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President Samia Suluhu is pushing for a return of Ugandan traders and investors to Tanzania with a host of incentives, including reduction in tariffs, investment in transport along the Central Corridor and addressing trade barriers that have kept business away from the Dar es Salaam port.

President Samia, who was on a two-day state visit to Uganda this week, also sought to consolidate Tanzania's newly acquired position as the region's leading exporter to Kampala, taking over from Kenya.

Uganda's imports from Tanzania were worth \$743.68 million in 2020, the highest in years, and far more than any other regional country, but Samia is seeking more.

Speaking at a business summit of Ugandan and Tanzanian private sector, the Tanzanian leader said her administration was addressing key issues that have been impeding trade between the two countries, including tariff and non-tariff barriers (NTBs), bureaucracy and high transportation costs.

Uganda's Private Sector Foundation Chairperson Elly Karuhanga said the barriers have cost money and many jobs.

"We want to use the Dar es Salaam port, but we are charged almost 10 times more than anyone else in the region," Mr Karuhanga said.

But President Samia and her entourage, which included ministers and officials from the ports, railways and marine authorities, gave assurances of better trading terms.

Samia's goody package to woo Ugandan businesses back to Tanzania

"We have heard you," President Samia said, "Your complaints and concerns... take it from me, we are working on them."

After her meeting with President Yoweri Museveni at State House Entebbe, it was announced that Uganda-bound cargo trucks from Dar es Salaam through Mutukula will as from the next financial year pay \$10 per 100km, down from the \$500 they are currently paying.

The two leaders also agreed that Uganda will, starting in July, supply 10,000 tonnes of sugar annually to cover the current deficit in Tanzania.

According to a joint communique, the presidents directed their ministers to meet frequently to address NTBs and to find solutions to challenges related to bilateral trade within a month.

Ugandan manufacturers want the two countries to fast track construction of the proposed natural gas pipeline from Dar es Salaam to Kampala to solve some of their energy needs.

"We are having discussions on the route," President Samia said. "Uganda wants the pipeline to go through the same route as the oil pipeline but we want it to go through most of the productive towns in our country. But discussions are ongoing."

To attract more direct investment from Uganda, President Samia outlined a host of reforms, including online business registration to minimise bureaucracy, lowering costs of work permits and addressing delays in applications, and introducing electronic payment systems.

The Tanzanian leader said that from 1997 to 2022, her country had registered only 29 Ugandan companies generating about \$29m in revenue

Samia's goody package to woo Ugandan businesses back to Tanzania

annually.

“We need more and that is why we have come to you today. We have investment opportunities in agriculture, infrastructure, mining, tourism. We believe in a blue economy and we can offer incentives for strategic investors,” she said.

Over the past five years, Tanzania has invested billions of dollars in infrastructure at the Dar es Salaam port, in railways and water vessels between Dar, Mwanza and Port Bell in Uganda to ensure smooth and cheaper transportation of goods and, in the long term, lure traders away from Kenya's Mombasa port.

Ugandan businesses have been pushing both governments to invest in transport infrastructure on this route to cut the cost of doing business.

Uganda is rehabilitating its metre gauge railway from Port Bell and Jinja to Kampala and upgrading piers at the two ports to allow seamless trade on the lake. It is also building an inland port at Bukasa near Port Bell.

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