April onwards.

On the other hand, the huge improvements observed in May and June 2020 is the result of TPA introducing measures to quickly clear cargo to avoid port congestions, which may also result into increased spread of COVID-19. This included working overtime and introduction of night shifts (*Ibid*).

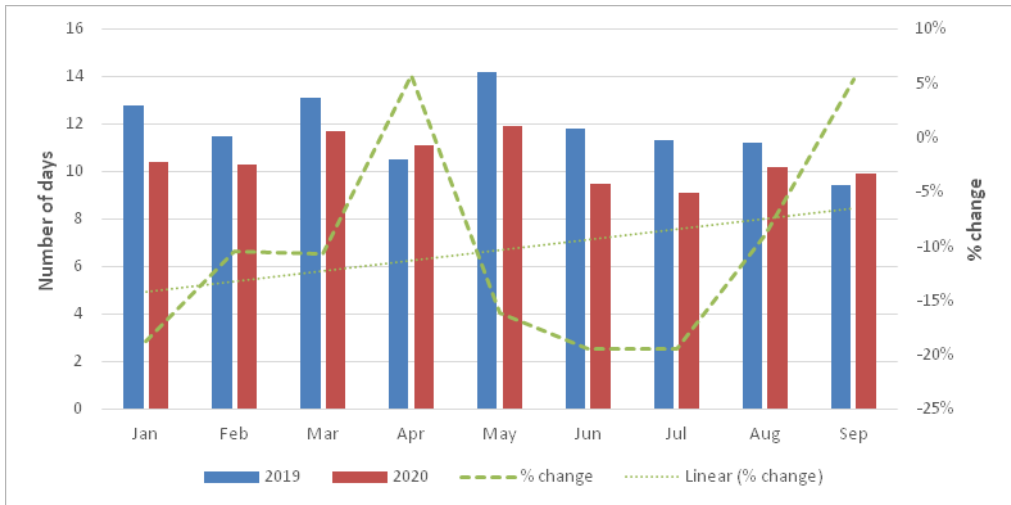
**Figure 13: Average dwell time – local containers**



Source: Own computation using TPA data

Figure 13 demonstrates the average dwell time of local containers between January and September of 2019 and 2020. Overall, the results show that average dwell time of local containers experienced a declining trend in the percentage change of time between 2019 and 2020 associated with a declining linear trend. In 2019, the average dwell time of local containers increased sharply from four days in May to 11 days in August, while the trend was quite similar with that of 2020 whereby the average dwell time increased from five days in May to nine days in August. The results portray that the dwell time of local containers before and after the outbreak COVID-19 pandemic was relatively similar with notable increasing trend of time in the months of May and August of both years.

**Figure 14: Average dwell time – transit containers**



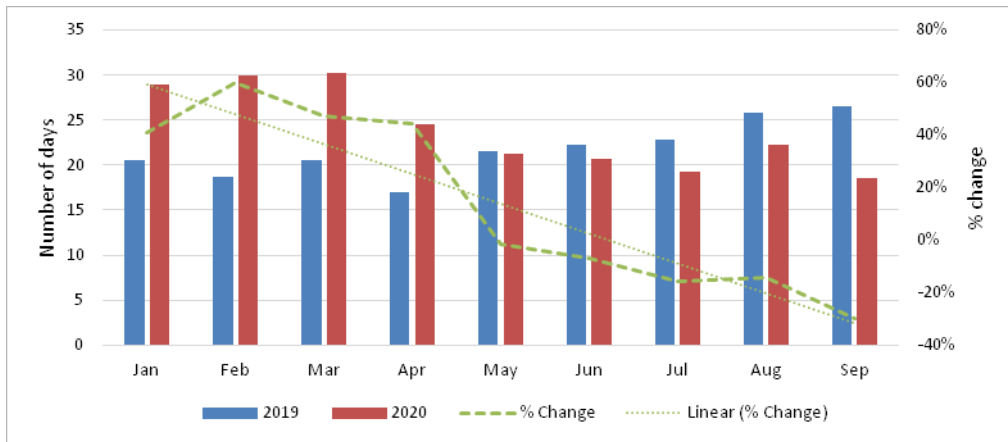
Source: Own computation using TPA data.

