INTERNATIONAL MONETARY FUND

SELECTED ISSUES PAPER

The Business Environment and Productivity in Tanzania

Evidence from Firm Level Data

Melesse Minale Tashu

SIP/2025/098

IMF Selected Issues Papers are prepared by IMF staff as background documentation for periodic consultations with member countries. It is based on the information available at the time it was completed on June 16, 2025. This paper is also published separately as IMF Country Report No 25/164.

2025
JUL

 SIP/2025/098

IMF Selected Issues Paper
African Department

The Business Environment and Productivity in Tanzania: Evidence from Firm Level Data

Prepared by Melesse Minale Tashu*

Authorized for distribution by Catherine Pattillo
June 2025

***IMF Selected Issues Papers* are prepared by IMF staff as background documentation for periodic consultations with member countries.** It is based on the information available at the time it was completed on June 16, 2025. This paper is also published separately as IMF Country Report No 25/164.

ABSTRACT: Using the World Bank's Enterprise Surveys (ES) data, this paper sheds light on the relationship between total factor productivity (TFP) and the business environment in Tanzania. It finds statistically significant evidence that cumbersome tax administration, limited access to finance, and limited access to transport are associated with lower firm TFP in the manufacturing sector. While regression coefficients are not statistically significant, indicators of regulatory burden and power outage are also negativelly associated with TFP. These results underscore the importance of improving efficiency of tax administration, easing the regulatory burden, and improving access to finance and reliable infrastructure.

RECOMMENDED CITATION: Tashu, Melesse, 2025. The Business Environment and Productivity in Tanzania: Evidence from Firm Level Data. IMF Selected Issues Paper (SIP/2025/098). Washington, D.C.: International Monetary Fund.

JEL Classification Numbers:	D24, L25, O12, O55, R11
Keywords:	Total factor productivity, business environment, firm performance.
Author's E-Mail Address:	Mtashu@IMF.ORG

SELECTED ISSUES PAPERS

The Business Environment and Productivity in Tanzania

Evidence from Firm Level Data Tanzania

Prepared by Melesse Minale Tashu[1]

[1] The author would like to thank Nicolas Blanchard, mission chief for Tanzania, for his feedback and guidance.

INTERNATIONAL MONETARY FUND

UNITED REPUBLIC OF TANZANIA

SELECTED ISSUES

June 16, 2025

Approved By
The African Department

Prepared by Melesse Tashu (AFR)

CONTENTS

THE BUSINESS ENVIRONMENT AND PRODUCTIVITY IN TANZANIA— EVIDENCE FROM FIRM LEVEL DATA[1]

Using the World Bank's Enterprise Surveys (ES) data, this paper sheds light on the relationship between firm-level total factor productivity (TFP) and the business environment in Tanzania. It finds statistically significant evidence that cumbersome tax administration, limited access to finance, and limited access to transport are associated with lower firm TFP in the manufacturing sector. While regression coefficients are not statistically significant, negative associations between TFP and the regulatory burden, as well as power outage, are also evident in non-parametric relationships. On the other hand, there is no clear evidence for the relationship between incidence of corruption and TFP. These results underscore the importance of stepping up structural reforms to improve the efficiency of tax administration, ease the regulatory burden, and improve access to finance and reliable infrastructure. In particular, these reform areas should be given priority in the context of the Vision 2050 *and* Blueprint for Regulatory Reforms II *strategies.*

A. Context

1. Tanzania enjoyed robust economic growth in the past two decades, driven largely by public sector investment. Real GDP grew at an annual average rate of about 6 percent during 2000-23, when the share of gross fixed capital formation to GDP more than doubled from about 19 to 43 percent. While the private sector contributed more than half of the growth in total gross fixed capital formation during 2000-11, the trend reversed during 2011-23 when private sector fixed capital formation declined by 1 ppts of GDP.[2] In particular, FDI declined from about 5.7 percent of GDP in 2010 to about 2 percent of GDP in 2023.

2. However, economic growth has been characterized by declining productivity growth and slowing structural transformation:

- The contribution of TFP growth to real GDP growth declined from 1.6 ppts in the 2000s to -0.1 ppts in the 2010s and further to -2 during 2020-23 (Figure 1). While the slowdown in TFP growth since the 2000s was a global phenomenon, Tanzania's TFP growth lagged significantly that of countries in the Eastern Africa Community and Sub-Saharan Africa.

