

**ASSESSMENT OF THE FACTORS AFFECTING EXPORTS
VOLUME IN TANZANIA**

**By
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**A Dissertation Submitted in Partial Fulfillment of the Requirement for the
Award of Degree of Masters of Business Administration in Corporate
Management (MBA-CM) of Mzumbe University**

2019

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis entitled; ***“Assessment of the Factors Affecting Exports Volume in Tanzania”***, in a partial fulfilment of the requirements for award of the degree of Master of Business Administration in Corporate Management (MBA-CM) of Mzumbe University

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I would like to give special gratitude to my wife Clara Samweli, my daughter Mary S. Daffa and my friends Mr. Joseph Sanga and Mr. Njogo Nyamuko for their assistance, tolerance and couragement they extended to me throughout my study.

DEDICATION

This dissertation is dedicated to my lovely family of Dar es Salaam Tanzania

LIST OF ABBREVIATIONS AND ACRONYMS

DC	-	Developing Countries
H-O	-	Heckscher Ohlin
IFS	-	Insurance and Financial Services,
LPI	-	Logistic Performance Index,
LTV	-	Losses due to Theft and Vandalism,
NBT	-	Non-barrier tariff
NTM'S	-	Non-Tariff Measures
QPI	-	Quality of Port Infrastructure,
SPS	-	Sanitary and Phytosanitary Measures
TBT	-	Technical Barriers to Trade
TEDC	-	Time to Export Documentary Compliance,
WOT	-	World Trade Organization
XR	-	Official Exchange Rate,

ABSTRACT

The general objective of this study was assessing the factors affecting the export volume in Tanzania. The study examined the contributions of insurance and financial services on export volume in Tanzania, contributions of official exchange rate on export volume in Tanzania and contributions of logistic performance index on export volume in Tanzania.

The study adopted descriptive cross sectional design and targeted population was 195 countries in the world. Tanzania was selected as a sample of analysing the study problem. The primary data and secondary data were collected and analysed using descriptive statistics, correlation analysis and regression analysis.

The study found that the positive significant contribution of insurance and financial services on volume of exports of goods and services. The study revealed that there is positive significant contribution of official exchange rate on volume of exports of goods and services. The study observed that the positive significant contribution of logistic performance index on volume of exports of goods and services.

The study concluded that efforts to promote access to insurance and financial services for exporters in Tanzania has to be highly motivated in order to promote more exports of goods and services. The study recommends that since logistic performance index, official exchange rate and insurance and financial services are significant predictors of volume of exports of goods and services in Tanzania, it is important for stakeholders on international trade find a better way to improve logistic performance index, official exchange rate and insurance and financial services in order to promote more exports of goods and services.

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CHAPTER ONE

PROBLEM SETTING

1.1 Background to the Problem

Countries in the world have been integrated with globalisation that brings trade relationship. Participation in international trade is considered as inevitable given the globalisation era. Countries cannot survive without associating with other nations (Mindiye, 2012). International trade is considered as among important determinants for economic growth among nations.

Countries engage in international trade because of gains. Thus participations in international trade depend upon countries gain from it. If a country cannot gain in international trade it creates difficult for it to engage in international trade. Participations in international trade are highly achieved if trade constraints are relatively low (Adewuyi, 2012).

The volume of exports is affected by number of factors including trade constraints in international trade. According to Sawyer and Sprinkle, (2004) trade constraints have different impacts on trade and economic growth in a country. According to Mindiye, (2012) regional trade has strong impacts on export volume but trade constraints have negative effects on trade export volume growth in a country.

