

**SAUT****Business Times**

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**Fish stock depletion needs concerted efforts**

By DEUS BUGAYWA

**T**he government and other players need to take decisive measures to address a relentless decrease of fish stock in the Lake Victoria basin.

Officials say that although there has in recent past been a slight increase of the Nile Perch stock in Lake, notably from 227,305 in 2008 to 324,391 over the last year, yet more needs to be done to addressing the situation. Reliable sources indicate that in the year 1999, for example, the Nile Perch stock stood at 1.2 tones, but for the past ten years, it has been constantly dwindling up to 227,305 tons.

Speaking to fish stakeholders in Mwanza just a few weeks ago, the Minister for Livestock and Fishery Development Dr David Mathayo attributed the situation to over fishing, environmental degradation, and illegal fishing. "The Ministry has not failed, what we are insisting now is for all stakeholders to abide by the laws... We need to find a lasting solution for this problem and also save lives of over one million population that depend on this Lake," says Dr Mathayo.

He called on stakeholders to form partnership committees with a government to prepare budget in order to stage a special operation to curtail illegal fishing. If the operation fails the Minister hinted, the government would think of other options such as to introduce a seasonal fishing to give room for fishes to reproduce.

A chairperson of Tanzania Fisheries Industries Processors (TFP), Harko Bhagatt reiterated the Lake Victoria is the backbone of the Lake Zone economy and the country at large and hence drastic measures were essential to halt the situation.

In the year 1992, about 5 tons of fishes were obtained, while in 2008 the number stood at 400 tons. The country procured a profit of about 500,000 US dollars a day from the fish purchase in the Lake, say officials.

**Tanzania tea faces stiff competition in EA**

By DICKSON NG'HILY

**T**anzania tea is unlikely to lead the Mombasa weekly tea auction, despite an increased by 46 percent of the country's tea packages sold last month.

Statistics available at Africa Tea Brokers Limited (ATB) indicates that Tanzania made an offer of about 420 tones (equivalents 8353 packages), whereby 388 tones (equivalents 7752 packages) were sold, leaving behind 7 percent of the package offered unsold.

The market, however, does not favor Tanzania tea due to the fact that the auction settings which include the lodging of 10/-m deposits and a requirement to invest in warehousing yet with no guarantee of future licensing of operations, favor Kenyan tea.

Though tea is economically important for Tanzania, the country produces less than 1 percent (25,000 tons) of estimated world tea production of 3 million tons.

Three months ago, Tanzania and Malawi threatened to withdraw their supplies from Mombasa auction due to unlevelled ground that dominated the auction.

According to media reports, farmers would like to exploit benefits of Everything But Arms Agreement (EBA), a trade agreement that the two countries have adopted. However a trend comes at a time when the viability of the auction floor is also threatened by the increasing purchases of the crop outside the auction system.

It is said that tea purchased outside the auction system has risen from 20 percent of sales to 30 percent, and auction has witnessed only 30 out of 70 registered exporters transacting at the auction, a move that has resulted into about 18 percent of unsold tea each week.

Reached for comment, Mathias Assenga, Tanzania Tea Board Director General (TBT) explained that they have been working on strategies that will improve development of the crop to make it the leader in tea markets.

Assenga pointed out that plans that would increase the internal and external market are yet to be revealed, as they are first to be presented to the

Ministry of Agriculture, Food Security and Cooperatives for approval

"We have just finished our meeting with stakeholders in the industry, and after being done with you, we will be visited by Rungwe district commissioner to discuss some issues concerning tea sub sector, since Rungwe is a major tea producer in the country," Assenga said.

According to the TBT boss, tea growers and other stakeholders in the tea industry are yet to enjoy the tea development and marketing strategy that is to be implemented in the near future is expected to increase employment in the sub-sector as well as country's foreign earnings.

Speaking over the phone, Salome Mwambigija a small farmer from Rugwe said that they are not certain of the crop's future as they are not earning much yet the production has been increasing

"Tea blenders are telling us that our tea is not of quality and if that is the truth then we need the government to intervene," she said. "Tea board of Tanzania should help us because our lives depend on the crop."

Mwambigija noted that the government's failure to intervene would be translated as a setback towards the fight to end poverty in the country with the emphasis on 'Kilimo Kwanza' revival of agriculture sector.

Patrick Alfred who works with African Research and Resource Forum once said: "To end poverty a concerted effort must be made in the agricultural sector; there is an unmistakable link between increased investment in agriculture targeting smallholder farmer and improved wellbeing of grassroots communities."

