Embassy of the Netherlands in Tanzania

Covid-19 Economic Update

Latest update: 28 April 2020

Publication Note:

The Embassy has carefully compiled this Covid-19 Economic Update by selecting and assessing publicly available information using sources from Tanzanian and Dutch government authorities, sector organizations, reputable law- tax, and consultancy firms, and international organizations.

This update serves to enable Dutch businesses with general information and multiple web links to make better-informed decisions. The Embassy is not providing any recommendations and neither responsible for the use nor for the quality of the information provided. The Embassy continues to monitor developments closely and will update this document regularly. The Embassy would also welcome suggestions or comments to improve this Economic Update.
CURRENT ECONOMIC SITUATION & (POTENTIAL) ECONOMIC IMPACTS

On 16 March, Tanzania reported its first case of Covid-19. Even though this first case was reported only recently, the pandemic has already negatively affected key economic sectors in Tanzania such as the tourism and hospitality sectors. Given the current worldwide nature of the pandemic and the measures taken by governments, Covid-19 affects daily operations of almost all businesses across all sectors. While impacts in some sectors are immediate, others may take time to manifest in Tanzania. Until now, the Government of Tanzania has taken numerous measures, including suspending international passengers’ flights, travel restrictions and suspension of public gatherings. The Government of Tanzania has established a Covid-19 taskforce and associated sub-committees composed by Ministers and Permanent Secretaries to coordinate responses. As Covid-19 could possibly further spread in Tanzania, additional measures from the Government of Tanzania cannot be ruled out. The Embassy is until now not aware of any economic stimulus package adopted by the Government of Tanzania to combat Covid-19. Numerous international organizations, sector organizations, law- tax, and consultancy firms have conducted assessments on the (potential) economic impact of Covid-19 on Tanzania, East Africa and Sub-Saharan Africa at large and provide general guidance on how to respond.


AGRICULTURE

- An Agricultural Advisory Committee has been formed under the Agricultural Council of Tanzania to assess the impact of Covid-19 on the agricultural sector. This committee has presented a preliminary report with recommendations to the Ministry of Agriculture and the Ministry of Industry and Trade. The Permanent Secretaries of the two Ministries are mandated to inform the public once decisions are made.
- The Horticulture industry encounters a major hurdle in transporting perishable goods to the international markets as most global airlines suspended flights. The Tanzania Horticulture Association (TAHA) in collaboration with the Government of Tanzania has secured cargo services with Ethiopian Airlines to ferry goods to international markets. This provides cargo freight from Kilimanjaro (KIA) to Liege (LGG), Belgium starting from 9th April 2020 [https://www.taha.or.tz/taha/newsroom](https://www.taha.or.tz/taha/newsroom)

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LABOUR

Covid-19 will have various effects on the existing employment contracts/relationships, as well as on independent contractor arrangements. The Embassy is not aware of any official public information (yet) made available by the Government of Tanzania, but several law firms have provided (legal) analyses on the Covid-19 implications on employment related matters.


TRAVEL & IMMIGRATION

The Government of Tanzania has taken various additional measures on permits, visa, certificates and migration documents. It has also imposed measures on all travelers entering Tanzania and for traveling within Tanzania. Several law firms have provided (legal) updates analyzing these measures.

- Press Release, Tanzania Immigration Service Department, 24 April, https://twitter.com/UhamiajiTz/status/1253710589135896564  - N.B. This information is not (yet) available on the website of the Tanzania Immigration Service Department but only on the Immigration Department’s Twitter account
- VELMA LAW, 8 April, Tanzania Coronavirus Travel Restrictions – March 202, https://www.velmalaw.co.tz/tanzania-coronavirus-travel-restrictions-march-2020/
- FB Attorneys Legal Update, 2 April 2020, Immigration grants relief to immigration status holders: https://fbattorneys.co.tz/immigration-grants-relief-to-immigration-status-holders/

The latest Dutch travel advice with FAQs on traveling to and from Tanzania can be found here https://www.nederlandwereldwijd.nl/documenten/vragen-en-antwoorden/reisadvies-tanzania (Dutch version only).

TAX & FISCAL

Notwithstanding Covid-19, businesses are still required to comply with tax obligations under the prevailing Tanzanian tax laws unless there is a change in law or policy by the Government of Tanzania (which until now has not (yet) been reported).


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IMPORT & EXPORT OF GOODS AND SERVICES

Information provided by the Ministry of Health and other public sources indicate that the movement of goods and services continues, but with additional strict (travel) measures in place. These measures include, amongst others, restricting only 2-3 crew members per vehicle to facilitate smooth border crossing, vehicles to be decontaminated if crew members are suspected to have Covid-19, crew for cargo planes and other vessels to be quarantined at designated hotels or within their vessels (in case of ship) for the period of their stay and air operators should maintain two sets of crews to work in rotation in order to minimize the chances of being subjected to mandatory quarantine.