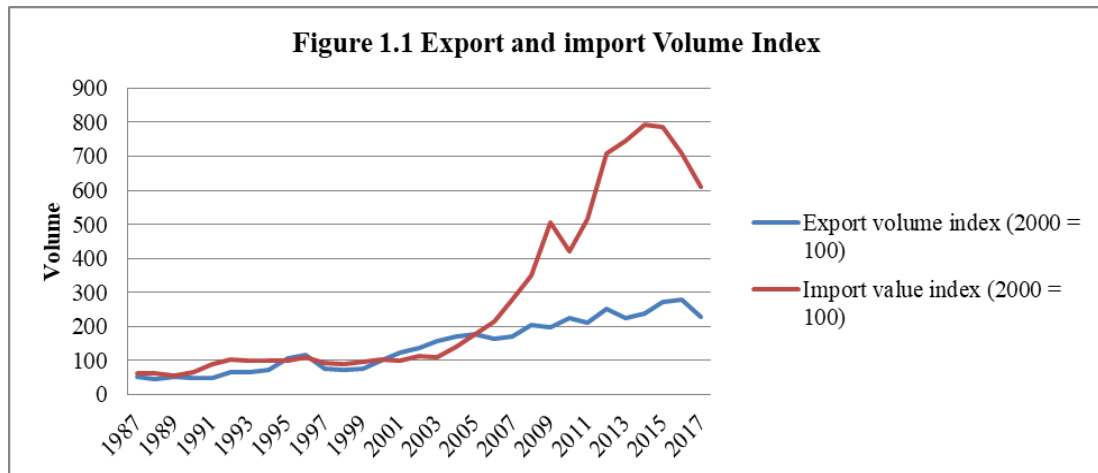
Participation in international trade (export and import trade) has been one of the most important sources of foreign exchange income that ease the pressure on the balance of payments and create employment opportunities among different countries in the world (Beghin and Bureau, 2014). A country desire to gain in terms of export and imports pushes into participation in international trade. The scholars argued that; in many developing and developed nations, international trade has been recognised to contribute significant share of increase export earning for a country (Adewuyi, 2012).

According TO Ezike et al, (2011) countries cannot grow without participation in international trade thus effort is promoting policies and regulations that boots effectiveness in persuasion in international trade by reducing both tariff and non-tariff barriers are necessary. The pace of participating in international trade (export and import trade) is dominated with number of constraints (Ezike et al, 2011). The trade constraints are considering affecting ability of nations to participate effectively in international trade which impacts on export growth and export earnings (Ezike et al, 2011) but other scholars such as Amos (2014) claimed that free trade does not guarantee export growth of a country and trade barrier and other factors contributes to protection of domestic industry and rapid economic growth and employment creations. Thus, the factor related with trade barrier (constraints to international trade) is important policy for promoting economic stability of a country (Amos, 2014).

There has been a long term debate among the policy makers over the effects of free trade and trade protection on export and economic growth. The debate has not yield consistence result whether factors related with trade barrier or constraints is important determinant for export growth or free trade is important determinants for export growth among nations.

The literature shows that; although trade offers a long term benefit for developing countries, trade liberalization alone is not sufficient engine for export growth; however the volume of export in developing countries is relative low compared with import volume of goods and services (David, 2017).

Tanzania volume of exports has been increasing and decreasing as compared to import of goods and services. The import volume is relative larger as compared to export volume index of Tanzania from 2005 to 2017 which indicates there is a serious problem related with promoting export volume in Tanzania (see Figure 1.1)



Despite; literature indicates international trade has significant contribution on economic trade, and the data in figure 1.1 shows Tanzania volume of export is relative low compared to export which requires understanding the factors that contributes toward promoting export volume in Tanzania. Therefore with that matter it was important to understand the factors affecting export volume in the context of developing countries particularly in Tanzania.

1.2 Statement of the Problem

Globalization has created a need of allowing free trade in order to promote economic growth and export growth. There are different that are considered restrictions toward promoting export growth (Wangwe, 2013). According to World Bank, (2006) developing countries need revenue to finance their economic growth and one of sources of revenue is promoting export volume in a country. According to UNCTAD (2012) increasing export volume is one of important factor for national development as well as facilitating balance of payment.

There is no clear understanding on factors affecting export growth in developing nations. The empirical study conducted by Hinju (2015) found that non trade barriers are among of the factor negatively affected export growth. The study by Beghin and Bureau, (2014) found that quality and production capacity negatively affecting export growth.

According to Bank of Tanzania (2017) Tanzania is dominated with export being less than import for past years despite efforts of to promote export of goods and services. There is no consistence results related with the factors affecting export volume among various researchers.

The studies has been conducted assessed the impacts of non-tariff and tariff barriers on economic growth and balance of payments, there are empirical gap linking factors promoting export volume in different developing countries including Tanzania. To address the empirical gap, this study was conducted assessing the factors affecting export volume in Tanzania.

