

PROMOTING SUSTAINABLE ECONOMIC GROWTH THROUGH COMPETITION REFORMS: EXPLORING THE CASE OF TANZANIA

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Abstract

This article discusses the challenges facing the competition regime in Tanzania with particular focus on policy, institutional, and implementation of the Fair Competition Act. It argues that, successes or failures of competition reform, or any regulatory reform, depend on the political will of the government of the day. Taking Tanzania as the case study, this article analyses the government's role in the competition reform process in the country and the role competition policy has been playing in promoting healthy markets, consumer welfare, employment and innovation in Tanzania.

Additionally, the article examines areas that still call for further reform. It also lays an emphasis on the role which government should continue to play, in terms of providing strong and consistent support to the institutions vested with the mandate to provide competition regulation oversight. The article is in support of the view that while sustainable economic growth is a function of regulatory reforms, such reforms must essentially aim at eliminating or minimizing costs of doing business in order to stimulate investments, industrialization, and ultimately providing new employment opportunities that add to stability and total socio-political and economic welfare.

Keywords: *Competition, Productivity, Efficiency, Competition Reform, Consumer Welfare, Sustainable Growth*

1.0 Introduction

In the past few decades, many developing countries, including Tanzania, were interested in and opted for state controlled and/or managed economy as their preferred economic policy model. Under such an economic environment, market economy policies that promote competition among various players were viewed with a suspicious eye. The State was at the centre of economic regulation thus monopolizing and planning for all major economic operations, including setting prices of various commodities and services. With the coming of an era of regionalization and globalization, however, it dawned in the minds of policy makers in many developing countries that economic prosperity and ability to deliver sustained economic growth, social stability and development is conditioned upon development and adoption of 'coherent set of economic policies linked to ... a

¹Disclaimer: Although Dr. Nangela is currently the Director of Restrictive Trade Practices at the Fair Competition Commission, what is expressed in this paper does not reflect the views of the Commission but rather Dr. Nangela's personal views, reflections and observations. Any shortcoming should thus be imputed on him.

functional and credible legal system.² Given this realization, from 1980s onwards, developing countries including Tanzania embarked on socio-economic reforms which are essentially hinged on 'the neoliberal philosophy that places faith in markets as the most efficient means of allocating societal resource.'³

The shift from economic centralism to liberalism has in turn influenced and increased the preference for competition law and policy among developing countries to a level not seen hitherto. It is on record, for instance, that, 'over 100 countries on all continents' have enacted legislations to regulate competition and others are in the process of joining this band-wagon.⁴ This abrupt turn of events is explainable since, in essence, competition, enhances the levels of productivity through efficiency gains and it widens the frontiers of market access through increased entry opportunities that in turn, results into increased investments and continuous innovation to capture new market niches. The end results are improved consumer and social welfare in the form of reduced prices, improved goods or services, increased employment opportunities, and eventually, poverty reduction.

2.0 Competition Reforms Process in Tanzania

After attained her independence, Tanzania followed socialist policies but, currently it is one of the developing countries that adhere to the tenets of liberalised economic policies. The turn of events in this country is historical if one travels from *Arusha* to *Zanzibar*, beginning with the *Arusha Declaration*, in 1967, (which by then ushered in the country the philosophy of 'Socialism and Self-reliance' (*Ujamaa na Kujitegemea*)) and the later referred to *Zanzibar Declaration* of 1992 which oversaw the demise of the *Arusha Declaration* and ushered in the era of liberalism. Liberalism, as one author puts it, expresses "a view of politics that is required by and legitimates capitalist market [practices]."