According to him, Tanzania and other African countries enjoy great yields from the agricultural sector as a result of growth in exports. It is likely that improved investment in such area would also result in economic growth, more specifically, inclusive and equitable growth that ensures greater participation of grassroots households.

As such, there are moral, political and economic reasons for improved focus on the agriculture sector by African governments.

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## Tax incentives hurts economic growth, say experts

By MARTHA MAJURA

Experts have called on the Tanzania government to refrain from removing tax incentives as a prerequisite to support its development and recurrent budgets.

Experts say that can also play a decisive role to promote, attract and retain the Foreign Direct Investments (FDI). According to the report titled 'Tax Competition in East Africa issued jointly Tax Justice Network-Africa, Action Aid International and Policy Forum', Tanzania is purportedly losing approximately 1.8 trillion shillings through these incentives.

"Revenue losses from all tax inceptions and incentives may be as high as Tsh 1.8 trillion (USD 1.23 billion) in 2008 and the minimum revenue loss from tax incentives granted to the companies alone is around Tsh 381 billion (USD 174 million) a year, for the year 2008/2009 – 2009/10" said the report.

It further added that for the fiscal year 2011/2012, exemptions amounted to about 18 percent of total taxes collections, this makes an increase of 3 percent compared to the ratio of exemption to total revenue for the 2009/2010 financial year, says the report.

Economic experts say the country provides a wide range of tax

incentives whereas in the Export Processing Zones (EPZs) and Special Economic Zone (SEZ) Companies are exempted for first ten years from paying Corporate income tax and all taxes and levies imposed by Local Government Authorities.

While the Government seems indecisive to remove the incentives, a 2006 report by the African Department of the International Monetary Fund (IMF) Focusing on East Africa, insisted that the system should be abolished if Tanzania wanted to realize true and quick economic growth. "Investment incentives, particularly tax incentives is not an important factor of attracting foreign investments," The IMF says, and added that more important factors are; good infrastructure, low administrative costs of setting up and running business and predictable macro economic policy.

Commenting on the situation, a renowned Economist at the Saint University (SAUT), Edward Range also shared same sentiments as saying the tax incentives have adverse effects on the national economy.

"The government should invest on creating favorable business environment so as to attract foreign investors. Providing tax incentives is destructive and wont at all boost the economy", he said.

## Imported goods threatens local economy

By MONICA JOHN

The fact that citizens prefer imported goods to local goods poses a challenge in the national economy for the foreigners become benefactors rather than the nation.

Dr. Odass Bilame, the economics Lecturer at St Augustine University of Tanzania (SAUT) raised this during his presentation on skills demand and supply in Tanzania Business Environment in one of the Investigative Business Journalism (IBJ) training sessions held at SAUT this month.

"There has been an increase in demand of imported goods due to the low production of local goods," he said. "Our currency is devalued as the result of importing more"

However, one of the participants of the training Mr. George Ramadhani noted that due to low production, the price of local goods is very high as compared to the imported goods.

With the observation from the participants, Dr. Bilame suggested the protectionism policy for our industries through the imposition of high taxes to the imported goods for them to be sold

at higher prices and thus lower the price of our local goods.

"This policy will encourage the production of local goods in large quantity and thus, protecting our industries as well as our economy," He insisted.

Dr. Odass challenged the participants to dig deep as to why Tanzanians do prefer the imported goods to local goods.

One, among the reasons given by participants, is that despite the leaders encouraging citizens to make use of the local products yet they are the ones who consume imported goods the most, something which demoralizes citizens in consuming the local goods.

They further said that our produces are of low quality and so when it comes to free market economy, they fail to compete even within the nation.

Dr Bilame challenged Tanzanians to be patriotic by preferring local produces to imported ones in a view to improve national economy as well as the currency value. "To have progress economically, the demand and supply in Tanzanian business environment should be measured by the local produces," he concluded.

## Data capture device damages local revenue

By DICKSON NG'HILY

Tanzania loses over 8.7bn per annum as a result using a Kenyan 'barcode,' an automatic identification and data capture device on her products.

The barcode is a data capture that provides information to consumers by identifying the product, its manufacturer and a country of origin.

Speaking to SAUT Business Times, Mabamba Maregesi, a Barcode Executive with GS1 Tanzania Limited said that the amount could increase since more than 50 Tanzania companies are using South African barcode while over 40 use barcode of different countries around the globe.

Maregesi explained that apart from losing money, the usage of foreign barcodes to Tanzanian products causes the country's products to lose their country of origin since the product would be identified with the country that issued the barcode.