- A recent study finds that the contribution of structural change[3] to total labor productivity declined from 72 percent during 2006-2014 to -5 percent during 2014-2021, implying that 105 percent of labor productivity during 2014-2021 was driven by within-sector productivity gains (World Bank, 2023a). As further evidence of declining structural transformation, the share of

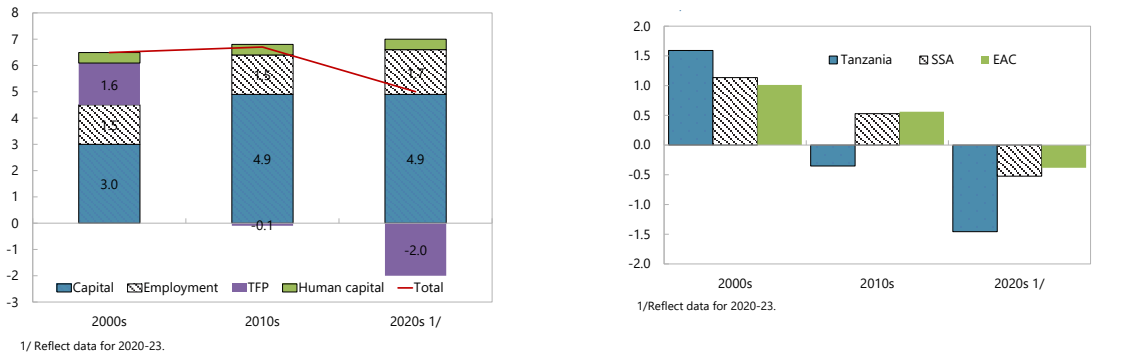
[1] Prepared by Melesse Tashu.

[2] During 2011-23, public sector gross fixed capital formation grew by 8.6 ppts of GDP, to 18.8 percent.

[3] Structural change in this context is defined as the reallocation of labor from low-productivity sectors (e.g. agriculture) to high-productivity sectors (e.g. construction and manufacturing).

merchandize exports to GDP declined by about 4½ ppts to 9.2 percent and the share of manufactured goods in total merchandise exports declined by about 4 percent to about 12 percent during 2011-23.

Figure 1. Real GDP and TFP Growth



Source: IMF staff calculations.

3. This paper explores empirically the extent to which weaknesses in the business environment might have contributed to the slowdown in firm-level productivity. A firm's productivity depends on the production technology it employs, but also on its institutional, policy, and regulatory environment— i.e., the business environment (Dollar et all, 2005; Fernandes, 2008; Anos-Casero and Udomsaph, 2009; Syverson, 2011). An enabling business environment supports productive use of inputs, reduces rent-seeking activities, and encourages skill acquisition, capital accumulation, and innovation (Anos-Casero and Udomsaph, 2009). Key aspects of the business environment that can influence productivity growth include business regulation, tax administration, access to finance, governance, and infrastructure such as electricity and transport (Dollar et all, 2005; Fernandes, 2008; and Augier et al 2012). By offering empirical evidence on the relationship between business environment indicators and TFP, the paper aims to inform the Tanzanian authorities' structural reform strategies through *Vision 2050* and the second phase of *Blueprint for Regulatory Reforms*.

B. Business Environment Indicators in Tanzania

Regulatory Burden

4. The private sector in Tanzania faces a cumbersome regulatory environment. According to the 2023 ES, 14 percent of firms' senior management time is spent on dealing with regulations, compared to an average of 8 percent for SSA and lower middle-income countries (LMICs) (Figure 2). Key challenges include high costs to start and operate a business, cumbersome licensing procedures, and redundant processes (World Bank, 2023a). Acknowledging these challenges, the authorities launched the *Blueprint for Regulatory Reform* (Blueprint) in 2018 to ease regulatory constraints for businesses (Government of Tanzania, 2018).

The Blueprint aims to: (i) adopt and implement mechanisms that promote and ensure an efficient regulatory policy; (ii) simplify the business-regulatory regime to avoid duplications and overlaps of mandates among regulatory agencies; and (iii) promote regulatory transparency by using Information and Communication Technology (ICT) platforms that provide information on regulatory processes to the general public.

5. Notwithstanding progress in implementing the Blueprint, significant challenges remain. The authorities' evaluation of the Blueprint implementation shows significant progress, including: (i) reduction of fees and streamlining of processes; (ii) introduction of electronic systems and one-stop centers; and (iii) consolidation and harmonization of regulations (Government of Tanzania, 2024a). However, it also highlights a number of outstanding and emerging challenges such as still insufficient harmonization of policies, laws and regulations, overlapping roles among regulatory bodies, inadequate personnel at one-stop centers, frequent slowdown and outages of new electronic systems, proliferation of electronic systems, and the introduction of new fees and regulations, in particular by local governments (Government of Tanzania, 2024a and 2024b).