While under the socialist era all major means of production were placed under the hegemony of State for the reasons that 'the then private sector lacked both the capacity to generate the needed economic growth and to efficiently allocate resources in a young economy,'⁵ under the liberalised system that espoused capitalism the private sector is seen as the engine of the economy. Consequently, as UNCTAD correctly puts it, while under the socialist philosophy, the competition was considered 'a suspicious capitalist tool' and hence, not 'a developmental tool' of

² See: Sok S., *Role of Law and Legal Institutions in Cambodia Economic Development: "Opportunities to Skip the Learning Curve"* Ph.D. Thesis, submitted to the School of Law, Bond University, 15 Aug.2008, at p. iii, (available online from <http://epublications.bond.edu.au/cgi/viewcontent.cgi?article=1081&context=theses> (as accessed on 20th February 2014)).

³ See: Scott, A., 'The Evolution of Competition Law and Policy in the United Kingdom' (available online from www.ssrn.com/abstract=1344807) at 1, (as accessed 23rd June 2015)).

⁴ See: Hofer, P.; Williams, M, and Wu, L., 'Principles of competition policy economics' (available from <http://www.nera.com/extImage/03Economicssjc4-7.pdf> (as accessed on 25th March 2014)).

⁵ See: Waigama, S.M.S., *Privatization Process and Asset Valuation: A Case Study of Tanzania* (unpublished Ph.D. Dissertation, School of Architecture and the Built Environment, Royal Institute of Technology Stockholm, 2008.p 1.

the country's centralized economy,⁶ under the capitalist tempo competition is at the heart of economic sustainability through innovation. In view of the positive effects of competition in the development process, Tanzania chose to embrace economic and political reforms that seek to unlock its economic potentials through private sector's involvement in the economy.

The on-going economic reforms in Tanzania have been well informed by the global economic realities beginning from mid-1980s and early 1990s onwards. Some of these realities include, among others, the fall of the Cold War curtains, globalisation and increased demand for global and regional economic integration. All of them have created tremendous economic reverberations calling for major socio-economic and legal reforms in not only Tanzania but throughout the developing world. In early 1980s, for instance, Tanzania had to undergo a surgical transformation embedded in the so-called National Economic Survival Programme (NESP) (1981), followed by 1982 Structural Adjustments Programmes (SAP) and the Economic Recovery programmes (ERPs) which, in their totality, led to a farewell-bid to the socialist command economy policies in favour of market-led economic principles.

The transforming paces of reforms were taken to a further new height in the 1990s onwards with massive reform programme in the nature of liberalization and privatization. 'Liberalization aimed at inviting private sector participation in economic development activities, coupled with attracting more Foreign Direct Investment (FDI) in the country, hence more competition.'⁷

Generally, embracing such reforms and a new policy orientation was an inevitable event. This is because at the material time the country's economic growth was unsustainable and crumbling. Essentially, so to speak, the monopoly of the public entities, nepotism and corruption had worsened. The country was experiencing declining economic growth rate, high inflation and foreign exchange crisis. Coupled with other inefficiencies, all these had brought the country to a near total market failure.⁸ Therefore, it indeed dawned on the part of policy makers that a public sector led economy embodied with restrictive investment and business climate was unhealthy and reforms were a matter of necessity.

⁶ See: UNCTAD, *Voluntary Peer Review of Competition Law and Policy: A Tripartite Report on the United Republic of Tanzania-Zambia-Zimbabwe*, United Nations, New York and Geneva, 2012.p.38.

⁷ Ministry of Industry and Trade (MIT) "Analysis of the Services Sector with a View to Making Commitments in the Context of Trade Liberalization at Bilateral, Regional and Multilateral Trade Negotiations: The Case of Tanzania" (available from <http://www.tzonline.org/pdf/analysisoftheservicessector.pdf> (as accessed on 24th June 2015)), at p.12.

⁸ It is noted, for instance that , in ranking of the world's poorest countries, the position of Tanzania changed dramatically in the 1980s dropping from 14th poorest in 1982, with a GNP per capita of \$280, to the 2nd poorest in 1990, with a GNP per capita of \$110. In previous years, particularly the 1960s and 1970s, real GDP per capita was growing at an average annual rate of 1.5 - 1.9%. However in the period between 1981 and1986, it registered a negative annual growth rate of 2%. See: Ministry of Industry and Trade (MIT), "Analysis of the Services Sector with a View to Making Commitments in the Context of Trade Liberalization at Bilateral, Regional and Multilateral Trade Negotiations: The Case of Tanzania" (available from <http://www.tzonline.org/pdf/analysisoftheservicessector.pdf> (as accessed on 24th June 2015)) at p.11.

