

UNITED REPUBLIC OF TANZANIA RESPONSE TO PETITION

- (1) The EAC Decision on clothing is a legitimate decision meant to industrialize the region by using abundant raw materials [cotton, textile] as one of the top priorities in the region. The Decision takes into account the EAC industrialization policy approved by the EAC Summit in November 2011 which aims at transforming the region into modern industrial economies through high value addition industries an increase in manufactured exports, thereby promoting employment and purchasing power, product diversification and increased linkages with other economic sectors.
- (2) The EAC Decision is yet to be implemented. Therefore, there is no scientific proof that changes in the trade pattern and other macroeconomic variable [jobs, trade patterns, shipping etc] were caused by the EAC decision to phase out importation of second hand clothing and leather as pointed out in the petition and therefore the claim cannot be justified.
- (3) In Tanzania, the question of increase or decrease tax, duties, fees is a fiscal decision which has been implemented as part of annual fiscal measure during budget submission and it is a sovereign legitimate budget decision.
- (4) The EAC and Tanzania budget decisions are non-discriminatory to the rest of the world and in no ways they are targeted to United States, therefore it is WTO compatible.
- (5) There are strong trade ties between US and EAC/URT beyond AGOA such as pharmaceuticals, machinery and equipments, agriculture, automobiles etc .Trade on used clothes form just a small part of the entire balance of trade between the US and EAC/URT.
- (6) The US investors may explore the possibilities to invest in the EAC region in textile and leather sector to further enhances trade and diplomatic ties between the EAC/URT.