Tax Burden

6. High compliance costs associated with a complex tax system have weakened the business environment. Key challenges include cumbersome tax filings, frequent changes in taxation requirements, and delays in reimbursements. Tanzanian taxpayers face more frequent visits than taxpayers in SSA and LMICs (Figure 2), and overly aggressive pursuit of additional revenues by the *Tanzania Revenue Authority* (TRA), including by issuing agency notices and seizing money from taxpayers' bank accounts without proper legal recourse.[4] These practices led to countrywide strikes by domestic retail traders and calls for dialogue by the diplomatic community in mid-2024.[5] The income tax on companies with perpetual unrelieved loss for three consecutive years discourages startup firms.[6]

7. The administrative process for VAT refunds remains very slow, constraining taxpayers' cashflow management. Supported by the ECF arrangement, the authorities have made progress in clearing verified VAT arrears on timely basis. However, the VAT Act currently only allows a business (other than a qualifying exporters) to claim a refund six months after it arose, contrary to good practices where refunds are paid or declined within 30 days from when the return is filed. Furthermore, VAT refund claimants are required to submit a 'Certificate of Genuineness' from a TRA-registered tax consultant, effectively auditing all refunds before they are paid, irrespective of risk, and adding to the taxpayer's cost of compliance.

[4] Agency notices are directives to third parties, typically banks, to transfer funds from a taxpayer's account to settle outstanding tax liabilities.

[5] *After Traders' Strike, Envoys Call for Dialogue Citing Unfair Tax Practices to Investors and Arbitrary Freezing of Bank Accounts in Tanzania*, The Chanzo, July 1, 2024.

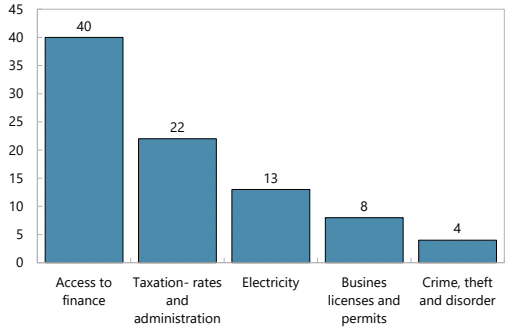
[6] Although the intended objective is to discourage use of aggressive tax planning by generating consistent losses, tax manipulators can still avoid paying taxes by generating very small profits rather than losses.

Figure 2. The Business Environment Indicators, 2023

Access to finance is identified as a major constraint to the business environment by the largest share of firms…

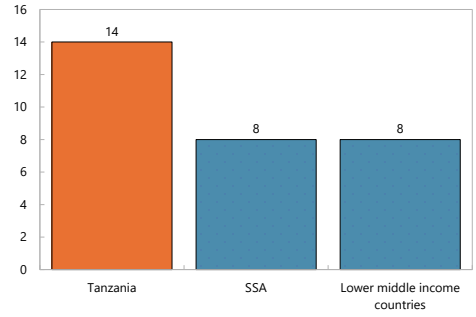
Top Five Business Environment Constraints in Tanzania

(Percent of Firms)



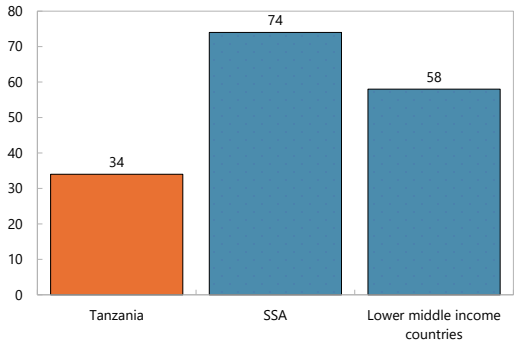
Senior managers of Tanzanian firms spent more time dealing with regulatory requirements than firms in peer countries…

Percent of Senior Management Time Spent Dealing with Business Regulations



However, Tanzanian firms face a lower frequency of power outage….

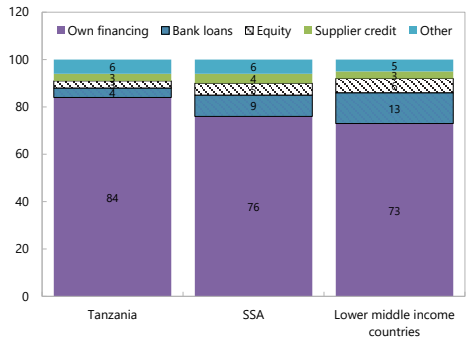
Percent of Firms Experiencing Electrical Outages



…as only a small share of Tanzanian firms are able to finance acquisition of fixed assets through loans.