With such a realisation in mind, the desired changes took cognizance of not only the need to bring to the front and recognize the noble role which the private sector has to play in promoting sustainable economic growth, but also the need to create a fertile environment for a policy re-think and regulatory approaches designed to correct market failures. One essential element of that 'fertile and enabling environment' for a thriving private sector was the creation of a fair and transparent regulatory environment in which an effective competition regime becomes an imperative.⁹ The adoption of competition law and policy was thus a step further in the reform process since economic liberalization and privatization policies could not alone bring about the desired benefits in the absence of an environment that fosters competition among various economic players.

3.0 Moulding Competition Reforms

Having embraced a policy shift from 1980s onwards, it is clear that one major role which the government has been playing is that of providing the necessary services and frameworks for an effective functioning of a market economy in the country. This economic system, in which the allocation of resources is determined solely by supply and demand, needs its own discipline and proper guidance if it is to bear the much desired fruits. It, for instance, needs regulatory and operational institutional frameworks which, in the context of economic development, can ably gauge not only the parameters within which socio-economic activity takes place but also the provision of public goods; regulation of economic activities; reallocation of resources; and stabilization of the economy.

In view of the above, the post-*Ujamaa* era has been 'stuffed' with pro-competition policies and enactments that seek to provide for checks and balances in the market economy. Most of these enactments, primarily focus on not only establishing the legal status of business enterprises and ensure the rights and protection of private ownerships are envisaged (this being a key factor in encouraging FDI as well as entrepreneurship within the country),¹⁰ but also on taking measures to avoid anti-competitive agreements and abuse of dominance as well as regulating mergers and acquisitions which result in distortion of the market. One such legislation was *the Fair Trade Practices Act, 1994* which sought 'to encourage competition in the economy by prohibiting restrictive trade practices, regulating monopolies, concentrations of economic power and prices, to protect the consumer and to provide for other related matters.'¹¹ The Act laid down various general competition rules governing anti-competitive activities. Under the Act, anti-competitive practices could not 'be

⁹ See: Sengupta, R & Mehta, U.S, 'Competition Reforms – An Essential Element to Evolving a Sound Business Environment in Eastern and Southern Africa' CUTS International, India (available from <http://www.businessenvironment.org/dyn/be/docs/154/Sengupta.pdf>, (accessed on 19th May 2015) at p. 1.

¹⁰ See: for instance, the enactment of Land Act, 1999 (Cap. 113); the Village Land Act, 1999 (Cap. 114) and the Unit Title Act of 2008; the Business activities registration Act 2005; The Business Names (Registration) Act (Cap. 213); Tanzania Revenue Authority Act 2006 and the Tanzania Investment Act, 1997 .

¹¹ See: the preamble to the Act.

justified if they significantly “affect competition in a market.”¹² Basically, the Act covered four main areas; namely:

- a) restrictive business practices,(including those with horizontal and vertical nature);¹³
- b) misuse (abuse) of market power;
- c) control of monopolies and concentration of economic power through mergers and acquisitions;¹⁴ and
- d) Consumer protection.¹⁵

While this Act laid a foundation towards promotion of competition in the economy, for the sake of ensuring an effective regulation of the market economy in the country, the Government reviewed the Act in 2001 and opted for a two pronged approach to effective competition regulatory reforms in the country, namely; *economic regulation* and *competition regulation*.