Figure 14 demonstrates the average dwell time of transit containers between January and September of 2019 and 2020. In 2019, the average dwell time of transit containers declined progressively from 14 days in May to nine days in September; while in 2020, the average dwell time for transit containers declined from 12 days in May to nine days in July. The results portray a negative percentage change in linear trend in the dwell time of transit containers between 2019 and 2020 implying the dwell time for transit containers was relatively higher in 2019 compared to 2020. Hence, the impact of COVID-19 on the dwell time of transit containers was not realized as the condition before and after the outbreak of the pandemic was more or less the same or even minimal in the preceding year of the pandemic.

Notably, there was slight difference observed between the dwell time for transit containers and the dwell time for local containers. Generally, it was observed that it takes longer time to clear transit containers than local containers in both 2019 and 2020. Unlike the case of local containers, where fewer days were required to clear containers in the first half of the year 2019, more days were required to clear transit containers in most of 2019 than it was in 2020.



**Figure 15: Average time before cargo leave for upcountry/landlocked countries**



Source: Own computation using TPA data.

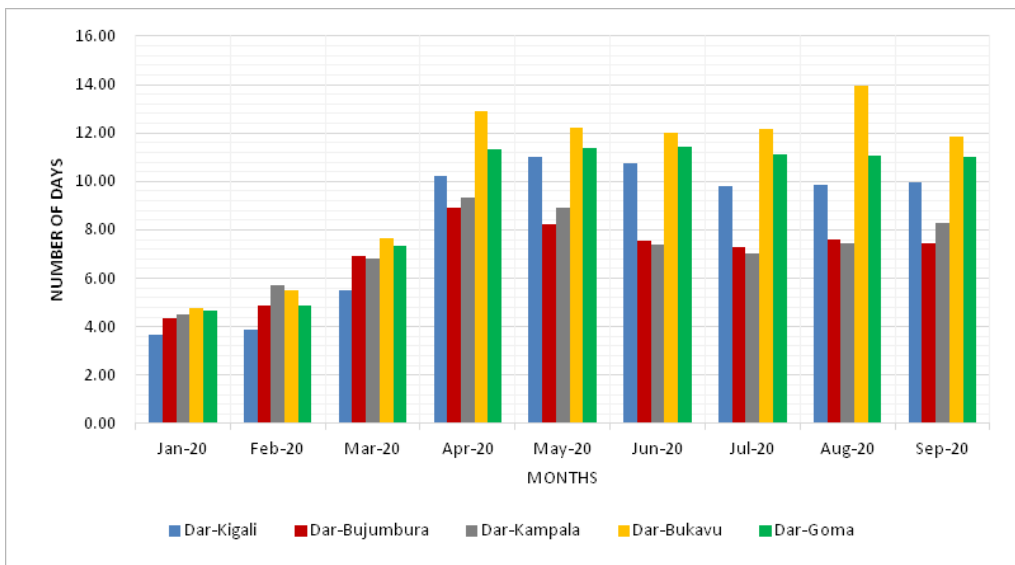
Figure 15 demonstrates the average time taken by cargo before travelling to neighbouring landlocked countries between January and September of 2019 and 2020. The results show that the average time of the cargo before travelling to neighbouring countries has experienced a declining trend in the percentage change of time between 2019 and 2020 associated with a declining linear trend. It was noted that the average time was higher between January and April in 2020 compared to the same period in 2019. This is more likely to be attributed to longer customs clearance procedures.

To get the full picture of time it takes between container arrival at the port and departure to either upcountry or to other countries, summation of the above components was taken into account for analysis. For simplicity, to get the total dwell time we have taken the average of that of local and transit containers. From this analysis, we note two features when comparing the trend for the two years. Up to April, the number of days required for a container to leave for upcountry or to landlocked countries was relatively fewer in 2019 than it was in 2020. Thereafter, the number of days for 2019 was relatively more in 2019 than it was in 2020. The reverse occurred as soon as the COVID-19 pandemic cases were announced in Tanzania and other neighbouring countries. This shows that the measures to increase efficiency at the port by introducing shifts had resulted into reduction of container time at the port before traveling to the next destination. Thus, as noted earlier in this paper, unlike what many would have expected, measures taken to ensure no port congestions as a way to address spread of COVID-19 may have resulted to increased efficiency at the Dar es Salaam Port, hence reduced number of days to clear containers.