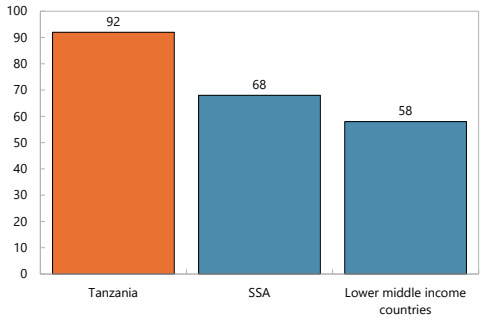
Sources of Financing for Purchases of Fixed Assets

(Percent of Total)



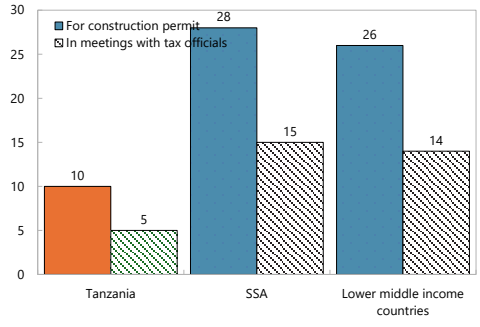
…and they are likely to meet with tax officials more frequently than firms in peer countries.

Percent of Firms that Meet with Tax Officials



…and are less likely to expect a bribe from public officials than firms in peer countries.

Percent of Firms Requested or Expected to Give Gifts or Informal Payments

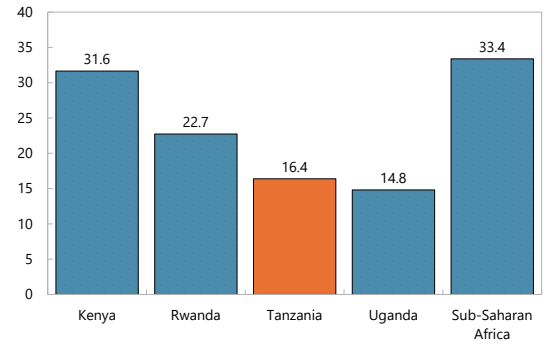


Sources: World Bank, Enterprise Surevys; and IMF staff calculations.

Access to Finance

8. Domestic credit to the private sector in Tanzania is among the lowest in the region. As of 2023, outstanding domestic credit to the private sector stood at 16.4 percent of GDP in Tanzania, against 31.6 percent in Kenya, 22.7 percent in Rwanda, and a SSA average of 33.4 percent (2022) (Figure 3). In the 2023 ES, access to finance is ranked by Tanzanian firms as the most binding constraint to business, and about 84 percent of firms relied on own funds to finance purchases of fixed assets, which is high even by regional standards (Figure 2). This reflects a shallow and underdeveloped financial sector, dominated by banks, with only nascent capital markets. The credit market is also constrained by underdeveloped financial market infrastructure, limited availability of credit information, and lack of effective collateral registry system (World Bank, 2023a).

Figure 3. Domestic Credit to the Private Sector, 2023
(In percent of GDP)



Sources: World Bank, World Development Indicators.

Access to Electricity

9. Notwithstanding recent progress, access to reliable electricity continues to be a key challenge for businesses. Access to electricity increased from 14.8 percent of the population in 2010 to 48.3 percent in 2023, but still lags peer country levels (e.g. Kenya: 76.2 percent; Rwanda: 63.9 percent; and Uganda: 51.5 percent).[7] Although the percent of firms experiencing electrical outages is low compared to regional averages (Figure 2), a significant challenge for those with electricity connections is the poor reliability and quality of service, caused by a deteriorating network with overloaded transformers, distribution feeders that are longer than industry good practice, poorly configured networks that hinder isolation of faults, and limited operations and maintenance services.[8]

Corruption

10. Tanzania ranks better than peers in terms of bribery incidence, but corruption vulnerabilities exist. According to the 2023 ES, only 7 percent of firms reported to have experienced at least one bribe payment request, compared to SSA and LMIC averages of 21 percent and 18 percent, respectively (Figure 2). Tanzania's score in the *Transparency International* corruption perceptions index improved by 11 points during 2015-24 to 41. However, the authorities assess that

[7] World Development Indicators Database.