3.1 The Economic Regulation Approach

Economic regulation of specific sectors in the economy was essentially an approach adopted as a response to the fact that certain sectors of the economy needed specific form of regulation through specific sector-based institutions if the government was to attain the requisite efficiencies in such sectors. In this regard, the government created separate institutional and legal frameworks apart from the framework for competition regulation. The respective legislative enactments so far adopted, and which limit the applicability of the Competition Act, are:

- a) The Energy and Water Utilities Regulatory Authority Act, 2001;
- b) The Surface and Marine Transport Regulatory Act, 2001;
- c) Tanzania Civil Aviation Authority Act, 2003; and
- d) The Tanzania Communications Regulatory Authority Act, 2003.

These four pieces of legislation regulate certain forms of competition in the respective sectors in which they apply with a view to ensure that efficiency and innovation, which ultimately together lead to consumer welfare, are maintained. It may thus be argued that the regulatory authorities created under these laws enjoy concurrent jurisdiction with the primary competition regulatory authority envisaged

¹²See: CUTS, *Competition Law and Policy: A Tool for Development in Tanzania* CUTS Centre for International Trade, Economics & Environment, 2002. p. 30.

¹³ These were dealt with under section 15 to 29 of the Act.

¹⁴ These were dealt with under section 30 to 40 of the Act.

¹⁵ See sections 51-93 of the Act.

under the Fair Competition Act on competition matters as regards dealing with anti-competitive conduct in those sectors.

However, there has been an argument that it is now high time that these pieces of legislation should be reviewed with a view to allow the Fair Competition Commission (FCC) to directly intervene whenever there is an anticompetitive conduct in those sectors. The rationale for this proposal is that, while these regulatory authorities spend more time and expertise on technical/economic regulation of activities in those sectors, the FCC is specifically established to address competition and consumer protection issues. As such, it has more expertise on investigations and enforcement of anti-competitive conduct than the rest of its sister regulatory authorities. It is argued therefore that, vesting the FCC with direct powers to intervene and investigate anti-competitive conduct in any of the regulated sectors will also help to remove any confusion and uncertainty which may occur should a Regulatory Authority, for instance, pursuant to its enabling Act; punish its subjects for violations of the laws and regulations governing the sector, such as cancellation of a license, and at the same time refer an anticompetitive conduct to the FCC for investigation. In such a scenario, the culprit may rely on the *Nibis in idem* (double jeopardy) principle to challenge any decision which the FCC may wish to take, hence unnecessarily prolonging the effective enforcement of the competition principles.

3.2 Competition Regulation

The policy direction as regards regulation of anticompetitive conduct in Tanzania is generally bent towards allowing competition to regulate the market. The prevailing legislation which regulates competition in the market, the Fair Competition Act, 2003, replaced the 1994 enactment. The Act has established two important institutions: a fully functioning and independent Commission as a market support institution responsible for addressing anticompetitive conduct in the market, and a Tribunal which determines appeals arising from the decision of the Commission. The Commission was fully operational since 2005 and has dealt with a number of cases ranging from merger applications, un-notified mergers, abuse of dominance and restrictive agreements. With the Tribunal in place, the two institutions provide for an assurance that anticompetitive conduct in the market will be discouraging. The Act and its enforcement machinery also provide for an environment which not only guarantees for a fair exit from but also free entry into the market.

4.0 Areas calling for further Reforms with the Potential to Spur to Sustainable Growth

The *Doing Business 2015 Report* has pointed out correctly that '[c]reating an efficient and inclusive ethos for enterprise and business is in the interest of all societies.'¹⁶ This understanding reveals one underlying fact which is to the effect that attaining a sustainable economic growth is a function of many things. It is not only a function of regulatory reforms but also of reforms meant to essentially eliminate or minimize costs of doing business in order to stimulate investments, industrialization, and ultimately providing new employment opportunities that add to stability and total socio-economic and political welfare. As such, it does not involve a single entity like the government alone but a host of other players. The government and those who hold political power, however, have an important facilitative role to play including that of creating the requisite environment in terms of appropriate rules and procedures that allow other actors to play their part effectively and contribute to growth. Worth noting, however, is the fact that 'an economy with an efficient bureaucracy and rules of governance that facilitates entrepreneurship and creativity among individuals, and provides an enabling atmosphere for people to realize their full potential, can enhance living standards and promote growth and shared prosperity.'¹⁷ Several reform portfolios are noted here below.

