

MINISTRY OF COMMUNICATIONS AND TRANSPORT

**THE ECONOMIST MAGAZINE INTERVIEW WITH MR.SALIM H.
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PARMANENT SECRETARY OF THE MINISTRY OF COMMUNICATIONS
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Infrastructure is the key to successful economic growth. As according to the goals of the Ministry, what do you see as a priority in this respect?

It is true that infrastructure is the key to successful economic growth. According to the goals of the Ministry, priority will be given to ensuring that maintenance of existing infrastructures, that is railways, airports, ports, etc is done in time and according to specifications so as to avoid the cost of rehabilitation or construction.

Usually maintenance cost is less than a quarter of the cost of rehabilitation and much less than the cost of a complete new construction. Maintenance enables the infrastructure to last much longer. Well programmed maintenance puts off the need for re-construction and reduces both equipment and vehicle operating costs. Conducting prompt maintenance has an income effect to the government. It doesn't only have the overall effect on production but also on savings which would have otherwise been spent on rehabilitation and of reconstruction.

The highly anticipated National transport Policy prioritise what areas of development? Brief overview of the objectives of new policy.

The mission of the National Transport Policy are to develop safe, reliable, effective, efficient and fully integrated transport infrastructure and operations which will best meet the needs of travel and transport while at the same time improving levels of service at lower costs. This will be done in a manner which supports government strategies for socio-economic development whilst being economically and environmentally sustainable. Based on the above mission, the vision is to have efficient and cost-effective domestic and international transport services to all segments of the population and sectors of the national economy with maximum safety and minimum environmental degradation. The policy identifies priority areas to include:

1. The road network operations and management. This priority is based on the fact that roads account for about 70% of the total transport traffic.
2. Provision of enabling environment including institutional restructuring, review of legislations, ease of entry into the industry and private sector participation.
3. Other areas that are to be given priority will be those which are related to gender.
4. Special emphasis will also be given to non motorised transport for rural communities and also to transport for disadvantaged.

The Ministry of Works has divested much of its powers to autonomous agencies under the Ministries guidance. Are there plans to follow a similar line with the new Transport Policy?

Yes! We in the Transport Ministry have been moving even faster in that direction. We already have the Civil Aviation Agency regulating all civil aviation matters. Airports Agency dealing with matters of airports development, Communications Commission regulating the telecommunications and Postal services matters, etc. all these functions used to be done directly by the Ministry.

The current Government policy is to dissociate itself from direct participation in commercial ventures leaving them to the private sector. The Government will now remain only with the functions of policy formulation, coordination, monitoring. Through regulatory bodies the government will also be defining the rules of the game in service provision.

In actual sense the Institutional Reforms going on in the Ministry aim at achieving the Government policy objectives. The National Transport Policy calls for the formation of autonomous government agencies, that is Regulatory bodies that will have the responsibility of regulation of safety standards, entry into the market and hence pave way for a conducive environment for a fair play among the service providers. Since the objective of the Government is to dissociate itself from the commercial activities, all commercial parastatal organisations in the Ministry have been lined up for privatisation.

The Ministry of Works has empowered TanRoads to oversee development and maintenance of road works. How closely are you working with the Ministry and TanRoads?

Very close indeed.

The responsibility to oversee the transport related issues are vested in both the Ministry of Works and Ministry of Communications and Transport. The Ministry of Works is responsible for the roads infrastructure development and maintenance (the task which is now been executed by TanRoads), while the Ministry of Communications and Transport is responsible for transport operations and management.

These two Ministries work very closely through regular meetings of the experts. For instance the Ministry of Transport and Communications is at the moment undertaking a study on infrastructure Master Plan in Tanzania. The Master Plan embraces the roads. As part of the Master Plan study the Ministry of Works is completing a study (component) on the ten years road development plan. In short the two ministries complement each other with the overall aim of enhancing the transport industry in Tanzania. One may note also that licensing of commercial motor vehicles, enforcement of some legislations, and even the sourcing of finance for requirements such as those of Road Fund cannot be done

by one Ministry in isolation from the other.

As well as working on open skies agreements within Africa, Tanzania has also reached an 'open skies' agreement with the USA. What strategies does the Ministry have in place to make the most of potential of these agreements?

The 'open skies' agreement between Tanzania and USA is one area in which the Ministry and Tanzania as whole sees as a potential to investments from the private sector of both Tanzania, and USA. As already indicated, one of the responsibilities of the Government is to create an enabling environment for potential investors to invest in any area that is commercially viable.

The 'open skies' agreement initiated by the Government through this Ministry has the objective of facilitating the demands of both countries by supplying the requirements of the market. Tanzania may not have plenty of aircrafts to fly the American skies. But we need American planes to fly to Tanzania. We need to stress that we need expanded trade; we wish to see more of our products reaching American markets, etc.

One area that will get a large benefit is the tourism business because tourist from United States can now fly directly to Tanzania through the 'open skies' arrangement. However it must be noted that after creating the enabling environment, it is up to the private sector from both the countries to take advantage of it to start or enhance their business. It must be remembered also that while the Tanzanian Government has already decided to dissociate itself from commercial activities, however it has a role of creating enabling environment as is in this case of the 'open skies' agreement.