"We Tanzanians have been told that we have not been utilising the opportunity with AGOA market, but to be honest, we have been using the market only that most of the Tanzanian produces are registered with Kenyan GS1 system hence making products being identified as Kenyan," he explained.

"Tanzanian business community will not have to travel to Kenya and South Africa as well as other parts of the world for barcodes, since the GS1 Tanzania is currently issuing Tanzania barcode '620' which is expected to increase access to domestic and global markets of locally produced products," he said.

He revealed that since August last year Tanzania managed to register about 180 local companies with over 2800 local products. "We are still working hard to make sure all Tanzanian companies as well as local products are registered with our system," he observed.

According to Maregesi, the move would promote local manufactured products to the global

market by adding value and thus provide assurance to global consumers of the safety and traceability of products produced and supplied from Tanzania.

The system logic guarantees that data captured from GS1 endorsed bar code symbols produce unambiguous electronic messages such that any changes to the system introduced would not affect users.

The GS1 barcode executive further noted that, barcode system of identification is trusted providing enormous benefits to the world and it continues to provide a revolutionary leap forward for the world every time the barcode goes 'beep'.

An expert in Information Technology Pius Mikongoti said that, apart from serving product identity as value addition, barcodes increase traceability of the value chain system in the country.

Mikongoti explained that the move would increase access to domestic and global markets of locally produced products, product identity, value addition, and increase traceability of the value chain system in Tanzania.

He further said that any company, organisation or individual who want the benefits from the world's only open global standard for product identification and bar-coding should make use of GS1 system.

"With the growth of electronic commerce, the GS1 system is growing rapidly beyond its retail base. Virtually everyone in the supply chain, including the transport operators and packaging manufacturers should consider GS1 membership to improve efficiency and to maintain their competitive edge," Mikongoti explained.

Barcodes system was developed thirty years ago in United States after advances in computing opened the way for it to be used as an alternative to having a cashier ring up pricing information on a register by hand.

## ..Tanzania tea faces stiff competition

From pg. 1

Tea contributes more than USD30 million to the country's export earnings, making it the fifth largest export crop after cashews, coffee, cotton, and tobacco.

More than three-quarters of Tanzania's tea is exported and it provides employment to more than 50,000 families and directly or indirectly affects as many as 2 million Tanzanians.

Currently Tanzania is the fifth major tea producer in Africa after

Kenya, Uganda, Rwanda and Burundi. Statistics reveal that Tanzania produces about 32000 tons per annum, and constitutes about 1 percent of World Tea production thus rank it as number 19 major producers at the World level.

The country has a total area of tea plantations of 22721 hectares of which 11,272 hectares are estates and while 11,449 hectares of land are owned by small farmers.



## Government calls on fishermen to form co-operative society

By POLYCARP MACHIRA

**F**ishermen in the Lake Victoria need to form a cooperative union as a requisite to uphold welfare amongst its members.

Observers say that a lack of strong cooperative has provided a room for unscrupulous middlemen to temper with prices at the expense of fishermen. Fish processors have in recent past claimed that the world fish prices have dropped, and thus affected the local prices.

However, it was also reported that processors from other East African Countries, Kenya and Uganda get better prices as compared to their Tanzanian counterparts.

The decision follows stalemate between the stakeholders in the fish industry, just a week after a deadlocked meeting chaired by minister for Livestock Development and Fisheries, David Mathayo in Mwanza last week.

A fishermen representative in Mwanza Juma Chamoto argues that nothing has been achieved so far since the meeting took place in last week. The fishermen are now contemplating boycott selling the products to the processors.

The envisaged move to establish the cooperative society is among key proposals made by the government in its endeavour to

eliminate agents as industries declined to increase prices.

“This is the only alternative as other stakeholders have refused to heed the government’s proposal that they increase prices or compensate fishermen for the losses incurred” said Mr Chamoto.

In the past three weeks, a price of one kilogram of Nile Perch paid to fishermen has been reduced from 5000/- to 2700/-, a move that has been vehemently opposed by the fishermen. Sources say that in Uganda the price has dropped from Ush 6, 000 to Ush 4000, which is equivalent to 2600/- while in Kenya the prices went down from KSh220 to KSh210 which is equivalent to 3000/-.

An official from the Tanzania Industrial Fishing & Processors Association (TIFPA) who preferred anonymity acknowledged that the move by fishermen to form a cooperative society would provide a solution to the current problem.