[8] National Energy Compact for the United Republic of Tanzania.

corruption vulnerabilities still persist and, to combat it, they launched the National Anti-Corruption Strategy and Action Plan Phase Four (NACSAP IV) 2023-2030 (Government of Tanzania, 2023).

Transport

11. Tanzania's significant public investment on infrastructure in the past decade appears to have paid off. The share of firms identifying transportation as a major or severe obstacle to their business operations in the ES declined from 38.2 percent in 2013 to 9.4 percent in 2023. Still, the country's road density remains low at 9.6 km per 100 km^2 of land area, which could be an impediment to private sector productivity (Government of Tanzania, 2021).

C. Empirical Framework

Data Sources

12. Data on the business environment is drawn primarily from the World Bank's Enterprise Surveys. ES are nationally representative firm-level surveys of top managers and business owners in over 160 economies, including Tanzania. They provide insight into key business-related issues including government regulation, taxation, access to finance, corruption, infrastructure. ES also collect data on firm characteristics, performance, and geographic location, and cover small to large non-agricultural firms with a minimum of 5 employees. Firms that are 100 percent state-owned, public utilities, government services, health care, and financial services are not covered. For Tanzania, the ES were conducted in 2006 (394 firms), 2013 (698 firms), and 2023 (600 firms), making it possible to study the evolution of the business environment and its potential impact on private sector performance. To limit the potential bias on the BE by majority government owned firms, only firms with majority private ownership (over 50 percent) are included in the analysis.

13. Data on TFP is drawn from Francis et al (2020) who computed firm-level TFP for manufacturing sector firms using ES data. Specifically, this study uses the TFP computed using a translog production function of firms' value-added (tfprVAKL).[9] The TFP data has two limitations. First, TFP is computed only for manufacturing sector firms, which restricts our ability to control for potential endogeneity problems by regressing firm-level TFP on industry-level business environment indicators. Second, even though there are overlapping firms in the ES over the three survey years, none of these firms have TFP data, implying that we cannot use fixed/random effect panel data models.

[9] A translog production function is a second-order Taylor expansion of Cobb-Douglas production function that interacts each input term with itself and all other combinations of input terms.

Methodology

14. Because of the above limitations, pooled OLS method is used to investigate the relationship between TFP and the business environment. A pooled OLS method is applied to the following general specification:

$$TFP_{it} = \beta_0 + \beta_1 \boldsymbol{BE}_{it} + \beta_2 \boldsymbol{X}_{it} + \varepsilon_{it} \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (1)$$

where:

- 'i' and 't' represent firm and year indices, respectively.
- '*TFP*' refers to firm-level total factor productivity.
- '*BE*' represents a vector of business environment indicators for regulatory burden, tax burden, access to finance, power outages, corruption/bribery, and access to electricity and transport.
- '*X*' represents a vector of firm-specific control variables that affect firm productivity.
- 'ε' is an unobserved error term.

15. Business environment indicators used in the estimation include:

- *Regulatory burden*- measured by senior management time spent dealing with regulatory requirements.
- *Tax burden*- measured by the number of visits or required meetings with tax officials.
- *Corruption*- measured by the percent of public transactions for which a gift or informal payment was required (bribery depth).
- *Access to electricity*- measured by a dummy variable for a firm experiencing power outage in the previous fiscal year.
- *Access to transportation*- measured by a dummy variable for a firm identifying transportation as a major or severe obstacle to its operation.

Each BE indicator enters the regression one at a time along with control variables to mitigate potential multicollinearity problems, following the approach by Fernandes (2008) and Augier et al (2012). Since all indicators are defined to measure obstacles to the BE, their coefficients are expected to have negative signs.

16. Key control variables include firm size and age, share of products exported, dummy for foreign ownership, share of skilled workers, manager's year of experience, and dummies for firm location and year.[10] Smaller firms, export-oriented firms, firms with majority foreign

[10] Data source for all control variables is the ES.

ownership, firms with higher share of skilled workers, and firms with more experienced managers are expected to be more productive (Fernandes, 2008). On the other hand, TFP and firm age are expected to have an inverse 'U' relationship. With the exception of size, location, and year dummies, only statistically significant control variables are kept in the regression for sake of parsimony.