## Transit time

Transit time is the time which a container takes to move from the Port of Dar es Salaam to various destinations in the Central Corridor Member States. In this analysis, we are focusing on five destinations, namely, Kigali-Rwanda, Bujumbura-Burundi, Kampala-Uganda, and Bukavu and Goma, both in DR Congo. These are main destinations whose imports and exports depend heavily on the Port of Dar es Salaam. The route to these destinations is popularly known as a central corridor route, which goes from Dar es Salaam Port through Dodoma to Isaka inland port located in Kahama. Different routes to each of the mentioned destinations start at this point. Figure 16 provides a summary of the time, in average number of days, it takes for a cargo to be transported from Dar es Salaam Port to different destinations of the central corridor.

**Figure 16: Number of days to destinations along central corridor**



Source: Transporters, 2020.

Figure 16 provides interesting feature of the time cost for cargo to get to various destinations in the central corridor from Dar es Salaam Port. As we can see, while there are differences in the time taken to ferry cargo from Dar es Salaam Port to different destinations, there is no significant variation between different months within a given destination in 2019. In other words, the timing of transporting goods and services from Dar es Salaam Port to a given destination along the central corridor was stable and predictable in 2019. For example, it took about three to four days to transport goods from Dar es Salaam Port to Kigali-Rwanda from January to September 2019.

Similarly, the time it took to transport goods and services from Dar es Salaam Port to Bujumbura-Burundi was around four days. Predictability and stability of number of days was also the case for all other destinations along the central corridor in January to September 2019.

However, the situation is very different when comparing the same period, that is, January to September in 2020. The beginning of 2020, that is January, in all destinations and February in few destinations, had similar number of days as those in 2019. However, from February to March 2020 there was a jump of number of days to transport cargo from Dar es Salaam Port to destinations. From March to April, the jump was even higher and remained at the high level up to June 2020 and in some destinations to July. From July when the COVID-19 situation started to stabilize, there were small improvements in all destinations but still the number of days remained at higher levels for the rest of the year. When comparing the two years, we see that the number of days for goods to be transported from Dar es Salaam to destinations along the central corridor increased from the level of three to four days in January to September 2019 to five to eight days in March 2020. The number of days went further up to the level between seven to 14 days from April to September 2020.

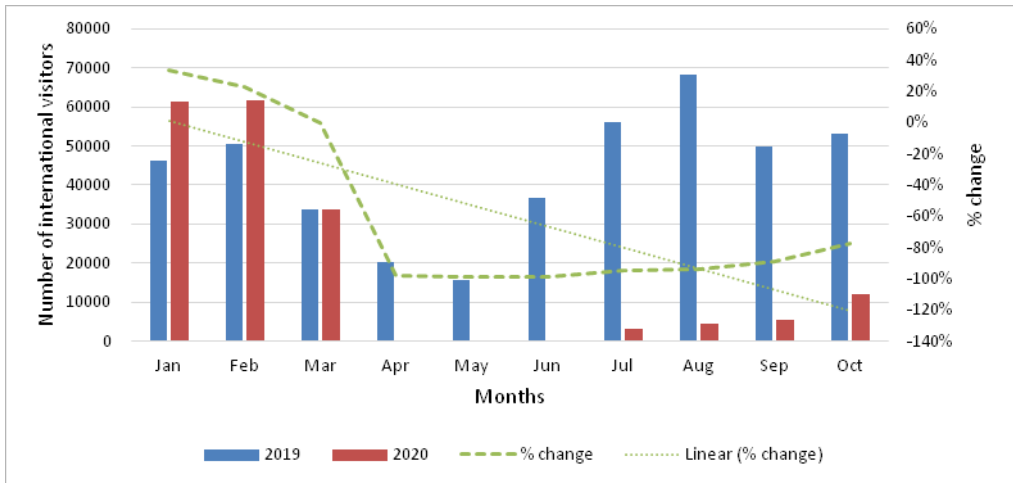
Newspapers have reported that long delays to get to the destinations along the central corridor was contributed by various measures put in place to curb COVID-19 effects which affected people crossing the border and associated border crossing procedures. Such measures included strict screening at the borders for possible infected people and mandatory stops when entering major towns in the countries. The problem of increased delays at the border was made even more complicated by differences in approaches to the problem between countries. Kenya and Tanzania were typically the case in which each country imposed restriction that had bearing on the trucks that come from the other country.<sup>5</sup> However, off-loading at the destinations were informed to be much quicker than before for the purpose of avoiding congestions as a measure to avoid COVID-19.