Currently, each factory has agreed with its agents as per their contracts, for example, Tanzania Fish Processors to buy a kg of fish between 3000/- and 3100/- “There is need to find an amicable solution to the problem which will take into account the interests of both parties concerned in the business” he said.

## World market price threatens local cotton production

BY GEORGE RAMADHAN, GERALD LUMANYIKA and FAUSTINE KASALA

**C**otton growers are threatening to stop production unless the government reviews its neutral stance on the fibers price. A sudden decrease in the world market price has infuriated growers countrywide who are now ominous to stop the production.

The growers’ disappointment noted recently after the government through Tanzania Cotton Board (TCB) announced the start of cotton buying season on 2<sup>nd</sup> July this year, in Bukombe district Geita region revealing that farmers will not be offered new price this season.

Speaking to SAUT Business Times Jones Bwahama, the Director of TCB, Western Zone confirmed the cotton season have already been inaugurated without changes to the last season price and

no government intervention.

He said that this season’s directive price which have been set by the crops stakeholders is Tsh.660, and that if the cotton growers are not satisfied with it, they had the option of not selling to the market now and wait until the price is increased’.

According to Bwahama, TCB would not promise much to the farmers, that the organization is not in the position to perform any miracles, and urged for farmers to stay hopeful that the cotton price stabilize at the world market.

This season farmers’ anticipate selling their produce at a minimum price of 1000/- per kg, as price predicted by indexmundi.com. However the site that posts the worldly crop prices has since revealed that the market has experienced an acute cotton price drop

## Overfishing threatens Lake Tanganyika

By DICKSON NG’HILY

**O**ver-fishing has been identified as the major factor that pose an increasing threat to the sustainability of fishery resources in Lake Tanganyika

According Lake Tanganyika Fisheries expert, John Mwangi fishing practice has become more efficient and consequently more destructive.

It is said that the use of destructive fishing gears and over fishing threaten to deplete the fish stocks.

The LTA maintains that since the lake suffers from uncontrolled and unplanned development the management of fisheries and activities affecting the lake basin should be done under the regional planning frame

An official from the National Action Plan (NAP), Gaspard Ntakimazi said that Fisheries Management Frame Plan should be reviewed and updated as an intervention to the sustainability of fisheries development of Lake Tanganyika.

According to Ntakimazi, interventions proposed for developing sustainable fisheries in the lake include reviewing and updating the national components of the Fisheries Management Frame Plan, developing and implementing fishing license process, improving the involvement of local communities in fisheries management and promotion of sustainable fisheries alternative livelihoods.

“The question is how long the lake will remain the source of life for its species and people if action is not taken,” he said.

A Fisheries expert John Mwangi said that the numbers of fish within many prime species have decreased due to the use of high-tech fishing practices that deplete fish

stocks, degrade nursery areas and produce wasteful bycatch.

“All of the recent studies on overfishing problems recommend a comprehensive, ecologically based approach to fisheries management, not just simply trying to limit catch numbers,” he said. “Let us hope that our government will have the wisdom to follow our advice”.

Apart from overfishing, Mwangi mentioned other factors as the unintentional removal of non-targeted species during fishing operations (bi-catch), destruction of coastal and ocean-floor breeding habitats, pollution, as well as the climate changes.

Estimates suggest that there is no other place on Earth that holds such a variety of life. Lake Tanganyika harbors over 2000 different species, of which more than half are found nowhere else.

Its jellyfish, fish and molluscs resemble marine species that early researchers assumed was connected to the sea.

The fisheries of Lake Tanganyika are based on only six of those species; two sardine fish and four latest species. The catch is nonetheless enormous, providing direct employment to 100,000 people and a livelihood to ten times that many.

Lake Tanganyika is internationally recognized as a global hotspot of biodiversity, representing some of the most diverse aquatic ecosystems in the world.

The lake’s valuable aquatic ecosystem and the many natural resources found in its Basin provide essential sources of livelihood and income for over 10 million riparian population around the lake, and contribute to the growing economies of surrounding countries of Burundi, Democratic Republic of Congo (DR Congo), Zambia and Tanzania.

from \$1.1 per kg in April to 70.53 cent per kg last week.

The unpredictable trends of the prices at the world market the private buyers of cotton are now offering payments which do not exceed 520/- per kilogram.

Elias Zinzi, Tanzania Cotton Growers Association (TACOGA) chairperson, told this newspaper that it is high time the government intervened to rescue the situation to rescue the cotton sector development in the country.