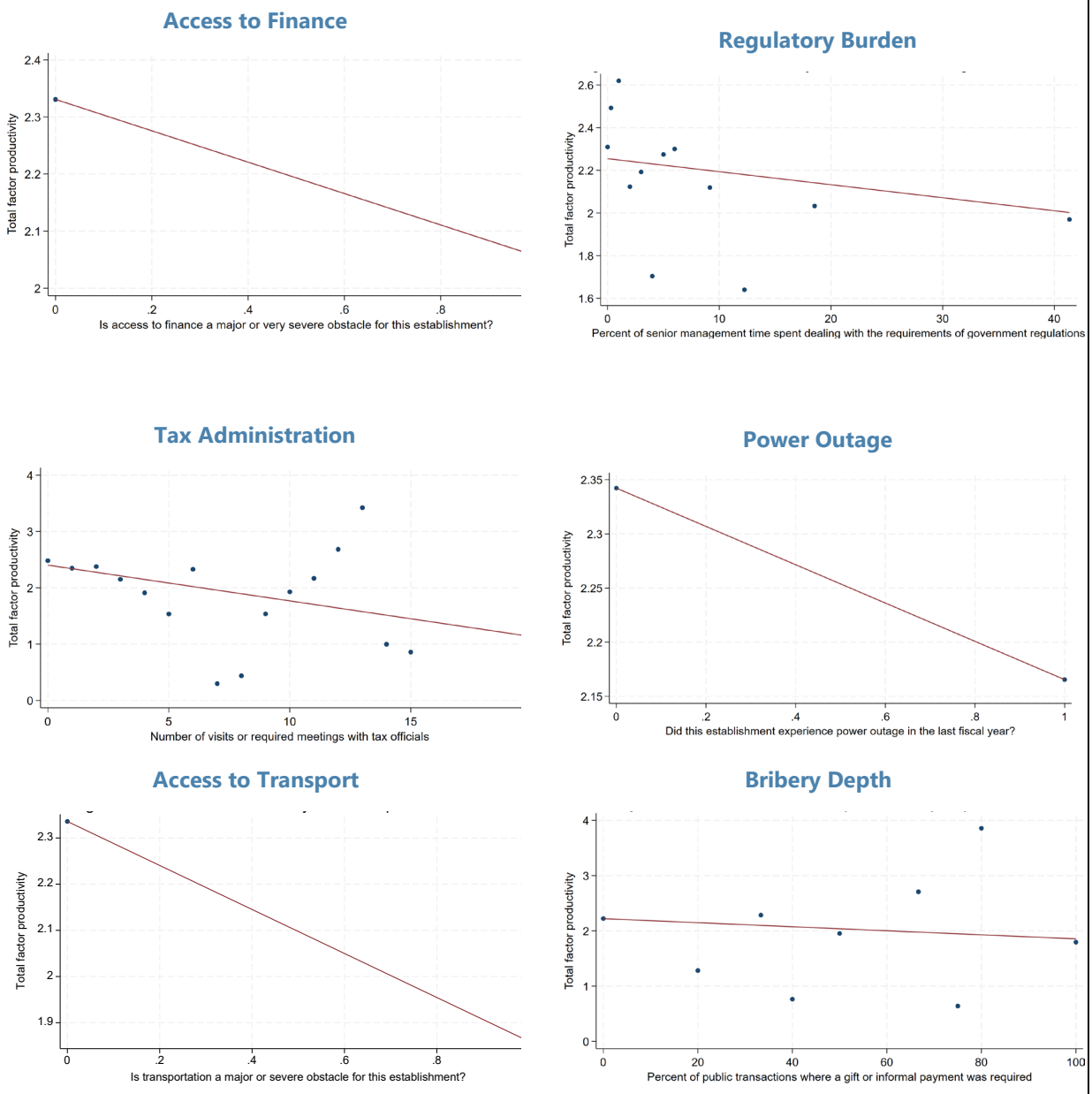
D. Estimation Results

17. Simple correlation analysis provides tentative evidence that deteriorations in the business environment are associated with lower firm TFP. Figure 4, which presents binscatter plots[11] of TFP with each of the BE indicators, show that:

- Firms that identify access to finance as a major constraint tend to have lower TFP than those which do not.
- TFP is negatively correlated with senior management time spent dealing with government regulations (regulatory burden) and the number of visits/required meetings with tax officials.
- Firms experiencing power outage and firms that identify transportation as a major/severe obstacle have lower TFP than those which do not.
- There is no clear evidence of correlation between TFP and the percent of public transactions where a gift or informal payments was required (corruption).

[11] Binscatter plots provide a non-parametric way of visualizing the relationship between two variables when observations are too numerous to interpret visually in a standard scatter plot. Binscatter groups the x-axis variable into equal-sized bins, computes the mean of the x-axis and y-axis variables within each bin, then creates a scatterplot of these data points. In the case where x is a dummy variable, there will be just two bins- '0' and '1'.