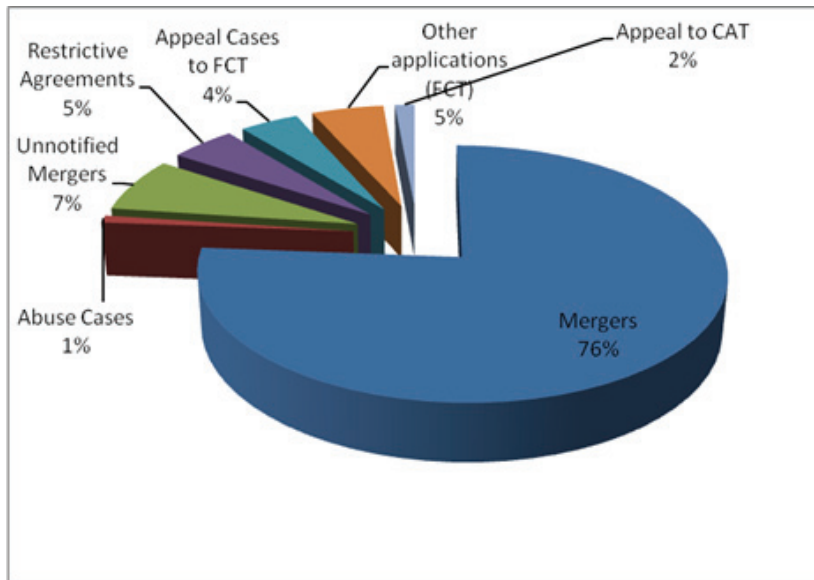
4.1 Reform Pegged on Enhanced Political Commitment

Ever since the time when Tanzania embarked on competition reforms' process to date, the role which competition law and policy has been playing in the economy in terms of promoting healthy markets, consumer welfare, employment, innovation and industrialization is immense. As it may be seen in the figure below, the Fair Competition Commission has dealt with cases ranging from merger applications (175 applications); un-notified mergers (15 cases); abuse of dominance (2 cases), restrictive agreements (10 cases), and 2 exemption cases, all being part of its mandate under the law. The Commission has also defended appeals and applications arising from its decisions. There has been (9) appeal cases, ((3) of which are still pending at the Court of Appeal of Tanzania) and 11 applications filed at the Fair Competition Tribunal. The chart below shows the number of FCC's competition related cases, in % -wise, received as from 2007 to 2015.

¹⁶ See: World Bank, *Doing Business 2015: Going Beyond Efficiency*, 12th Ed. at v, (available from <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB15-Chapters/DB15-Report-Overview.pdf> (accessed on 26th June 2015).

¹⁷*Ibid.*

Fig.1: FCC Cases from 2007-2015 (in %)



Source: Data from FCC's Internal Presentation, 2015

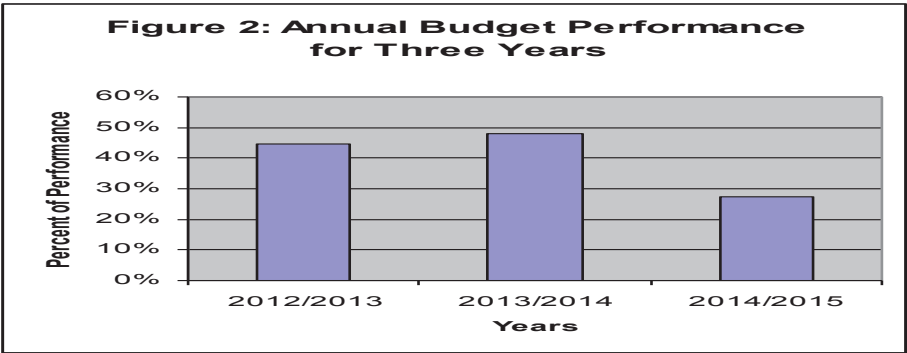
It is a point to acknowledge also, that, the adoption of competition reforms in Tanzania has opened plenty of opportunities for investments and economic growth.¹⁸ However, it is also worth emphasizing that competition policy is not, on its own, a panacea for a sustained economic growth. Strong political commitment on the part of the Government and its various agencies that seek to promote and sustain on-going regulatory reforms is still required if Tanzania is to leap frog from a low to middle income before 2050. This is due to the fact that successes or failures of competition reform, or any regulatory reform, depend on the political will of the government of the day.