1.3 Research Objectives

1.3.1 General Research Objective

The general objective of this study was assessing the factors affecting the export volume in Tanzania

1.3.2 Specific Research Objectives

- (i.) To examine how insurance and financial services affect export volume in Tanzania.
- (ii.) To find out how official exchange rate affects export volume in Tanzania.
- (iii.) To evaluate how logistic performance index affects export volume in Tanzania.

1.4 Research Questions

1.4.1 General Research Question

The study was guided by the general questions what are the factors affecting export volume in Tanzania?

1.4.2 Specific Research Questions

- (i.) To what extent to which insurance and financial services affects export volume in Tanzania?
- (ii.) To what extent to which official exchange rate affects export volume in Tanzania?
- (iii.) To what extent to which logistic performance index affects export volume in Tanzania?

1.5 Research Hypothesis

H0₁: Insurance and financial services does affects export volume in Tanzania

H0₂: Official exchange rate does not affect export volume in Tanzania

H0₃: Logistic performance index does not affect export volume in Tanzania

1.6 Significance of the Study

The study provides three important rationale and significant to stakeholders. These include theoretical contributions; empirical contributions and practical contributions. The findings from this study provide contributions on promoting theoretical development based on the relationship and impacts of factors affecting export volume in Tanzania. Thus the finding of this study provides theoretical background on how different factors affect export volume in Tanzania.

The findings from this study provide empirical contribution for academicians on understanding the empirical result on the factors affecting export volume in Tanzania. These findings are useful for further academic development among academicians in the field of managerial and economic analysis.

The findings from this study are useful for practical contribution among the policy makers and government in overall. The study provides insight about the factors affecting export volume in Tanzania; this is an input for policy makers developing or modifying policy on international trade in order to promote export volume growth.

1.7 Scope of the Study

The study was conducted in Tanzania. The scope of the study was assessing the factors affecting export volume in Tanzania. In the process of finding the result based on the study problem; the study focused on understanding how insurance and financial services, official exchange rate, logistic performance index affects export volume in Tanzania. The study focused on assessing how insurance and financial services, official exchange rate and logistic performance index affects export volume of Tanzania from the 2006 to 2016. The years were selected because secondary data were readily available to facilitate investigation for the study problem.

1.8 Organization of the Report

This study adhered to Mzumbe Research guideline. According to it; the research is organised into five chapters. The first chapter is based on setting the study problem. In this chapter, the researcher introduces the study problem and tries to justify why this study was relevant by demonstrating background to the problem, statement of the problem, research objectives, research questions, hypothesis, relevant of the study, scope of the study and structure of the study.

The second chapter based on literature review, where the researcher demonstrated theoretical, empirical, research gap and conceptual framework. The third chapter was research methodology that entailed research design, targeted population, sample and sampling technique, data and data collection methods, model setting, data analysis and reliability and validity of the study.

The fourth chapter was presenting the result and findings and discussion of the findings. The fifth chapter was presenting summary, conclusion and policy implications.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature review about factors affecting export volume. It demonstrates theoretical literature related with participation of a country in internationalization. Also various empirical literatures are properly and effectively reviewed on factors affecting participation international trade conducted by other researchers in different countries. Finally; the conceptual framework showing the relationship between variables related to this study was presented in this chapter.

2.2 Definition of Concepts and Terms

Export Volume

Export Volume is the quantity of goods and services a country export to international trade (Mast, 2008). They are goods and services produced by another country and exported to other country. The volume exports are important indicators on trade balance and balance of payment in international trade. The volume of export reflects country gain of foreign currency associated with export of goods and services in international trade.

2.3 Theoretical Review

This section demonstrates the theories guiding the study as well as factors that influence export volume across different nations. The explanations of theories as well as factors influence export volume are indicated in the following sub sections:-

2.3.1 Theories Explaining Export Volume and Its Implications

In investigating the factors affecting export volume in a country it needs a clear trade theories and models. The first model that was developed in international trade was called mercantilist theory. The theory focused trade pattern in international exchange.

According to Oser and Brue (1988), mercantilist focused on nationalistic outlook, favoured state regulation and centralization of economic activities including foreign trade, stressing the need to increase the stock of precious metals, namely, gold and silver to reflect a nation's prosperity, protection or domestic businesses and encourage exports rather than imports (Warburton, 2010).

As the currency of trade was gold and silver, nations could prosper by accumulating these precious metals by exporting more and importing less. The more gold and silver a nation had the richer and more powerful it was. Protectionist measures such as giving subsidies and tax rebates to protect local businesses were implemented to encourage exports and discourage imports resulting in nations having a favourable balance of trade.