As noted from the study findings, in the transport sector, time taken to travel along the central corridor from Dar es Salaam Port to all destinations has been one of the most negatively affected areas by the COVID-19 pandemic. The number of days used to travel between the two points more than doubled, implying the transportation cost increased as a consequence. Owners of goods had to pay for extra days the truck remained in transit. On the other hand, owners of truck services had to pay drivers and other truck attendants' extra money to cover extra days. In addition, drivers and other truck attendants were to be provided with cash to cover screening at the borders. All these costs are likely to be transferred to the final consumers. As a result, local prices of goods and services which are transported through central corridor, or whose production depends on the inputs transported in the corridor, were likely sold at higher prices, making life of common citizens in these countries difficult during the COVID-19 pandemic.

## Tourism

As noted earlier, this study assessed the tourism sector because its value chain is comprised of transport aspect which provided more attention to the study analysis. In getting a wider picture of the COVID-19 pandemic on tourism, particularly on the transport component, data on the total arrival of tourists from January to October of 2019 and 2020 was used to discuss the situation during the period when the world was free from COVID-19 and when the pandemic was in place. Also, the current trend has been captured by anecdotal evidence as reported by various news media. Figure 17 provide a summary of international visitors to Zanzibar for the period from January to October of 2019 and 2020.

**Figure 17: International visitors in January to October of 2019 and 2020**



Source: Zanzibar Commission for Tourism and Department of Immigration Zanzibar, 2020.

Figure 17 show the trend of international visitors in Zanzibar between January and October of 2019 and 2020. The results show that the number of international visitors has experienced fluctuation between 2019 and 2020 with a notable declining linear trend in the percentage change. A sharp decline in the number of international visitors was observed between February and June 2020, as compared to the same period in 2019. Despite the slow recovery of the tourism sector between July and October 2020, the increasing rate of international visitors was quite slower compared to the same period in 2019.

This trend provides evidence that the COVID-19 has hit hard the tourism sector. It should be noted that, tourism is an activity that is planned long ahead of actual travelling. While COVID-19 had been announced as a disaster in many countries since January 2020, still many flights were operational, and tourists could still travel. More so, Tanzania had not identified any case of COVID-19 up to mid-March

2020, making Tanzania still a safe place to travel. However, after February 2020, when many countries had declared the pandemic, a relatively sharp decline was realized than it was in 2019.

This trend implies that this turning point is a result of different seasons for the tourists before and after February in both years. Usually, festive season is characterized by many tourists. As the year moves to February, long rainy seasons begin, especially along the coast; hence, number of tourists arriving in Zanzibar goes down. This is likely the reason why both series, that of 2019 and the one of 2020, start to show decreasing trend in February. However, the two trends differ in that, while the first two months of 2019 had relatively lower volumes of tourists, the situation was quite the opposite in March and April in which the flow of tourists was higher than that of 2020.

According to the Budget Your Trip LLC (2020), which is a recognized global network for tourists' guide, the average spending for a tourist who visits Tanzania is USD 73 per day.<sup>6</sup> Out of this, transport component for a tourist averages USD 10 per day. Translating this into the reduced number of tourists due to COVID-19, a notable huge loss in the transport sector and the associated value chain is observed. Putting it more specific, the transport component of the tourism sector witnessed gross reduction in the income from USD 617,500 in February 2020 to about USD 3,400 in April 2020 per day. The 2017 international visitors' exit survey report shows that, the average length of stay for tourists to the United Republic of Tanzania (URT) was ten nights (URT, 2018). The report further shows the length of stay for URT to have remained constant around ten nights from 2012 (URT, 2018). If we assume that the average stay remained more or less the same in 2020, this translates to the total gross decline of income from the transport component of tourism sector from USD 6,175,000 in February to USD 34,000 in April 2020.