Figure 4. The Business Environment Indicators and Firm TFP in Tanzania



Sources: World Bank, Enterprise Surevys; and IMF staff calculations.

18. The regression results confirm the negative association between TFP and obstacles to business environment, but only some of them have statistically significant coefficients (Table 1). Indicators for regulation, power outage, and corruption have negative signs as expected, but their coefficients are not statistically significant. On the other hand, the coefficients for tax administration, access to finance, and access to transport are statistically significant. The estimated coefficients indicate that:

- Each visit by tax officials to the firm is associated with a decline in TFP by 0.06 ppt.
- Firms that identify access to finance as a major/severe obstacle are likely to have a 0.3 ppt lower TFP than those which do not.
- Firms that identify access to transport as a major/severe obstacle are likely to have a 0.4 ppt lower TFP than those which do not.

19. Regarding the control variables:

- A firm's age and foreign ownership are positively and significantly associated with TFP.
- Export share, worker skills, and manager's experience were statistically insignificant (with unexpected negative sign in the case of export share and manager's experience).
- The years 2013 and 2023 are associated with lower average TFP than 2006, which is in line with macro trends discussed in the first Section, but the coefficients are not statistically significant.
- Firms located in Dar Es Salaam and Zanzibar are likely to be more productive, on average, than firms located in Arusha (the benchmark location), but firms located in other regions do not have statistically significant TFP difference from those located in Arusha.
- Large size firms have statistically significant lower average TFP than small firms.

Table 1. Tanzania: Pooled OLS Regression Results between TFP and Obstacles to the Business Environment

VARIABLES	(1) Government regulation	(2) Tax administration	(3) Access to finance	(4) Power outage	(5) Corruption	(6) Transport
Control variables						
Firm age	0.0180**	0.0122*	0.0134**	0.0129*	0.0141**	0.0135**
	(0.00768)	(0.00656)	(0.00668)	(0.00667)	(0.00677)	(0.00664)
Foreign ownership (>=50)	0.567*	0.583*	0.549*	0.563*	0.526*	0.549*
	(0.326)	(0.326)	(0.308)	(0.313)	(0.317)	(0.311)
Year-2013	-0.223	-0.170	-0.204	-0.160	-0.386	-0.0441
	(0.227)	(0.218)	(0.223)	(0.221)	(0.236)	(0.228)
Year-2023	-0.0228	-0.127	-0.131	-0.282	-0.197	-0.137
	(0.241)	(0.230)	(0.229)	(0.248)	(0.234)	(0.228)
Dar Es Salaam	0.513**	0.454*	0.416*	0.391*	0.482**	0.396*
	(0.242)	(0.232)	(0.235)	(0.235)	(0.236)	(0.232)
Dodoma	0.453	0.488	0.515	0.513	0.700	0.532
	(0.554)	(0.541)	(0.566)	(0.534)	(0.540)	(0.580)
Mbeya	0.392	0.443	0.380	0.417	0.513	0.384
	(0.352)	(0.343)	(0.344)	(0.345)	(0.358)	(0.352)
Mwanza	0.340	0.138	0.0681	0.168	0.222	-0.0463
	(0.538)	(0.494)	(0.423)	(0.481)	(0.761)	(0.400)
Pemba	-0.265	-0.356	-0.372	-0.538	-0.0391	-0.340
	(0.364)	(0.360)	(0.359)	(0.359)	(0.383)	(0.351)
Zanzibar	0.765*	0.850**	0.845**	0.857**	1.010***	0.766**
	(0.398)	(0.351)	(0.359)	(0.352)	(0.366)	(0.357)
Medium firms (20-99)	-0.0970	0.0250	-0.0296	0.0248	0.184	0.0187
	(0.185)	(0.181)	(0.178)	(0.179)	(0.190)	(0.181)
Large firms (>=100)	-0.633**	-0.454*	-0.578**	-0.509**	-0.307	-0.481*
	(0.270)	(0.267)	(0.257)	(0.257)	(0.259)	(0.258)
Business environment indicators						
Regulation	-0.00278					
	(0.0132)					
Tax administration		-0.0581**				
		(0.0264)				
Access to finance			-0.282*			
			(0.155)			
Power outage				-0.278		
				(0.196)		
Corruption					-0.00420	
					(0.00304)	
Transport						-0.386**
						(0.186)
Constant	1.715***	1.931***	1.931***	2.040***	1.650***	1.861***
	(0.291)	(0.273)	(0.273)	(0.311)	(0.272)	(0.266)
Observations	447	477	479	476	431	479
R-squared	0.060	0.065	0.064	0.061	0.059	0.066
F-value	1.95*	2.67***	2.51***	2.06**	2.05**	2.61***