Hayek (1988) argued that governments largely hamper long-distance trade than initiated it. Hence, the Mercantilist theory has laid the seeds of non-tariff barriers in implementation as an invisible form of protectionist measure. According to mercantilism theory free trade does not benefit both trading nations on an equitable scale.

The weakness of mercantilists' theory in promoting national gains in international trade resulted into the emergence of absolute advantage theory. The theory of absolute advantage was introduced by Adam Smith in the 18th Century and it focused importance of free trade in order to increase the wealth of all trading nations. The absolute advantage theory, considered that trade between two countries happens for goods that have absolute advantage. The concern of the theory was country will specialize and export a commodity in which it has an absolute cost advantage and import commodity which has no absolute cost advantage. By doing so mutually beneficial trade happens between two countries.

The theory is based on the labour theory of value, which asserts that labour is the only factor of production and that in a closed economy; goods are exchanged in accordance to the relative amount of labour they took to produce. Thus in this theory, it discouraged non-tariff barriers in international trade in order to promote country gain in international trade. In reality, non-tariff barriers can lead to costly labour as exemplified by the following single factor of production such as the need for specialised skills due to imposed requirements.

The work of Adam Smith contributed development of Ricardian theory to advance ideas of gain international trade among nations (Golub and Hsieh, 2000). The theory posits that comparative advantage happens when a country is relatively more efficient in the production of a particular product than another country is in the production of that similar product. Comparative advantage measures efficiency in terms of relative magnitudes. Since countries have limited resources and level of technology they tend to produce goods in which they have a comparative advantage. Comparative advantage implies an opportunity cost associated with the production of one type of product compared to another. This is the reason why countries tend to specialize in production of certain products. In other words, a country should specialise in producing and exporting those products in which it has a comparative or relative cost advantage compared with other countries and should then import products in which it has a comparative cost disadvantage.

Schumacher (2013) argued that the theory's trade model encourages international trade and that nation and populations will benefit from it. Other assumptions are perfect competition and constant returns to scale and free trade.

The Ricardian theory which advocates free trade ignores the influence of non-tariff barriers in international trade between countries with argument that non-tariff barriers put a country in a disadvantaged position in international trade. But today, international trade faces restrictions in the form of no-tariff barriers.

Developing countries (DCs) have not being enjoyed comparative advantage in the production of labour intensive commodities due to protectionist policies employed by developed countries.

The work of Ricardian contributed to the rise of Hecksher-Ohlin (H-O) theory in the 20th Century. The theory stresses factor endowments as the basis for trade (Lam, 2015 and Verter, 2015). The theory expounds that a country should produce and export goods that require resources (factors) that are abundant in supply and import goods that require resources that are short in supply. Hecksher-Ohlin (H-O) theory assumes perfect competition, constant returns of scale, and factor endowment to scale. Here, the resource that is in abundance will be used to produce and export products and the products that require factors that are short in supply will be imported.

According to this theory, non-tariff barriers have role in determining the product exports orientation (capital intensive or labour intensive) is lacking. According to H-O theory, countries produce goods that require cheaper factors of production (labour, land, and capital). In this context of this argument, the imposition of NTMs may render factors of production that are less costly now become costlier due to compliance costs and other investments needed to comply with standards and requirements. The NTMs imposed by importing countries infringe the free trade assumption made by the H-O theory.

The weakness of H-O theory on failure to explain the pattern of trade contributed to the rise of Krugman (1979, 1980) and Helpman (1985) to develop a new trade theory. The new trade theory was developed with context of neoclassical international trade theory by imperfect competition, economies of scale, and strategic behaviour. The theory stated that due to the 'love for variety' by people in the importing countries, this leads to firms producing similar products but these products are differentiated by brand, quality, packaging, etc. The increase in demand for this

product variety leads to firms experiencing economies of scale which results in monopolistic competition.

With these arguments market moves towards a few, large firms which end up controlling the market. Studies using the monopolistic model to assess the trade flow include Lawrence (1987) found that low volume of imports is associated with existence of trade barriers. This implies that tariff and non-tariff barriers plays significant roles in reducing import of goods and services from other country.