Based on the findings of the study, the transport component in the value chain of tourism sector was severely affected by the COVID-19 pandemic. Owners of tour companies, as well as employees in the transport sector, which include drivers, their assistants, and technicians, who have to maintain vehicle conditions during the entire season were affected. While the whole transport component was affected, it is the employees in the sector who lost their jobs during the low tourism season. Thus, the most affected groups in this context are drivers, their assistants, and technicians. Thus, we can conclude that the negative impacts of COVID-19 on the transport component of tourism sector were relatively felt heavily by the lower income segment of the sector.

End of year 2020 statistics produced by the Office of Chief Government Statistician of Zanzibar show some improvements in the number of tourists, though far less than the number recorded during the same period in 2019. The increase is the result of government efforts, including opening its borders in July 2020, a first country in East Africa to make that decision. The government encouraged flight companies to fly tourists to Tanzania and removed 14 days quarantine for visitors coming to the country since May 2020.

*“I have directed the Ministry of Tourism to attract airline companies to fly their tourist and passenger scheduled planes to Tanzania with immediate effect. No foreign visitor will be subjected to 14-day quarantine when landing in Tanzania” - Former President of Tanzania, the late John Pombe Magufuli.<sup>7</sup>*

Moreover, these measures have spearheaded confidence in some countries, and it was justified from the increase in the number of tourists from May 2020 as portrayed in Figure 17. However, despite optimism that Zanzibar’s tourism industry is gradually recovering from the effects of the coronavirus pandemic with visitor numbers on the rise towards end of the year, earnings from the sector still dropped by 38% compared with the same period in 2019 (BOT, 2021). Tanzania has not closed its borders following the new wave of the pandemic. However, with increasing travel restriction in countries where tourists come from, especially Europe, the situation is likely to worsen the sector’s performance in the year 2021.

## 6. Conclusions and policy implications

This study sheds lights on the possible impacts of COVID-19 pandemic on trade and transport sectors in Tanzania. Findings of the study reveal that, while both sectors have been negatively affected, there exists intensity variation, not only between the two sectors, but also within the sub-sectors in a sector. The study used monthly data from different government sources to provide a snapshot on the performance of trade and transport sectors in Tanzania amidst the COVID-19 pandemic.

Findings reveal that the effects of COVID-19 on the trade sector are realized, though not as much as one would expect, given the experience of neighbouring countries. Tracing on the performance of the exports, even with the little effect observed, there are differential impacts between traditional and non-traditional exports. Relatively, traditional exports have been more affected by COVID-19 than non-traditional exports. This is because they must be transported in bulk using public airlines, most of which were shut down during the COVID-19 pandemic. While generally, non-traditional exports were less affected by COVID-19, it is mainly mining which influenced this trend. Minerals can be transported with private jets, hence making the product less vulnerable to the impact. However, the non-traditional products such as horticulture, fish and fish products, which require bulk transportation, were equally affected by COVID-19 pandemic just like traditional exports because of their character similarities. Finally, those goods that need to be re-exported after entering the country were also affected. Perhaps, this is due to conditions imposed by the country on extra inspection of such goods and associated conditions of transporting them to Tanzania before they are transported elsewhere.

On the other hand, it has been noted that import expenditure in 2020 were on declining trend following outbreak of COVID-19 pandemic compared to the trend in 2019. Thus, trade balance must have improved in Tanzania with COVID-19 than it was the case with the period 2019 before the pandemic.

In the transport sector, this study analysed the volume of goods that passed through Dar es Salaam Port, time taken by the cargo to arrive at the port to when it is ready for land transportation, and transit time to destination. Consistently, the tourism sector was analysed by assessing the number of tourist arrivals, particularly in Zanzibar. The analysis compares the first nine months of 2019 and 2020, respectively. The exception is the tourism sector in which data was available up to October of each year under investigation.