The Railway Network has been under-invested in recent times; what measures are you taking to revitalise this once thriving transport network?

It is true that the Railway Network has been under-invested in recent times. This has been due to the inability of the Government to finance adequately all the parastatal organisations it has been owning.

However the Government started in the early 1990's the donor funded Railway Restructuring Programme (RRP) that aimed at improving operations of the Tanzania Railways Corporation (TRC). Significant improvement have been achieved.

The Tanzania Railways Corporation (TRC) which is wholly owned by the Tanzanian Government is being prepared for privatisation. Tanzania Zambia Railway Authority (TAZARA) after agreeing with Zambia (co-owner) are also working on modalities of privatising the TAZARA. It is hoped that the private sector will improve the services by injecting necessary capital to the railway

business. As such it is expected that the Railway Network will get the appropriate investment necessary to revamp the railway operations in the country once the privatisation exercise has been completed. The private sector participation in the railway management and operations is envisaged to start sometime in year 2002.

Tanzania's Ports have been privatising through the method of leasing out its various assets and services. How successful has this form of privatisation been?

The decision to privatise the various assets and services of Tanzania Ports will depend on a study that will recommend the best method of privatisation of these assets and services. The Container Terminal was privatised following a study which recommended a Lease arrangement as the best alternative. As for other assets and services, the Government is still in the process of conducting a study which will determine the best alternative of privatising the units.

However considering that the Container Terminal was privatised recently, what can be said about this form of privatisation is that it has been successful because the Government believes that the private company that now operates it is considered to be the best of its kind. Nevertheless it is too early to comment anything about whether the envisaged targets will be achieved. We are in any case very confident that the results are going to be excellent.

With the privatisation of TTCL and the arrival of Vodacom in the mobile operators market, Tanzania should now start to have efficient and competitive services throughout the country. What measures are in place to make sure rural development also takes place within the sector?

The National Telecommunications Policy emphasizes the need for development of telecommunication services in the rural areas. In implementing this policy objective, the strategy is to have each village provided with telecommunications facilities by the year 2020. To facilitate this, a Rural Telecommunications Development Fund will be established.

A study is therefore planned to be undertaken to determine the best approach of providing the telecom services in the rural areas. However with the current on going telecommunications reforms, already telecommunications net is slowly penetrating into some rural areas. It is expected that the specific target of achieving 6 telephones per 100 population by the year 2020 will be achieved presumably by year 2010 i.e 10 year ahead of the existing strategic target.

Furthermore, Tanzania is an agricultural country and that most productions are done in the rural areas. It is therefore expected that service providers will reach out for the potential customers in the rural areas. These service providers will be supported by the infrastructure development to be implemented by using the

Rural Development Fund or through any other strategies that will be designed.

Tanzania is now heavily involved in regional integration of networks under SADC and the EAC. Are these protocols being implemented and how successful are they to date?

There are several protocols under SADC, the one under mandate of my Ministry being the SADC Protocol on Transport, Communications and Meteorology. The protocol was ratified by the Union Parliament in 1998 . As for the EAC, the three member countries are still working out the specific protocols.

With regard to SADC Protocol of Transport Communications and Meteorology these are being implemented very vigorously. For example:

- Legislations are being reviewed by member states to make them comply with regional standards and procedures
- Bilateral Road Agreements are being reviewed and signed. Tanzania is finalising those between it and Malawi, Zambia, Zimbabwe, etc
- Cross - border initiatives - (aimed at speeding up movement at our common borders) are being executed
- Axle load controls are being implemented on the basis of the Protocol
- Vehicle and driver licensing and other safety matters are being followed up in accordance with the Protocol
- Common telecom and aviation procedures have been given very close coordination
- We have Protocol Implementation Coordination team in each member state. The team headed by a National Coordinator comprises of sub-sector Coordinators. The sub-sectors are those of road transport, Aviation, railways, maritime, meteorology, postal and telecommunication. This team sees to it that the provisions of the protocol are being implemented.

What do you see as your main and immediate challenges in order to build an efficient and extensive infrastructure network in Tanzania?

There are several main and immediate issues that I see as challenges in order to build an efficient and extensive infrastructure network in Tanzania. The main one is that, Tanzania is a large country having about 880,000 square kilometres and is one of the least developed countries in the world. To build such an efficient and extensive infrastructure network in such a large area requires a very large proportion of resources . Tanzania is not capable of injecting the

amount of resources required to building such a extensive network . The other challenge is that the economy of Tanzania is now growing fast and transport sector infrastructure and services must be sufficiently supplied to cope with the situation.

The transport and communications sector offers numerous opportunities for investment. What is being done to promote these opportunities at the same time as facilitating foreign participation in the sector?

The Government of Tanzania through the on going Policy Reforms has already decided to dissociate itself from direct participation in commercial activities by stressing in private sector participation in that area. This means the numerous opportunities that are offered in the transport and communications sector are promoted through the Government policy objective of letting the privates sector to take the lead in the offering services in the sector which includes facilitating foreign participation.