

Agriculture to bridge Tanzania - Sweden trade imbalance

Tanzania and Sweden are seeking to put in check the existing trade imbalance between the two countries. The two parties met to discuss the issue as well as look for ways to open new markets for their agricultural produce. Both parties have identified the potential in the sector and deem it ideal for business and more export opportunities to foster their economies.



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According to Boniface Michael, the acting director of trade promotion at the Tanzania Trade Development Authority (TANTRADE), the benefits of hosting the experts; he said they would, "equip our producers with the right knowledge and requirements for trading with the Sweden."

One of Tantrade's objective is to see Tanzania meet its goal of being a middle-income economy by the year 2025 as envisioned by President John Pombe Magufuli. Industrialization would be the vehicle to drive the East African nation's dream, and the authority is aware of the same. TanTrade works toward the mission of enhancing Tanzania's economic performance through the development and promotion of goods and services for both local and foreign markets, according to their website.

Since Tanzania relies on agriculture as its main economic activity, it aims at penetrating the European Union (EU) the more to tap into the world's largest market.

Positives of bilateral partnerships

Speaking at the same forum, the first secretary political, and commercial affairs at the Embassy of Sweden, Luvig Bontell acknowledged the massive potential in the agricultural sector that can be harnessed to strengthen the bilateral partnerships.

In 2014, the sector contributed close to \$13.9bn to the state's GDP (nearly 30%) and 67% to total employment. In 2016, it accounted for 31.1% of the GDP as cited by the World Bank. According to the African Economic Outlook report, the figures disclosed that the agriculture sector employed 66% of the labour force, which shows a significant rise and dependency.

Coffee production in Tanzania is a significant aspect of its economy and its largest export crop. Sweden, on the other hand, is the highest coffee drinker per person in the world, as revealed by Michael. The supply and demand curve should work in favour of the two nations aspiring to escalate their trade relations.

During the 1998 trade relations, total Swedish exports to Tanzania amounted to approximately \$21m whereas imports from Tanzania were substantially lower, approximately \$1m. The figures continue to rise with Swedish export reaching \$88.3m while the import managed to hit \$6.4m in the year 2015.

Swedish manufacturer of commercial vehicles Scania AB has supplied Tanzania with high-quality vehicles that have found a ready market. Such are among the investments made by Sweden though there is more emphasis on the agricultural area. Tanzania's potential in agriculture should open new markets and create job opportunities in the sector.

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