The theory suggests that the role of non-tariff barriers in this theoretical context is in the form of protectionism. Thus a country impose non-tariff barriers to protect domestic firms to achieve competitiveness vis-à-vis competitors

In the 21st Century another theory based on Product Life Cycle (PLC) was developed. The theory explains international trade patterns depend upon the product life cycle stages. The theory posits that when a product is at a new product development stage, it will usually be produced in the home country.

However, when the product is at the maturity stage, firms will find locations where cheap factors of production can be obtained. However, the Product Life Cycle (PLC) theory ignores the emerging countries' capabilities in research and development, where highly skilled labour and technology are available even at the new product's development stage.

The PLC theory does not consider non-tariff barriers in explaining the patterns of trade despite the possibility of non-tariff barriers having important repercussions. Compliance to non-tariff barriers can cause firms to seek research and development capabilities in cost efficient countries. According to Bhaumik et al. (2009), China and India have become the choice for firms pursuing low cost solutions through R&D offshoring.

2.4 Factors Affecting Export Volume and Export Volume

In our globalized world whether there is a relationship between trade openness (openness hereafter) and economic growth and openness is useful for the economy of the countries or not is still a matter in argument. On one hand by trying to decrease the quotas and tariffs through GATT (General Agreement on Tariffs and Trade), United Nations Conference on Trade and Development (UNCTAD) which was established to liberalize the trade between countries and World Trade Organization (WTO) which was established instead of General Agreement on Tariffs and Trade (GATT) in 1995, increasing the openness of the countries to the world trade is aimed, on the other hand countries impose restrictions in the world trade by increasing the invisible barrier both to protect the domestic industries and to get income (Yijun, 2004). The GATT, WTO and UNCTAD considered among the factors affecting export volume in international trade is non-tariff barriers and tariff barriers.

Disdier, Fontagné, and Mimouni (2008) in their study estimate the trade effect of standards and other non-tariff measures on 690 agri-food products (HS6-digit level). Their data cover the bilateral trade between the Organisation for Economic Co-operation and Development (OECD) as importing countries and 114 others as exporting countries in 2004. When they consider different groups of exporting countries, they show that OECD exporters are not significantly affected by TBT in their exports to other OECD countries, whereas the exports of developing countries (DCs) are negatively and significantly affected. The literature shows that factors affecting export volume includes tariff and non-tariff barriers to trade. However, it is important to analyse in detail on how different factors affects export volume in a country.

2.5 Empirical Review

2.5.1 Determinants of Export Volume

World Trade Organization (WTO, 2012) stated that studies conducted in quantifying the effect of non-tariff measures (NTMs) found that the impact of NTMs on trade is

almost twice as much as of tariff. In a study by Hoekman and Nicita (2011), NTMs reduced by 5 percent will improve trade by 2-3 percent. Three broad effects were identified by Dhar and Kallummal (2007), arising from the impact of NTMs. These effects are a) regulatory protection effect- rent to domestic sector; b) supply shift effect- compliance cost impact in terms of increase in domestic supply; and c) demand shift effect-new information effect, which leads to increased demand. These effects are discussed in the perspective of a welfare-oriented approach. Effects in the context of the mercantilist approach are on compliance costs and market entry decision (Melitz, 2003). Standards and technical regulations imposed by importing countries are a serious matter for exporters especially from developing countries.

The seriousness of standards as NTMs is reported by Chen et al. (2008) which found that 40 percent of exports from developing countries are subject to NTMs including standards. As reported by United Nations Conference on Trade and Development (UNCTAD) (2005), the inability to meet stringent environmental and safety standards by developing countries have led to the failure of exporting their agricultural and manufactured products to developed countries. The standards and technical regulations have only served to strengthen the domestic players and achieve competitive advantage vis-à-vis exporters especially from developing countries.

Chen et al. (2008) discussed four types of standards. These include quality standards, design standards, testing, and certification procedures and labelling requirements, all of which have distinct objectives. Standards are used as a strategic tool for product differentiation and market segmentation (Clayton et al., 2003).

2.5.2 Factors Influence Export Volume

Smith (2009) researched the prevalence of public and private standards and found that firms have incentives to provide, for example, high quality food to gain competitive advantage and it was further noted that in cases where information was made available to consumers on how to judge if food quality is imperfect or

otherwise, market and legal incentives may be insufficient to give consumers the level of quality and protection that society as a whole would like.