He added that Tanzania’s cotton sub-sector, which employs 14 million people, about 40 per cent of the country’s population, is

on the verge of collapse, unless the government takes swift measures to mitigate the problem.

“If the government fails to issue a stand on subsidizing the farmers, they will give up and that will mean nothing but a total collapse of the entire sector.” He said.

According to Zinzi, for some times now, a debate on directive price between farmers and cotton buyers, has reached to critical stage. An agreement has been reached for the matter to be tabled before President Jakaya Kikwete for the concrete solution.

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# Experts warn over increased official per diems

By POLYCARP MACHIRA

As the debate on the 2012/13 budget estimates continues in Dodoma, a new report shows that per diem stretches the government wage bill.

While these allowances are only meant to be compensatory, they tend to assume the character of additional salary payment in a country like Tanzania where salary levels are generally low, reads the report.

The phenomenon of per diem abuse is not new. For a couple of decades at least, development partners have complained about the difficulty of attracting civil servants to their seminars without offering something extra.

The report titled *Hunting for Per Diem, the Uses and Abuses of Travel Compensation in Three Developing Countries*, says per diems are intended to compensate employees of public and private organizations for extra expenses incurred when on work-related assignments away from normal duty station.

"The compensation offered is set at standardized rates, payable according to stipulated rules and regulations" reads the report authored by the Norwegian Agency for Development Cooperation.

In Tanzania the total government wage bill accounted for 32 percent of the 2010/2011 budget. Its stake in the 2012/2013 financial year is yet to be known.

Allowances accounted for 16.2 percent of the total wage bill, of which duty-facilitating allowances made up 10.2 per cent, remunerative allowances 6 percent and domestic per diems 4 per cent. The total absolute allocation for allowances amounted to Sh 269 billion (USD 165 million).

The report comes at a time when there is great public concern on the amount of money spent by the state on President Jakaya Kikwete's visits abroad.

Some sources that sought anonymity point out those presidential trips abroad need to be investigated for huge expenses.

Their investigation revealed that foreign travels of President Jakaya Kikwete spent a total of 120 days overseas by 2009 alone.

This means in the first four years since taking office until the end of 2009, he spent four months outside the country, at a cost of Sh 2.4 billion.

This is for accommodation and allowances for him and his entourage.

They argue that normally such trips involve 15 to 22 people who accompany the Head of State; each of them pockets \$ 350 to \$ 500 as per diem.

This paper has been told that President Kikwete has to be accommodated in hotels 'fitting' his status, which means \$ 800 to \$ 1200 per night.

Again, they say four other people have to check in at the same hotel with him. Taking an example of one trip, from 12 to 26 May 2006 the President travelled to Uganda, UAE, France and USA the bill came up to Sh 273 million, it is believed.

Tanzanians are agitating that President Kikwete's trips abroad be probed after he left for Britain accompanied by 40 people. As of 9/9/2011, when the President toured Kenya, he had already made 316 tours abroad since coming to power in 2005.

But effort to get state house confirm this information was not fruitful as e-mails message sent to the statehouse went unanswered, and the director of communication, Salva Rweyemamu did not pick his phone when this reporter tried to reach him on phone.

Official per diem rates for other civil servants see assistant directors and above get Sh 80,000, Sh 65,000 and Sh 45,000 respectively while on city & municipality, regional & district cities and other areas visits.

Professional or administrative and senior clerical officers get Sh 65,000, Sh 45,000 and Sh 35,000 respectively on trips on areas as above.

The lowest in this category, the executive secretaries and below get Sh 45,000, Sh 30,000 and Sh 25,000 respectively.

These comparisons to ordinary citizens' expenses and wage levels indicate how much the per diem payments may matter to the individual civil servant.

Moreover, the report points to the particularly high rates for trips abroad, for which the rates range from TZS 403,000 (USD 253) per day and up to TZS 546,000 (USD 343) for the ranks listed in the table above.

A civil servant going on a five-day overseas trip easily doubles his or her monthly salary, even at the highest level of pay.

Previously, allowances were taxable in principle although this rule

was never enforced. Following amendment of the Income Tax Act in 2011, allowances are now legally tax exempt.

Commenting on the report, Dr Odass Bilame, an Economist at the St. Augustine University of Tanzania (SAUT) noted that the government was losing a lot of money that would have been spent on other important national projects.

He said it was high time the government learnt a lesson from developed partners who despite having stable economies, abolished the culture of per diem.

"It is a shame that the government cannot learn from development partners who really regulate such allowances" he noted.

But the report warns that per diem irregularities and fraud could result from inadequate or ineffective controls.

