

# Business Leaders Perception Guard by i 'Arusha more business

July 6, 2012  
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## ●Power, roads, corruption and water main investment barrier

By Guardian Reporter

THE fourth annual report of a survey of business leaders in Tanzania has revealed that power, roads, corruption and water continue to be barriers to business in the country.

The report entitled 'Business Leader Perceptions of the Investment Climate in Tanzania'-2011 (BLPICT), indicates that Arusha is more business friendly than the country's de facto commercial capital, Dar es Salaam.

The report said power has consistently been the biggest problem followed by roads, while corruption, which had fallen in 2010, appeared to rear its ugly

head once again.

According to the report, commissioned by BEST AC, which is expected to be released today, water which was not cited as a particular problem until 2010 has now seemingly worsened while access to finance has eased a bit.

The majority of respondents - at least 75 per cent considered water, power and roads as important elements in doing business, while another 95 per cent added telecoms and security to the list as important factors of a better business environment in the country.

The findings highlighted Non Tariff Barriers (NTBs) which make business difficult in Arusha and Dar es Salaam as quality and export, weighbridges, police roadblocks, immigration and

customs procedures.

The report however noted that while NTBs may only affect a small number of businesses, they can prove to be a headache for them and create a knock-on effect.

It said the barriers can be those which impede road distribution or add to the bureaucracy of exporting.

The report noted differences in perceptions between Arusha and Dar es Salaam, where by the general business environment in Dar appeared the most problematic compared to the one in Arusha.

The report indicated Arusha to have more problems such as immigration procedures which complicate business in the region, but was optimistic that they could be solved.

The report also showed that the government was making efforts to make a difference, for most factors, there was a perception that the government was making at least some effort to address the business hurdles.

On power problems there was a clear belief that the government is making no effort. While there has been little change in perception related to corruption, there are also views that the government is making little effort there.

The results suggested that the perceptions of business leaders have not changed very much from 2009 to 2011, which reflects the assessment of the World Bank's Doing Business surveys.

It said while the study suggested that priority areas have

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changed a little, it largely confirmed the priorities identified last year. According to the report, these should be the priority areas for action by the government if it wants to make a difference in enhancing enabling environment. The report notes that Tanzania is currently making a special effort to improve its Doing Business ranking and is seeking more effective input from the private sector.

In the World Bank Doing Business 2012, Tanzania is ranked at 127, more or less the same position as last year. Indeed, its rankings for key areas of doing business are also largely static.

The report compared Tanzania's efforts with other countries in the

world's top reformer in 2009 according to Doing Business 2010, rising some 76 places; it was the second top reformer in 2010 rising a further 9 places.

The Government and private sector are collaborating to increase the level of dialogue, forming policy coalitions and agreeing on some changes in public policy which will hopefully lead to an improving enabling environment and ultimately to more investment, more jobs and more tax revenue.

According to BLPICT the World Bank asserts that improvements in the business environment lead to greater levels of investment by the private sector, more wealth and job creation, and ultimately more poverty

The WB said the best way for government to understand how to improve the enabling environment is to involve the private sector through consultation and dialogue and in particular, to understand and address the private sector's needs and priorities.

The report has been commissioned by BEST-AC whose role is to support private to engage in private public dialogue and to advocate for change in public policy with the objective to improve the business environment in the country.

The fieldwork for the report was undertaken during June and July 2011 by Synovate, a multinational market research firm.

The sample population in the survey comprised 157 businesses