The argument on the NTMs' impacts on trade goes both directions i.e. trade impeding and trade promoting or facilitating. Positive effects of NTMs lead to enhancing trade while negative implications of NTMs result in incurring losses both in financial and non-financial aspects. Financial losses are mainly due to increased costs of compliance. Non-financial losses are related to becoming less competitive in the domestic market of the importing country due to slower time to market, subsidies and other preferential treatment by governments to protect its local firms.

While some NTMs are meant to correct market failures, there are concerns that many NTMs may be imposed to protect domestic industries (Liu and Yue 2009), which is contrary to WTO's framework of fair trade policy.

For example, the authors argued that the practice of applying SPS and technical trade measures may be discriminatory and unjustified which act as barrier to trade (Grant and Anders, 2010; Baylis et al., 2010; Otsuki et al., 2001; Disdier and Marette, 2010) even among the WTO members. WTO (2012) informed that NTMs which are imposed for legitimate reasons such as to address market failures, still will incur costs for exporters.

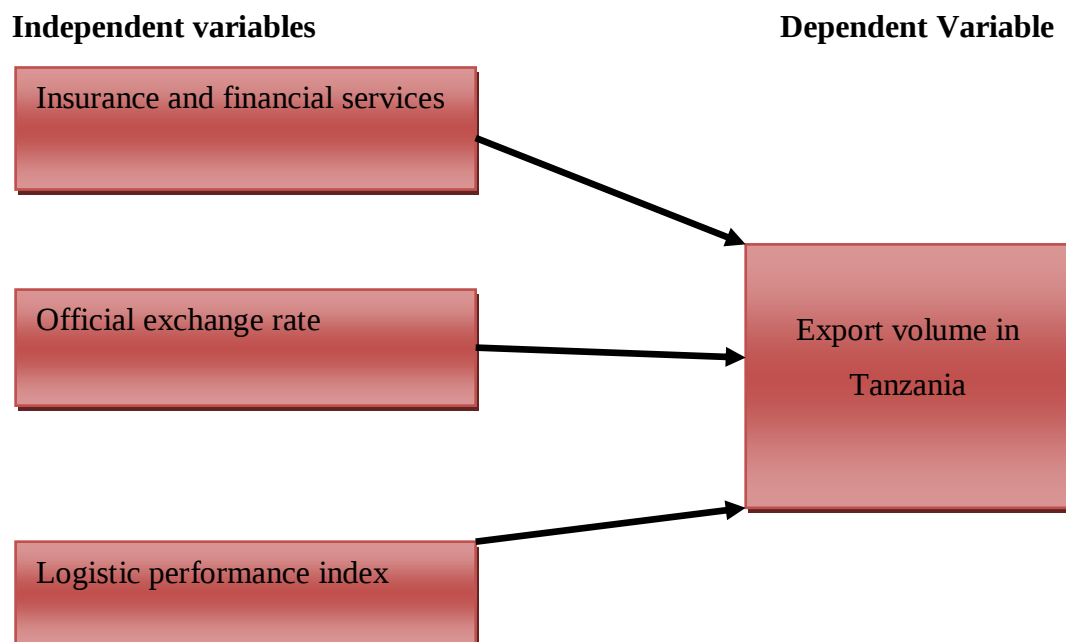
Rial (2014) also noted that reduction in information asymmetries between consumers and producers, in regards to the quality and safety of the product, favours export enhancement. The effort undertaken to comply with NTMs could ultimately result in positive impact for the exporters concern through capacity upgrade and instituting procedures and regulations that promote efficient process and production facilities (Van Tongeren et al., 2009).

2.7 Conceptual Framework

The conceptual framework in this study links factors affecting export volume in Tanzania. Theoretically; it is assumed that various factors have effect on export volumes. According to Chen et al. (2008) insurance and financial services, official exchange rate and logistic performance effects have an impacts on export volume. In this study therefore independent variables are insurance and financial services, official exchange rate and logistic performance while dependent variable is export volume.

The study assumed that insurance and financial services, official exchange rate and logistic performance index have positive contributions on export volume in Tanzania. The figure 2.1 shows the pictorial representations of relationship between insurance and financial services, official exchange rate and logistic performance index and export volume in Tanzania.