- Ministry of Health has issued updated travel advice to Tanzania giving measures relating to vessels/plains/trucks/vehicles carrying goods and services: [https://www.moh.go.tz/en/covid-19-info](https://www.moh.go.tz/en/covid-19-info) (Travel advisory no.2 of 04.04.2020)
- Ports: President orders Dar es Salaam port to stay in operation and service the land-locked countries for importing and exporting of goods. Source: [https://allafrica.com/stories/202004120004.html](https://allafrica.com/stories/202004120004.html)

HEALTH

Kindly consult the websites below for the latest information on health updates and (preventive) measures.

- Website WHO Tanzania: [https://www.who.int/countries/tza/en/](https://www.who.int/countries/tza/en/)
- Website WHO regional Africa: [https://www.afro.who.int/health-topics/coronavirus-covid-19](https://www.afro.who.int/health-topics/coronavirus-covid-19)

OTHER


COVID-19 AND DUTCH GOVERNMENT PRIVATE SECTOR INSTRUMENTS

Instruments for trade and doing business abroad

- The Dutch government has decided to extend the measures taken to combat the Corona-virus until 28 April 2020.
- For this reason the period in which RVO will not actively communicate about new activities such as trade missions, trade fair participation and other events, is also extended from 6 April until 28 April 2020.

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• Exporting companies with ongoing activities in foreign markets will have access to information via RVO (telephone and website incl. country specific Q&As). Customized assistance will be made available in cooperation with relevant diplomatic missions in case of more complex queries.
• Large scale physical events, trade missions and trade fair participation that were planned for June, July and August 2020 will be cancelled;
• All planned activities (missions, fairs and conferences) in the months September until December 2020 will collectively be re-evaluated.

Export credit insurance (Atradius)

Dutch state business Atradius is extending certain conditions of its export credit insurances:
• Enabling coverage on short-term export credits < 2 years;
• Insuring indirect export transactions
• Extending country policies and country ceilings
• Offering ECG (export credit guarantees) on existing loans
• Increasing the percentage covered on counter-guarantees and working capital insurance
• Removal of the 5% down payment requirement
• Speed up processes by Fast tracking the approval process.

Demonstration projects, Feasibility studies and Investment preparation studies (DHI) (Dutch)

• Covid-19 zal ook voor veel DHI-projecten gevolgen hebben. Denk daarbij aan vertragingen agv uitgestelde activiteiten, reisbeperkingen etc. Ook kan het zijn dat het terug moeten betalen van subsidie, wanneer dat aan de orde is, tot problemen gaat leiden. Insteek van RVO is om hier maximaal flexibel en pragmatisch mee om te gaan, binnen de mogelijkheden. In dergelijke gevallen vragen we u contact met ons (DHI-contactpersonen) op te nemen en dit met ons te bespreken
• Quicksans en nieuwe aanvragen kunnen gewoon worden ingediend en worden in behandeling genomen. Als dat aan de orde is zullen we de gevolgen van Covid-19 voor de start en het verloop van een (nieuw) DHI-project met u gaan bespreken.

Dutch Good Growth Fund (DGGF) (Dutch)

• Voor bestaande relaties: heb je vragen of ondervind je moeilijkheden als gevolg van Covid-19? Neem contact op met je Investment Manager om te spreken over de mogelijkheden.
• Voor nieuwe aanvragen: DTIF en DGGF blijft geopend voor aanvragen. Heb je internationale ambities en financiering nodig? Vul de QuickScan in en een adviseur neemt contact met je op.

Trade missions, trade fair participation and other events

In view of uncertainties around the Corona outbreak and developments in other countries, as well as limited possibilities to immediately restart activities after April 28, all trade missions, trade fair participations and other events planned until August 2020 will be postponed or cancelled. As longs as the MFA Travel Advice indicates a code orange for all countries around the world, no trade missions, trade fair participation or other events abroad will be organized.

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Instruments within the Netherlands (Binnenlandse regelingen, Dutch only)

- Belastingmaatregelen voor ondernemers (inclusief zzp’ers) https://www.belastingdienst.nl/wps/wcm/connect/nl/ondernemers/content/coronavirus-belastingmaatregelen-om-ondernemers-te-helpen

Relevant websites for more information

- MKB Nederland https://www.mkb.nl/corona
- Buitenlandse Zaken https://www.nederlandwereldwijd.nl/reizen/reisadviezen
- RIVM https://www.rivm.nl/coronavirus
- VNO-NCW https://www.vno-ncw.nl/
- KVK https://ondernemersplein.kvk.nl/coronavirus-wegwijzer-voor-ondernemers/

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