For the volume of goods that passed through the Port of Dar es Salaam, findings reveal that the impact of COVID-19 in the first nine months of 2020 was not very vivid until September. This is perhaps because goods that go through the Port of Dar es Salaam need long time preparation in advance of actual shipment. Thus, it is possible that initial preparations to export/import such goods had already been concluded and thus it was possible to ship them even with COVID-19. The second part of the year, however, witnessed improvement of volume of goods passing through the port. This is perhaps because after June, many neighbouring countries, not only reduced transport restrictions, but also changed approach in which necessary measures to avoid the spread of the pandemic were observed by normal business operations. Important feature in the findings is that imports were more affected compared to exports. The pandemic started in other countries from where we import earlier than in our country. Thus, it is not surprising to see imports being more affected by COVID-19 than exports. This further supports the earlier assertion that the timing of the effect may differ depending on the nature of goods in question.

In the case of time required to clear the container from off-loading ready for land transportation, findings of the study show that there was an improvement of time during the COVID-19 pandemic, implying increased efficiency which is more likely to limit congestions, acting as a way to reduce the spread of the disease, reaped positive results.

The greater negative impacts of COVID-19 in the transport sector are seen in goods in transit. In many destinations, travelling time increased dramatically in March 2020 and almost doubled thereafter compared to the same period in 2019. Differences in approaches of addressing COVID-19 between countries have contributed significantly to the delay. Each country had its own approach, and even when they had the same approach, same procedures were repeated after crossing the border due to mistrust of what the other country had done. Another area within the transport sector that was heavily affected by COVID-19 is the tourism sector. Findings of the study show there was a huge decrease in the gross income from the transport component of the tourism sector and that relatively those from the lower cadre of employment were mostly hit. This is because they lost their jobs and such labour force is not very flexible due to technology and capital limitations. The trend of flow of tourists, though increased after the situation stabilized, the increase was very minimal, causing a huge reduction in revenues from the sector in Zanzibar when compared with value recorded at the same period in 2019.

Given the findings discussed above, Tanzania needs to adopt the following measures to reduce potential impacts of pandemics similar to those of COVID-19.

- Emphasize and promote the country's industrialization strategy that focuses on capital goods production given that imports have been more negatively affected than exports. This is the case because capital goods induce further production. In the absence of capital goods being available locally, any situation of a similar pandemic that will result in a reduction of importation may negatively affect local



production.

- Strengthen regional economic integration that can enable importation of such capital goods from EAC member states. Trading with EAC states (or neighbouring countries) even under a pandemic may be relatively easier than with other countries (beyond the region) because of proximity. Thus, capital goods produced by member states may still be available and facilitate local production.
- Neighbouring countries using the Dar es Salaam Port need to adopt nearly the same approaches with that of Tanzania in addressing pandemics like COVID-19. This will help in minimizing trade risks and uncertainties, including high costs from longer transit time. Ideally, activities at the port are handled almost entirely by those people who are working permanently at the port. However, handling of transit goods has a lot of interaction between Tanzanians and foreign citizens, especially as goods cross borders. If all countries, for example, opt for testing of drivers and other people escorting cargo on transit, then this needs to be done at one point and the results be accepted by all other borders within member states. This will help to reduce time as drivers crossing borders will be treated as drivers moving from one location to the other within the same country.
- Local tourism needs to be promoted and emphasized. This will enhance tourism prosperity in the country even with a pandemic that limits arrival of international tourists. This can go beyond local to regional tourism if countries within a particular regional cooperation opt for similar approaches to such pandemics.

# Notes

1. Africa CDC (2020)
2. World Bank (2020)
3. African Union (2020)
4. <https://www.taha.or.tz/taha/blogPost/87>
5. <https://www.capitalfm.co.ke/news/2020/05/tanzania-shuts-its-borders-to-kenyan-truckers-citing-sabotage-in-virus-war/>
6. <https://www.budgetyourtrip.com/tanzania>
7. <https://chimpreports.com/covid-19-tanzania-reopens-borders-and-skies-to-tourists-no-quarantine-required/>

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## Mission

To strengthen local capacity for conducting independent, rigorous inquiry into the problems facing the management of economies in sub-Saharan Africa.

The mission rests on two basic premises: that development is more likely to occur where there is sustained sound management of the economy, and that such management is more likely to happen where there is an active, well-informed group of locally based professional economists to conduct policy-relevant research.

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