The rules regulating travel-related allowances in Tanzania must be considered as part of a larger set of allowances offered to civil servants.

Allowances linked to a specific position are referred to as remunerative allowances, while others are discretionary benefits referred to as duty-facilitating allowances.

Per diems are considered a form of duty-facilitating (i.e. discretionary) allowance since they depend on a manager's approval of participation in a meeting, seminar or trip.

The purpose of the per diems should be to reimburse travel expenses only. Extra emoluments to boost civil servant motivation or secure them a decent wage should not be offered via the travel compensation system, according to the authors.

Standardized per diem rates should be calculated on the basis of surveys of hotels, restaurants and conference centres across the country concerned.

Per diem rates should not be differentiated by staff seniority or salary level. This recommendation appears to violate the principle especially when applied uncritically or mechanically.

"Regardless of rank, staffs stay in similar hotels and eat similar meals. Rank is reflected in the regular salary system and should not be reinforced by the travel compensation system," states the report.

Reimbursement should be provided only when expenses have actually been incurred. There should be full transparency about the rates provided.

## Increased levy to lower local skin prices

By POLYCARP MACHIRA

Prices of skin and hides in the local market are likely to drop due to the increased exportation levy on raw hides and skin,

In the 2012/2013 budget, the government intends to amend the Export Levy Act by increasing an export duty on raw hides from 40 per cent or Sh.400 per kilogram to 90 per cent or Sh.900 per each kilogram.

This measure is intended to promote local processing of hides and skins as well as value addition to the country's exports and also increase employment, hence earn revenue to the government.

Increase in export duty would discourage exportation of raw skin and hides leading to oversupply of raw materials for the local tanneries.

Tabling the 2012/2013 budget estimates in Dodoma recently, Minister for Finance, William Mgemwa said the export levy measures are expected to increase government revenue by Sh. 26,431.8 million.

But some players in the sub-sector have experienced change in prices since the move became operational this month. Some skin and hides traders at the Mwanza abattoirs told the reporter this week that prices have already stumbled and are likely to fall further.

They argued that those who used to export raw materials outside the country used to offer favourable prices compared to what the local tanneries offer.

"This is just the second week since the measure was announced by the Minister for Finance, but the local tanners have now issued new lower prices" said Juma Thomas, adding that the situation is likely to worsen.

The government imposed 20 percent or Sh 200 per kilogram of hides in 2003/2004 which was later increased to 40 percent in the 2007/2008 fiscal year. Tanzania can easily produce 2.8 million cattle hides, 3.8 million goat skin and 1.0 million sheep skin a year.

Stakeholders say improvements in hides and skins handling can enhance the role of the leather in national food security, poverty alleviation and rural employment.

**Continue pg. 5**



# 5 Women vendors need support to boost businesses in Mwanza

By NASHON KENNEDY

**I**t is now obvious that women are no longer willing to stay at home, and therefore they are looking for ways to support their lives. They think they have the ability to embark on various economic ventures that can provide economic security to them without having heavily relying on their husbands.

One of the food vendors Ms Rahabu Manga (52), who is doing her business at the Mwanza main market, had this to say, "As a widow, I came to realize that life was too tough to support my four children...I decided to do this business in order to support to feed, take to school and also meet other daily expenses."

Ms Rahabu, a widow who hails from Butuguri village in Musoma Rural district, and she has been doing small-scale related economic activities over three years, and now she says things are no longer the same as, "I have been able to pay the school fees for my children, one of them has just completed ordinary level education."

One of the challenges facing the women entrepreneurs is the meager capital to run their businesses, and Ms Rahabu says that she had decided to take loans from one of the microfinance institutions to boost her business. She started by taking a loan of about

600,000/- . Apart from selling food to the Mwanza City dwellers, she also used to the loans to do other business such as buying and selling grain related produce and other related food crops.

"The repayment schedule was supposed to be on weekly basis. Each week, I was supposed to return about 4000/- with a profit of Shillings 1,000/- This wasn't an easy for me, but I had to do everything I could to repay it," she recalls.

According to her, any failure to repay the loans could be met with other harsh measures, and these include, confiscating the belongings of the purported defaulter. "I thank God that I finally made it and hence I was freed from the looming threat of being confiscated of my belongings," she says.

After sometimes, she thought of taking another loan from the microfinance institutions though the conditions, she says were comparatively tough, "I saw it was better to go for another business and I decided to come here in Mwanza to try my luck... Although starting a new business wasn't an easy task at all," she says.

