

# TZ slips in ease of doing business <sup>(2017)</sup>

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**Dar es Salaam.** Tanzania has fallen further in the rankings of the *Doing Business 2018* report raising concerns over the efficacy and results of the ongoing reforms.

The country was ranked at the 137th position globally in the *Doing Business (DB2018)* report from 132nd position in the *DB2017* report.

In the survey that involved 190 countries and published on Tuesday by the World Bank, Tanzania's overall scores in the rankings were 54.04 points being a slight improvement of 0.11 points compared to the *DB2017*. This means that the country's speed in implementing business reforms was not as fast as other countries that have overtaken it.

At position 137, Tanzania only beats Burundi as the easiest country in doing business in East Africa, trailing far behind Rwanda (41st globally), Kenya (80th globally) and Uganda (122nd globally). Burundi was ranked at 164th position.

In specific categories the country did worse, according to

the *DB2018*, in facilitating trade across borders. In this category the country scored 20 percentage points out of 100, which was the same score as in the *DB2017*. On the other hand Rwanda scored 72 per cent, Kenya 67 per cent, Uganda 62 per cent and Burundi 47 per cent. Kenya was shown as the highest ranked regional reformer in the study.

Property registration was also a major concern, the report, released annually by the World Bank and used by investors and policy makers cross the world, says.

"Tanzania made registering of property more expensive by increasing land and property registration fees," the report highlighted. The report indicates that Tanzania scored 50 percentage points in *DB2018* a slight decline from 51 per cent scored in the *DB2017*.

On resolving insolvency Tanzania did slightly better than Uganda and Burundi by scoring 39.52 per cent. It was, however, a decline in performance from 41 per cent in the previous survey. Uganda scored 38 per cent and Burundi had 30.7 per cent.

On the other hand Rwanda scored 47 per cent, Kenya scored 43 per cent.

In protecting minority investors Tanzania scored 45 percentage points, only slightly better than Burundi which scored 43 per cent. Rwanda had the highest scores, at 73 per cent, followed by Kenya 58.3 per cent and Uganda 50 per cent.

## Positive developments

On access to electricity Tanzania performed well, scoring 73.9 percentage points, an improvement from 70 per cent in the previous ranking. Kenya led the pack scoring 76 per cent while Rwanda had 60.69 per cent. Uganda, on the other hand, scored 34 per cent and Burundi 26 per cent.

## Reactions

Reacting to the report the Tanzania National Business Council (TNBC) executive Director Raymond Mbilinyi said there have been a lot of improvements in the country's business environment since the fifth phase government came to power two years ago.

"I think most of the improvements were carried out after the survey of this report had already been conducted. We expect that our rankings in the next report will be better," he said in an

interview with *The Citizen* yesterday.

*The Citizen* is aware, however, that the findings of the *DB2018* were compiled in May 2017.

Complications in land and property registration come from the fact that most of the land in Tanzania is not surveyed, Mr Mbilinyi, the former boss of the Tanzania Investment Centre, said.

"But I am sure in the next few years most of the land will be surveyed and this will remove all challenges in registering land and properties," he said.

Government has also obtained funds from the World Bank, which will be spent to conducting land surveys, according to Mr Mbilinyi.

On trading across borders the TNBC executive director said the concept of one stop border post that has been successful within the EAC will soon be extend to southern African countries.

"One of the achievements of building one stop border post is that the number of days or hours that vehicles spend at the border posts have been reduced to the large extent," he said.

Other reforms that the government carried out in the past two years include those that enabled the Dar es Salaam Port to work

24/7, Mr Mbilinyi added.

Mr Johnson Minja, the chairman of the Traders Association, for his part, told *The Citizen* that most of the challenges mentioned by the report findings were already identified by the business community in Tanzania.

"We have been complaining about these issues for years. Our members, for example, face a lot of red tape in movement of goods and services across borders," he said in a telephone interview.

Registering businesses, according to Mr Minja, is another area of concern.

"I think the government should look onto centralizing business registration and the processes should not take longer than necessary," Mr Minja told *The Citizen* yesterday.

The easiest countries to do business in the world according to the *DB2018* report is New Zealand followed up closely by Singapore, Denmark, South Korea, Hong Kong and the US. Mauritius has been ranked the best place to do business in Africa followed by Rwanda, Morocco, Kenya, Botswana and South Africa while on global level.

On the bottom of the list there are Libya, Yemen, South Sudan, Venezuela, Eritrea and Somalia.

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