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REPOA Brief

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Trade Facilitation and Logistics as Pillars of Tanzania's Blue Economy Competitiveness

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Key Messages

Trade facilitation and logistics are not ancillary to the Blue Economy, but are the mechanisms through which maritime potential is converted into national and regional competitiveness.

Fragmented institutional mandates and parallel governance structures limit the impact of port modernization and customs reform, weakening returns on Blue Economy investments.

Digital integration, corridor-level coordination, and inland connectivity are now the binding constraints on Tanzania's emergence as a leading maritime trade hub.

Introduction

The Blue Economy is an important cross sectoral aggregator in Tanzania, with its ecosystem services worth over USD 104 billion and 100.8 billion in Mainland Tanzania and Zanzibar, respectively (Maskaeva et al., 2024; UNECA, 2023). Trade facilitation and logistics constitute the operational backbone of this ecosystem. As a coastal and lake rich country strategically located in the Western Indian Ocean (WIO) and Great Lakes regions, Tanzania's ports, maritime corridors, and inland water transport systems play a dual role: supporting national economic activity while serving as a primary transit gateway for landlocked economies in East and Central Africa. Efficient trade facilitation reduces transaction costs, improves predictability, and enhances the competitiveness of maritime based sectors such as fisheries, shipping, port services, tourism, and emerging ocean based industries (World Bank, 2020).

The National Blue Economy Policy (2024) recognises trade, transport, and logistics as priority sectors and aligns Tanzania with international commitments such as the World Trade Organization's Trade Facilitation Agreement (WTO TFA) and International Maritime Organization (IMO) digitalisation obligations. Together, these frameworks reflect a strategic ambition to position Tanzania as a competitive, efficient, and sustainable maritime trade hub. However, realising this ambition depends less on formal commitment and more on regulatory coherence, institutional coordination, and integrated physical and digital infrastructure.

Despite notable progress in port modernisation, customs reform, and corridor development, trade facilitation and Blue Economy governance in Tanzania continue to operate along partially parallel tracks. Coordination gaps between trade institutions and maritime authorities, fragmented regulatory mandates, uneven digital interoperability, and inland logistics bottlenecks constrain the translation of maritime investments into economy wide gains. This policy brief argues that trade facilitation and logistics reforms must be reframed as a system wide competitiveness agenda, integrating maritime, inland, digital, and institutional dimensions within a single Blue Economy logistics ecosystem.

Methodology and Data

This study employed a mixed methods research approach to generate a comprehensive understanding of the research problem through the integration of qualitative and quantitative evidence. A convergent design was adopted, allowing parallel collection and analysis of data from multiple sources, with findings integrated during interpretation to strengthen validity through triangulation.

First, a comprehensive documentary and literature review was undertaken to establish the conceptual and empirical foundations of the study. The review covered peer reviewed academic literature as well as grey sources, including policy documents, legal and regulatory frameworks, government strategies, institutional reports, publications by international and non governmental organisations, and comparative research on the blue economy in selected countries globally. This review informed the analytical framework, identified knowledge gaps, and guided the design of empirical tools.

Second, the study conducted secondary analysis of existing data obtained from official statistics, institutional databases, and published reports. These data were examined to identify trends, patterns, and structural dynamics relevant to the research objectives. Where necessary, data were reorganised and synthesised to enhance comparability and analytical relevance.

Third, key informant interviews (KIIs) were conducted with more than 60 respondents, comprising over 20 institutional actors and approximately 40 additional key respondents in Dodoma, Dar es Salaam and Zanzibar in March and April 2026. Participants were purposively selected based on their expertise, institutional roles, and involvement in policy formulation, regulation, implementation, or programme delivery. Semi structured interview guides enabled consistent coverage of key themes while allowing flexibility to explore context specific insights.

Qualitative data were analysed using thematic analysis, while secondary quantitative data were subjected to descriptive and trend analysis. Ethical principles, including informed consent, confidentiality, and responsible data use, were observed throughout the study.

Findings

Trade Facilitation and Blue Economy Interdependence

Trade facilitation and Blue Economy governance in Tanzania are deeply interdependent but insufficiently aligned. Both aim to reduce trade costs, improve efficiency, and enhance international competitiveness, yet they are managed through largely separate institutional frameworks. Trade facilitation reforms under the WTO TFA are coordinated through the National Trade Facilitation Committee (NTFC), while maritime and port related initiatives fall under transport and Blue Economy authorities. This separation leads to parallel planning, sequencing gaps, and missed synergies (UNCTAD, 2020).

At an operational level, ports, shipping services, fisheries exports, inland water transport, and maritime tourism all depend on predictable border procedures, risk based inspections, interoperable digital systems, and efficient logistics corridors. Improvements in customs clearance, port dwell time, and documentation directly influence Blue Economy sector performance (World Bank, 2020). However, sector specific needs such as fisheries traceability, live cargo handling, and cruise tourism facilitation are not always explicitly considered within general trade facilitation reforms (Okafor Yarwood, 2020).

