Abstract

Trade policy reform has been part of the structural reforms that Tanzania has undertaken since the mid-1980s. Reflecting on the concepts and stylised facts about the "openness" of the trade regime and its links with growth in developing countries, the paper gives an account of the major price-based trade policy reforms, mainly tariff and exchange rate reform steps since the mid-1980s. It is viewed that with a market-based and less restrictive trade regime a critical first step has been reached to charge policy and economic agents with the task of bracing up for the challenges of competitiveness in both domestic and external markets. As authorities concentrate on dealing with implications of the many preferential trade arrangements, sustaining a stable macroeconomic environment, improved governance at the level of institutions dealing with trade and export facilitation and efficient domestic competition policy are among the factors that will be important for the implementation of the trade-policy agenda in years to come.