The first and foremost commitment may be explained in terms of provision of strong and consistent support to the institutions vested with the mandate to provide competition regulation oversights. Crucial to this is financial support which has been diminishing from time to time while the financial needs of the Fair Competition Commission have been increasing day by day as it seeks to effectively discharge its mandate. While the Commission's operational budget has been growing perpetually, governmental funding support has been diminishing gradually as may be seen in Table 1 and figure 2 below.

¹⁸ See: generally, Wangwe, S.M. 'Economic Reforms and Poverty Alleviation in Tanzania', ESRF- ILO Paper No.7, (1996) (available from http://ilo.org/wcmsp5/groups/public/--ed_emp/documents/publication/wcms_125479.pdf (as accessed on 23th June 2015)).

**Table 1. Annual Regulatory Authorities Budget Performance Percentage 2012-2015
- Amount in Million Tanzania Shillings**

Year	Request	Disbursed	Percent Deficit	Percent Performance
2012/2013	2,707	1,209	55%	45%
2013/2014	2,585	1,238	52%	48%
2014/2015	3,298	900	73%	27%

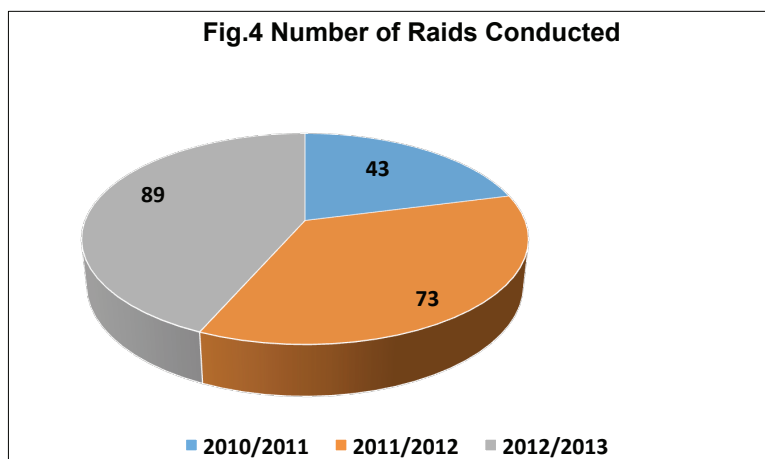
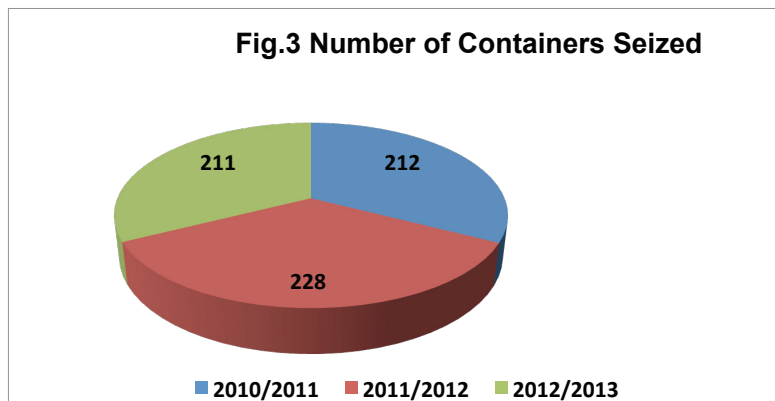


Source: FCC, Internal Presentation, 2015

As it may be seen from the three years analysis shown in Table 1 above from 2012-2015, the Commission budget from Regulatory Authorities has never been achieved by more than 50%. In the year 2012/2013, it was achieved by 45% followed by 48% in the year 2013/2014 and 27% in the current year 2014/2015. These variations have had a negative impact on Commission’s achievement of its objectives, goals, targets and activities due to the fact that the Commission had to drop some of its planned activities due to financial difficulties. Poor funding makes the Commission less effective in monitoring competition in the economy and this is to the detriment of not only the entire economy but also consumers.