Institutional Fragmentation and Regulatory Overlaps

Institutional fragmentation remains a central constraint. Customs, ports, shipping regulation, border security, transport, and trade policy are administered by multiple agencies operating under distinct legal mandates. While the NTFC coordinates WTO TFA implementation, maritime trade facilitation initiatives such as port digitalisation and the Maritime Single Window (MSW) are driven largely by transport authorities (UNODC, 2022a). The absence of formal linkage between these coordination platforms dilutes policy coherence.

Regulatory overlaps are especially evident in ports, where trade facilitation imperatives focused on speed and compliance coexist with Blue Economy objectives centred on sustainability and spatial management. Without deliberate integration, these goals can appear in tension, despite international evidence that efficiency and sustainability are mutually reinforcing when governed coherently (OECD, 2018a).

Physical Infrastructure: Ports and Inland Connectivity

The Port of Dar es Salaam anchors Tanzania's maritime logistics system and has benefited from substantial public and private investment. Cargo throughput has increased sharply in recent years, and secondary ports such as Tanga and Mtwara are undergoing modernisation to diversify trade routes (IMO, 2026). However, congestion, berth limitations, and hinterland connectivity bottlenecks persist, particularly during peak periods.

Inland connectivity is critical to trade facilitation outcomes. While investments in road and rail corridors, notably the Central Corridor and the Standard Gauge Railway have reduced transit times, multimodal interoperability remains uneven (World Bank, 2020). Inland water transport on lakes Victoria, Tanganyika, and Nyasa offers cost effective, environmentally aligned logistics options consistent with Blue Economy principles, yet remains under capitalised and weakly integrated into national logistics planning (Habiye and Mwendapole, 2025).

Corridor Performance and Regional Competitiveness

Corridor performance is central to Tanzania's role as a maritime gateway for landlocked economies. The Central Corridor has recorded improvements in clearance times and inland transit efficiency, reflecting gains from port reforms and customs digitalisation (World Bank, 2020). Nonetheless, reliability challenges persist due to non tariff barriers, congestion, and inconsistent application of controls (REPOA, 2022). From a Blue Economy perspective, these inland bottlenecks dilute the benefits of maritime efficiency gains.

Comparative benchmarking with the Northern Corridor reveals a dynamic competitive landscape. While Mombasa historically benefited from earlier digital integration and stronger corridor governance, Dar es Salaam's rapid throughput growth and planned MSW development are narrowing performance gaps (UNCTAD, 2019). Southern and lake corridors remain underutilised, despite strong alignment with Blue Economy sustainability objectives and regional integration potential (OECD, 2018b).

A key weakness across corridors is the lack of standardised performance monitoring. Indicators such as dwell time, cost predictability, and clearance reliability are not systematically embedded into national trade facilitation or Blue Economy monitoring frameworks, limiting evidence based policy adjustment (World Bank, 2020).

Digital Trade and Maritime Readiness

Digitalisation is increasingly central to trade facilitation and maritime competitiveness. Tanzania has made substantial progress in customs automation, risk management, and electronic payments, reflected in improved paperless trade indicators (UNESCAP, 2025). However, cross border interoperability remains limited, constraining regional paperless trade and corridor efficiency.

The planned MSW represents a transformative opportunity to streamline ship and cargo reporting across agencies. Yet implementation requires sustained coordination, legal harmonisation, and investment in ICT capacity (IMO, 2026). As digitalisation deepens, cybersecurity and data governance emerge as critical but underdeveloped policy areas.

Conclusion and recommendations

Tanzania has made substantial progress in strengthening trade facilitation and logistics within its Blue Economy ecosystem, supported by clear policy intent, international commitments, and targeted infrastructure investments. Nonetheless, regulatory fragmentation, coordination gaps, and incomplete digital integration continue to constrain the full realisation of benefits. Addressing these challenges through harmonised governance, integrated planning, and secure digital systems is essential for scaling up international trade and logistics services, thereby positioning Tanzania as a competitive, resilient, and sustainable maritime trade hub in the Western Indian Ocean and Great Lakes regions.

Strengthening trade facilitation and logistics within Tanzania's Blue Economy requires a shift from sector specific reforms toward an integrated, system wide approach. Four recommendations are made: First, to enhance institutional coherence by explicitly linking trade facilitation governance with maritime and Blue Economy coordination structures. Formal mechanisms should be established to align the work programme of the National Trade Facilitation Committee with port, shipping, and logistics priorities under the Blue Economy framework, ensuring that WTO TFA implementation supports sector specific competitiveness rather than generic compliance.

Second, at the infrastructure level, continued investment in ports must be matched by accelerated development of hinterland and multimodal connectivity. Inland water transport in the Great Lakes region should be treated as a strategic Blue Economy asset, supported by coordinated investments in vessels, ports, and customs integration. Such investments can reduce trade costs while reinforcing environmental sustainability objectives.

Third, digital integration should be elevated as a strategic enabler. The MSW must be implemented as part of a broader digital trade ecosystem that enables data reuse, cross border interoperability, and risk based controls. Parallel investments in cybersecurity frameworks and data governance are essential to sustain trust and system resilience.

Fourth, policy should prioritise corridor level governance and performance monitoring. Embedding standardised corridor indicators into national trade facilitation and Blue Economy monitoring systems would improve accountability, support evidence based reform, and strengthen Tanzania's competitive position relative to regional peers.

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