Eventually, she spotted an idea of starting a small business of selling vegetables and fruits, and her first

attempt was to find a place in the market. Business was not so bad in her early days there, she narrates. The profit of the new business was potentially low, but sometimes she was luck enough as she got a profit of between 7,000 and 8,000/- a day particularly from selling the vegetables, she says.

"The business here is substantially good because I used to meet a number of customers who came to buy my products. Generally speaking, I'm a lot bit enjoying a current business as compared to the time when I was in Musoma", she explains.

However, she also faces a new challenge as the vegetables are perishable products, and therefore the loss is sometimes inevitable, "This problem, however, isn't a frequent phenomenon. The only thing I have learnt is just for us to be patient and creative in dealing with business challenges," she says.

Local experts say that many small scale entrepreneurs in the country also experience hardship in businesses and this is partly due to a lack of co-operation amongst them, "I think it is also important for women business vendors it is high time to unite and form small credit organizations such as saccos, rather than just taking loans

from financial institutions which in most cases subject us to harsh and unbearable conditions," says Ms Rahabu.

Ms Rahabu represents other thousand women entrepreneurs who venture into various economic activities to support their lives and that of dependants. Gender experts say that women have the potential to make a gigantic contribution in the national development.

The only thing they have to do is to show a high level of commitment and determination in fulfilling their goals. A recent study conducted by the National Strategy for Gender Development (NSGD) found among other things, the women's attitudes toward businesses and employments are now changing, and more women are being appointed to higher decision making positions.

At household level, men are still portrayed as only family heads and great breadwinners. Experience also indicates that this perception is slightly changing as a significant number of them are taking charges in providing economic support to their many families.

"Challenges should not discourage women from fighting for better life as well as that of their families," says Ms Rahabu.

## ..Levy, skin prices

From pg. 4

The Parliamentary Committee on Trade and Industries meeting in Dar es Salaam recently suggested for an increase in levy to 90 percent from the current 40 per cent charged or a total ban on export.

Hides and skins collections average only 50 per cent of potential slaughter; that is: 2.4 million cattle hides, 900,000 goatskins and 400,000 sheepskins.

But almost all skin and hides is exported outside the country by traders who are on record of evading tax.

The tanners say they invariably haggle for the lowest possible price and seldom agree as illegal Pakistan traders pay local suppliers higher prices, only to cheat on duty payment to the government, allowing them better prices in their countries.

The Tanzania Tanner Association wanted an immediate ban on the export of raw hides and skins, which are normally processed for making shoes and other imported

leather products at extremely high prices.

When reached for comments the Association Chairman, Onorato Garavaglia said it was to that the tanners have started receiving a lot of raw materials following the increased supply, but the situation may improve soon.

Speaking to this reporter on phone from Dar es Salaam, he said the tanners are currently working hard to increase production, thus absorbing all the available raw materials.

"Such a situation normally arises but with time everything will stabilize..it is true we currently receive more than what we demand" said Mr. Onorato.

But the Minister for Trade and Industry, Abdallah Kigoda told this paper that the government was working hard to revive all the non-operational tanneries in effort to create more employment for Tanzanians.

## ..Price threatens local

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Tacoga chairperson said A Meeting with the President may come out with a long term plan whereby the government will grant bond to local investors. This will enable them obtain loans from financial institutions to establish lint textiles as a way of promoting the local industry and a more stable market.

The factory manager with Lamadi ginnery in Magu district, John Shinyela confirmed that his company is among those hesitating to buy cotton at Tsh.660/kg because the amount would not pay back if the price at the world market remains stagnant.

Recently, during the cotton sector meeting in Mwanza, Members of Parliament from the cotton producing regions in Tanzania warned the government on the instability in the price of cotton at the world market was likely to seriously affect local crop growers.

The MPs explained that regular excuses of price falling in the World market have been worrying farmers to the extent that they have threatened to stop the cultivation the crop once labeled 'the white gold' all together.

## Need to curb fish depletion in Lake Victoria

By MARTHA MAJURA

Experts are increasingly worried about a dwindling fish stock along the Lake Victoria basin. The trend has a potential to plunge the entire regional economy in tatters.

Gone are the days when a glory of Tilapia, and Nile perch production, for example, was in plenty. It is from this background that some local observers think the situation is not conducive to the public good. They say that if the situation continues unabated, the lives of over three million people whose lives depend on fishery industry, across the Lake Victoria will, be in jeopardy.