It is also worth noting that, in terms of protecting consumers, apart from dealing with competition issues, the FCC is also mandated to fight counterfeits from the market and protect consumers. Up to the moment it has been able to confiscate and destroy counterfeit products worth approximately *Tanzanian Shillings 5 billion*. The

figures 3 and 4 below illustrate what was done over the past three financial years, 2010/2011; 2011/2012 and 2012/2013.



Source- F3 &F4: Data from FCC's Ant counterfeit Department, 2015

Despite such successes, the Commission is faced with a critical shortage of manpower, a fact which constrains its performance in dealing with competition as well as consumer protection issues more effectively. This constraint results from the bureaucratic nature of the employment system and poor financial position of the institutions. Given its inability to fund itself meaningfully, and hence depending on the government funding, all new staff recruitments had to be sanctioned by the relevant ministry (Permanent Secretary, President's Office - Public Service Management (UTUMISHI). To get a recruitment permit takes years, and for that reason the Commission has remained understaffed and unable to spread its wings away from its head office in Dar-es-salaam.

4.2 Reforms in the Nature of Enhanced Relations with Stakeholder

It is worth noting that there are still grey areas which need to be further explored for the sole purpose of captivating not only the culture of competition within the various sectors of the economy but also the entire rationale for competition reform agenda. Since it is agreed that competition is among various players in the economy that has the potential to spur sustained economic growth, and there is now a need to ensure that the would-be barriers to competition, be artificial or statutory are completely removed so as to ensure not only free movements of goods and services but also effective enforcement of the competition law by the respective machineries. In this regard, the Fair Competition Commission in Tanzania has, for instance, come up with a strategy to engage with various government departments and agencies and regulatory bodies through entering into memorandums of understanding (MoUs) which aim at not only ensuring that the relevant governmental departments, agencies or regulatory entity lend support to the effective carrying out of the Commission's mandate but also ensuring that the culture of promoting competition permeates into their daily operations. In so doing, it is hoped that the end result will be a strengthened synergy that reduces to the minimal levels or completely eradicate potential barriers to the effective flow of goods or services and, in turn, this will contribute to less regulatory bottlenecks, speedy delivery of goods and services, reduced costs of doing business, increased investments, increased employment opportunities, fair play in the economy, increased consumer welfare, and ultimately sustained economic growth and poverty alleviation.

4.3 Reforms of a Cross-Border Nature

Spearheading the bilateral/multilateral competition reforms from a cross-border perspective is an essential agenda in attaining sustainable economic growth. No country in the world and no competition authority either is an island of its own. With the increasing globalization and regional integrations among various developing countries, the need to craft bilateral/multilateral policy reforms aimed to facilitate and enhance cross-border interactions is indispensable. Regional multilateral cooperation in the form of free trade areas and common markets is a good example. As for Tanzania, its participation in regional cooperation is considered to be vital in not only reducing the trade imbalances with regional partners but also 'achieving harmonization of economic policies, legislation, procedures, facilitating trade through smooth movement of goods and services, as well as promoting diversification of exports and becoming a competitive trading country.'¹⁹

¹⁹ See Ministry of Industry and Trade (MIT), "Analysis of the Services Sector with a View to Making Commitments in the Context of Trade Liberalization at Bilateral, Regional and Multilateral Trade Negotiations: The Case of Tanzania" (available from <http://www.tzonline.org/pdf/analysisoftheservicessector.pdf> (as accessed on 24th June 2015)).