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

E. Concluding Remarks

20. Using the World Bank's Enterprise Survey, this study finds evidence that obstacles to the business environment are associated with lower firm productivity in Tanzania. In particular, limited access to finance, burdensome tax administration, and limited access to transport are associated with lower TFP with statistically significant coefficients. Although the regression results do not find statistically significant association between TFP and the regulatory burden, Tanzanian firms face more regulatory hurdles than firms in peer countries, and other diagnostic studies, including by the authorities, have identified the regulatory burden as one of the major constraints to the business environment. Similarly, the regression analysis does not find a statistically significant association between TFP and power outages, but a large share of firms (34 percent) in the ES reported having experienced power outages, making access to electricity an important area in need of further improvement. Finally, Tanzania appears to have made significant progress in reducing corruption, as neither the non-parametric bivariate correlation nor the regression results show clear association between TFP and indicators of corruption.

21. The analysis of the study highlights the importance of stepping up key structural reforms, focusing on:

- *Improving access to finance*. Reforms should facilitate access to finance for the private sector, including by expanding the quality of credit information, establishing a legal framework for collateral secured transactions and collateral registries, and upgrading the digital infrastructure (e.g. payment systems, digital ID, and data sharing) to expand digital financial services.

- *Enhancing the efficiency of tax administration*. Continuing to automate tax systems, strengthen the risk-based compliance management framework, and increase the capacity of the TRA would be key to reduce the need for in-person meetings and to improve the efficiency of tax administration. Completing and implementing the automation of the VAT refund process will also help ease undue delays in tax refunds.

- *Easing the regulatory burden*. Building on recent progress, more decisive efforts are needed to streamline regulatory requirements, avoid regulatory loopholes and duplications, consolidate regulatory agencies, and automate regulatory procedures, including along the lines envisaged by the authorities under *Blueprint II*.

- *Upgrading infrastructure*. Ongoing investments in road and railway infrastructure will help ease constraints to transport infrastructure. Improvements in the reliability of electricity service require investments in grid stabilization, network rehabilitation, reinforcement, and digital technologies to enhance operational flexibility. Ensuring that electricity tariffs are cost reflective would enable TANESCO to perform the required operations and maintenance without relying on budget support from the government.

References

Anos-Casero, *Paloma* and Udomsaph, Charles (2009). "What Drives Firm Productivity Growth?" *The World Bank, Policy Research Working Paper 4841*.

Augier, Patricia, Marion Dovis, and Michael Gasiorek (2012). "The business environment and Moroccan firm productivity." *Economics of Transition, Vol. 20(2), 369–399*.

Diao, Xinshen, Mia Ellis, Margaret S. McMillan, and Dani Rodrik (2021). "Africa's Manufacturing Puzzle: Evidence from Tanzanian and Ethiopian Firms." *National Bureau of Economic Research*.

Dollar, David, Mary Hallward-driemeier, and Taye Mengistae (2005). "Investment Climate and Firm Performance in Developing Economies." *Economic Development and Cultural Change, Vol. 54 (1), 1-31*.

Fernandes, Ana M. (2008). "Firm Productivity in Bangladesh Manufacturing Industries." *World Development Vol. 36 (10), 1725–1744*.

Francis, D.C., Karalashvili, N., Maemir, H. and Rodriguez Meza, J. (2020). "Measuring Total Factor Productivity Using the Enterprise Surveys. A Methodological Note," *Policy Research Working Paper Series 9491*, The World Bank.

Government of Tanzania (2018). *Blueprint for Regulatory Reform to Improve the Business Environment*, Dodoma.

Government of Tanzania (2021). *National Five Year Development Plan 2021/22-2025/26*, Dodoma.

Government of Tanzania (2023). *National Anti-Corruption Strategy and Action Plan Phase Four 2023-2030*, Dodoma.

Government of Tanzania (2024a). *Blueprint for Regulatory Reform to Improve the Business Environment: Impact Assessment*, Dodoma.

Government of Tanzania (2024b). *Tanzania Development Vision 2050- Draft*, Dodoma.

Syverson, Chad (2011). "What Determines Productivity." *Journal of Economic Literature Vol. 49 (2), 326-365*.

World Bank (2023a). *Privatizing Growth: A Country Economic Memorandum for the United Republic of Tanzania*.

World Bank (2023b). *Enterprise Survey: Tanzania Country Profile*