Figure 2.1: Conceptual Framework (Non-Tariff Barriers on Export Volume in Tanzania)



Source: Researcher Construct (2018)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The former chapter presented literature review related with impacts of non-tax barriers on export volume but the current chapter presents research methodologies adopted by the researcher on assessing impacts of non-tax barriers on export volume in Tanzania. As proposed by Kothari (2004) research conducted successfully need to have appropriate research methodologies suit for it. Thus in realising the idea, this chapter covered the research design, targeted population, sample and sampling technique, data and data collection methods, statistical tests and data analysis.

3.2 Research Design

The study focused on assessing impacts of non-tax barriers on export volume in Tanzania for the time of 2000 to 2017. Based on the nature of the study, the researcher adopted descriptive cross sectional design in order to investigate during the time of 2000 to 2017 how non-tariff barriers affect export volume in Tanzania. The descriptive cross sectional design measures the relationship between variables within a specific period of time. In this study insurance and financial services, official exchange rate and logistic performance index was assessed their relationship with export volume in Tanzania for the period of 2000 to 2017.

The study adopted descriptive case study because of its ability to test relationship and effect of independent variable to dependent variable. In this case it was easily for researcher to test relationship using correlation analysis and effects using regression analysis of independent variables to dependent variables. The justification of descriptive study was based on facts that the design is suitable for demonstrating contributions of independent variables on explaining dependent variables in the study.

3.3 Targeted Population

The targeted population are total number of countries pursuing export in international trade. The world has total number of 195 countries (World Bank, 2019). Therefore, 195 countries forms targeted population in this study.

3.4 Sample and Sampling Technique

The study used quantitative approaches on assessing factors affecting export volume in Tanzania. Based on this, sample for the study was Tanzania country. Tanzania was selected as a case study analysing the factors influence export volume. Tanzania was selected because it is a country faced with deficit balance of trade and efforts are needed to promote more export of goods and services in order to facilitate favourable balance of trade.

3.5 Data Collection Methods

The researcher used documentary review and questionnaire to collect data for each variable. The time series data from 2000 to 2017 of insurance and financial services, official exchange rate, logistic performance index, and export volume were collected because they were readily available in the documents from world economic indicator, Bank of Tanzania and Tanzania Bureau of Statistics. Chen et al. (2008) considered that insurance and financial services, official exchange rate and logistic performance effects has an effect on explaining country export volume.

Therefore, this study assessed whether insurance and financial services, official exchange rate and logistic performance effects have important predictions on Tanzania export volume. The documentary review was suitable because the data were obtained from authentic and reliable sources which added value on reliability and trust for the results of this study.

In addition to that; the study used primary data collected from 50 exporters and staff from Dar es Salaam Port for answering questions related with contributions of insurance and financial services on export volume in Tanzania, contributions of

official exchange rate on export volume in Tanzania and contributions of logistic performance index on export volume in Tanzania. The study used primary data in order to get more explanations and justifications of the contributions of insurance and financial services, official exchange rate and logistic performance effects on export volume in Tanzania.

3.6 Model Setting

The study used multivariate linear regression model on assessing the factors affecting the export volume in Tanzania. From the prior assumption, it was indicated that volume of export depends upon various factors. In this case the study selected three independent variables which were insurance and financial services, official exchange rate, logistic performance index and dependent variable is volume of export in Tanzania. Thus, this study was guided with the following model:-

$$VE = \beta_0 + \beta_1IFS + \beta_2XR + \beta_3LPI + \mu \dots \dots \dots (1)$$

Where by

- VE = Volume of export,
- IFS = insurance and financial services,
- XR = official exchange rate,
- LPI = logistic performance index,
- β_0 = intercept,
- β_1-6 = coefficient of parameters and
- μ = Error term (unexplainable variable)

3.7 Conceptualization and Measurement of Variables

The conceptualization and measurement of variable were specific analysis used to indicate meaning variable, how the variable was measured and how the variable assumed to be have on dependent variable. The Table 3.1 shows conceptualization and measurement of variables that was used in this study.

