Abstract

Comparative advantage based on natural resources is rapidly eclipsed by competitive advantage through new knowledge, innovations and modern information and communications technologies. The concept of "competitiveness" and policy-related factors at national and firm levels are explored and a reflection made on the options for Tanzania. It is viewed that the state in a poor country has to provide not only a stable economic and fair competition environment for infrastructure, education and technological development but also assistance to the nascent business sector (especially SMEs). This is important for poor countries, mostly "non-core innovators" that continue to rely on primary exports and are not making headway in industrial, high-tech exports. Firms need to re-orient attitudes and commitment to quality and product presentation (marketing) through innovations. Knowledge deepening in the technical workings of the trading system and research on specific competitiveness factors and trade problems of poor countries are also propose