As a country, Tanzania is strategically and geopolitically positioned to benefit immensely through bilateral and regional groupings given its proximity to the Indian Ocean, its cultural similarity with the East African Community (EAC) and the Southern Africa Development Community (SADC) neighbouring Member States, and its business environment which is currently being set to substantially reduce operational costs. Currently, Tanzania is an active participant in the establishment of a Tripartite Free Trade Area which embraces member states from SADC, EAC and the Common Market for Eastern and Southern Africa (COMESA). With this in place, efforts to remove unwarranted trade barriers including non-tariff barriers and harmonisation of competition and other regulatory laws in the tripartite area become an imperative task meant to ease movement of persons, businesses and goods/services across the relevant borders. These developments envisage more and deepened reforms which include adoption of a harmonised competition and consumer protection policy for the tripartite member states.

5.0 Conclusion

In order to realize the highest returns from competition or any other regulatory reforms, participation of key competition stakeholders in the reform process and those who are beneficiaries of the reforms, is vital. This entails enhancing the role of competition and consumer protection advocacy at national and regional levels including, but not limited to holding regional and national consultative meetings with the business community, investors, consumer groups, governmental departments and ministries with a view to disseminate the competition gospel thus winning their support for any of intended future reforms. Effective involvement of such key players is essential in not only building or strengthening the requisite synergies that exists or that need to be established but also helps to promote the enjoyment of a continued support for the competition reform agenda within the given country or regional economic grouping.

It is further argued that building or strengthening existing synergies between regulatory institutions, relevant government agencies, and stakeholders or players in the business circles, is vital since it enhances the chances of instilling the competition philosophy and culture within and among key players within a given market. All these are vital ingredients for a sustainable economic growth.

6.0 Recommendations

Given the foregone discussion and the kind of reform considerations it has triggered, few lines will suffice to highlight the recommended course of action(s). Four main recommendations are put forth here below. In particular:

Firstly, it is recommended that the Government should reassess its own rationale to embark on market economy and whether it is truly living to its own promises of

creating a favourable enabling regulatory environment necessary for the functioning of this economic model. Periodic reviews of its regulatory performance are thus a necessity.

Secondly, since competition is at the heart of a well-functioning market economy, providing sufficient funding to the Fair Competition Commission so as to enable this institution to effectively deliver on its tripartite mandate, i.e., competition regulation, consumer protection and protection of the Tanzanian market against influx of ant counterfeit products that also harm competition, investor's interest, consumers and the entire economy, is a crucial point to note. Adequate funding will, for instance, enable the carrying out of advocacy activities which are vital in entrenching the culture of competition within the country, the EAC region and beyond. Similarly, availability of adequate funding will enable the FCC to strengthen its market research and investigation activities thus staying ahead of its regulated subjects.

Thirdly, the Government should also review its own rationale of introducing regulatory institutions with concurrent jurisdiction to regulate competition matters in the same way as the FCC does. The suggestion here is that the Government should now see to it that competition and consumer protection issues are removed from the ambit of such regulatory bodies. Instead these functions should solely be vested on the FCC. The reason for such is to allow regulatory bodies like the Energy and Water Utilities Regulatory Authority, (EWURA); the Surface and Marine Transport Regulatory Authority (SUMATRA) or the Tanzania Communications Regulatory Authority (TCRA) to concentrate on their economic regulation functions leaving aside competition regulation as a function to be carried out by the FCC. This is indeed a fact which, if looked at objectively, should be upheld since, as of now, the FCC has developed sufficient competence to handle competition and consumer related cases.

Finally, the Government should, to the maximum possible, strive to ensure that it exploits its natural and strategic geo-political location to reap economic benefits from its landlocked neighbouring countries by removing all non-tariff barriers and other barriers to trade, a factor which has the potential to give Tanzania a competitive advantage in the EAC region. Doing so will not only bolster investment in the country but will further invigorate competition and sustainable economic growth.