Sources say that a 56 years old angler at Namasabo landing beach, in Bukanda ward, Ukerewe district, for example, has recently experienced a high cost of decline as compared to five years back. In the last two decades the beach was reported to enjoy a bumper harvest of Nile perch and other species found in the Lake.

"Back in 2007, we used to weigh between 1.5 and 2 tons of the Nile perches from the Lake Victoria, but at this juncture the record has become substantially a lower. In may 2010, for example, the catch stood at 5 kilograms," explains one resident Mr Nalubi Mukama (55).

He recalls the time during when the area used to fetch a plenty of fish species in the Lake, and he adds that even fishing itself was not that costly. He blames the decrease of fish stock to what he described as indiscriminate fishing practices, such as illegal fishing, deforestation and other manifestations of climate change.

"During the 1960s, for example, there were many trees that lead to sufficient rainy season, also and ensured that the Lake had enjoyed a constant supply of water from her water sources. This situation has now changed into a worst scenario that threatens people's survival in the proximity," says Mr Mukama.

With the perishing of fish yields, Mr Mukama's life remains uncertain. He has yet to secure the

other source of income to pay school fees for his dependants. And he now realizes that his life was attached to fishing in the Lake, Life is so hard as my bottom for income generation is almost diminishing,"

Experts say that in the year 1999, the Nile Perch had a stock of 1.2million tones. However, in less than a decade, the amount of stock drastically dropped from 227, 305 tones, while in last year the stock increased only by 42.3 per cent. This means it has gone as high up to 324, 391 tons.

According to a study conducted by the Tanzania Fisheries Processing Association (TFPA) (1992-2000), the annual export from the Nile Perch alone earned a profit of 8.7 bn/-

The major factors contributing to this state of affair include, over fishing, water pollution, illegal fishing, just to mention a few. A TFPA chairperson Harko Bhagatt expressed a need for relevant authorities to take decisive measures to address the situation." By the year 1992, only 5 tons of fishes were obtained, and about 400 tons were also procured in 2008. The industry made a profit of 500,000 US dollars between the year 2005 and 2008.

It is also important to note that Tanzania was the second country in Africa to be accepted in the EU market. A Director of fisheries Hoseah Mbilinyi called upon the fish industry owners and other key players to take all necessary measures to contain the situation.

"I think we need to face the reality....The Lake is now being threatened by rampant pollution, this kind of environment would ultimately ruin the fish business in the region," he remarked.

Fish industries produce used to produce about 30 per cent (2005-2008). More than one million people in Mwanza region alone depend on fishing related activities along the Lake Victoria. The fishing sector used to contribute 7 percent of the Mwanza region annual revenues,

## Piracy leads to 17 per cent drop in EU vessels in Tanzania

By DICKSON NG'HILY

Piracy in Indian Ocean has caused a drop by 17 per cent of the fishing vessels from the European Union in Tanzania over the last few years.

Reliable sources say that the European Union (EU) vessel owners are no longer interested in fishing in the areas they consider to be not conducive to their business.

British High Commissioner to Tanzania, Diane Corner, was recently quoted through the local media as saying piracy had in recent past increased along the Oceans along in the Horn of Africa.

"This scares our people to come and fish in the country because they have been seeing fishing vessel as well as the massive oil tankers being taken hostage," says the British Commissioner.

Ms Diane says that piracy the problem is no longer confined to one area as it has pervaded to a large number of countries in the world.

She noted that piracy is no longer a problem limited to one country or a small area but rather one that is growing and it affects a very large number of countries.

The UK Foreign and Commonwealth office issued a warning to her citizens and urged them to take appropriate measures. The statement also called on shipping operators to adhere to the stipulated best practises in the shipping industry.

Observers say that a relentless piracy attacks, mostly orchestrated using gunfire, has targeted smaller vessels, fishing vessels and tourists.

Business experts have also expressed concern as saying the increasing wave of piracy has a potential to jeopardize commercial shipping in the affected areas.

A report by the International Chamber of Commerce's International Maritime Bureau (IMB) indicates Somali pirates intensified attacks away from their own coast and were responsible for 44 percent of the 289 piracy incidents on the world's seas in last year.

The IMB figures show that in the past nine months pirates boarded 128 ships and fired at 52 and a total of 70 vessels reported thwarting attacks. According to recent media reports, South Africa, Mozambique and Tanzania, have held an anti-piracy operation, which resulted in the arrest of 12 pirates targeting oil exploration vessels in the Indian Ocean.

**"This scares our people to come and fish in the country because they have been seeing fishing vessel as well as the massive oil tankers being taken hostage," says the British Commissioner.**