Table 3.1: Conceptualization and Measurement of Variables

Variable	Nature of variable	Meaning	Its measurement	Relations with dependent variable
IFS	Independent	Insurance and financial obligation on export of goods, services and capital	% of service exports, (BoP)	Negative
XR	Independent	Rate at which domestic currency will be exchanged for another	Rate to which Tanzania shillings exchanged with dollar annually	Negative
LPI	Independent	Overall score reflects perceptions of a country's logistics based on efficiency of customs clearance process, ease of arranging competitively priced shipments, quality of logistics services, ability to track and trace	Efficiency of customs clearance process (1=low to 5=high)	Positive
VE	Dependent	The quantity of the goods, services and capital exported annually	% of GDP	

Source: Researcher's Construct (2018)

3.8 Testing Variables

The study carried number of test to ensure trustworthy of information for analysis. The study tested multicollinearity of variable in order to observe if there is relationship between independent variable and dependent variable. The multicollinearity problem demonstrates that a situation in which one predictor variable in a multiple regression model can be linearly predicted from the others with a substantial degree of accuracy. Thus variable in multivariate regression analysis need not to suffer with multicollinearity problem.

The study used value inflation factor to test multicollinearity of variables in this study. In addition to that, the study tested non-linearity problem. This test if variable does not obey linear assumption. The study based linear regression analysis thus it is important for all variable to obey linearity assumptions.

3.8.1 Testing Reliability of Variables

The study tested reliability of variables in order to ensure the results can be trusted. The study employed Cronbach's Alpha reliability statistics to tests reliability of variables used in assessing the factors affecting the export volume in Tanzania. The result obtained is presented at Table 3.2.

Table 3.2: Reliability Statistics Test Results

Reliability Statistics	
Cronbach's Alpha	N of Items
0.87	4

Source: Field Data, 2019

Table 3.2 shows that the study has 4 variables used for analysis and Cronbach's Alpha reliability statistics is 0.87. The finding implies that the variables used in this study are reliable and used for analysis. The rule of thumb is based that if Cronbach's Alpha value is greater than 0.7 then the variables are reliable. This study obtained that Cronbach's Alpha value is 0.87 implying it is above 0.7, thus we can conclude that the variables were reliable for analysis.

3.8.2 Multicollinearity

In this study value for inflation factor in regression analysis was adopted to tests if there is multicollinearity problem among variables. The decision criteria is based with if Value inflation factor is less than 2.4 imply the variables have no collinearity problem. Table 3.3 shows the results about multicollinearity tests for variables.

Table 3.3: Multicollinearity Test Results**Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1.196E9	2.253E9		-.531	.600		
Logistics performance index	7.938E7	1.051E9	-.006	3.076	.025	.674	1.483
Insurance and financial services (% of service exports, BoP)	4.747E8	2.142E8	-.145	-2.216	.036	.882	1.134
Official exchange rate	5.608E6	436717.456	.978	12.841	.000	.650	1.537

a. Dependent Variable: Vol.Exports of goods and services (current US\$)

The Table 3.3 shows that, logistics performance index value inflation factor (VIF) is 1.483, insurance and financial services (% of service exports, BoP) value inflation factor (VIF) is 1.134 and Official exchange rate value inflation factor (VIF) is 1.537. This imply that all variables have VIF <2.4 implying there is no multicollinearity problem among variables.

3.8.3 Testing Autocorrelations

The study tested if the variable faces problem related with autocorrelation. The study employed autocorrelation test in order to see if characteristic of data in which the correlation between the values of the same variables is based on related objects. The finding obtained is shown in the following Tables and Figures

Table 3.4: Testing Autocorrelation for Volume Exports of Goods and Services

Autocorrelations

Series: Vol. Exports of goods and services (% of GDP)

Lag	Autocorrelation	Std. Error ^a	Box-Ljung Statistic		
			Value	df	Sig. ^b
1	.230	.182	1.597	1	.206
2	-.157	.179	2.367	2	.306
3	-.287	.175	5.053	3	.168
4	-.356	.171	9.360	4	.053
5	-.263	.168	11.825	5	.037
6	-.030	.164	11.860	6	.065
7	.207	.160	13.537	7	.060
8	.256	.156	16.238	8	.039
9	.061	.152	16.399	9	.059
10	-.094	.147	16.810	10	.079
11	.056	.143	16.964	11	.109
12	-.135	.138	17.910	12	.118
13	-.055	.134	18.077	13	.155
14	.027	.129	18.120	14	.201
15	.004	.124	18.122	15	.256
16	.020	.119	18.150	16	.315

a. The underlying process assumed is independence (white noise).

b. Based on the asymptotic chi-square approximation.

Figure 3.1: Testing Autocorrelation for Volume Exports of Goods and Services

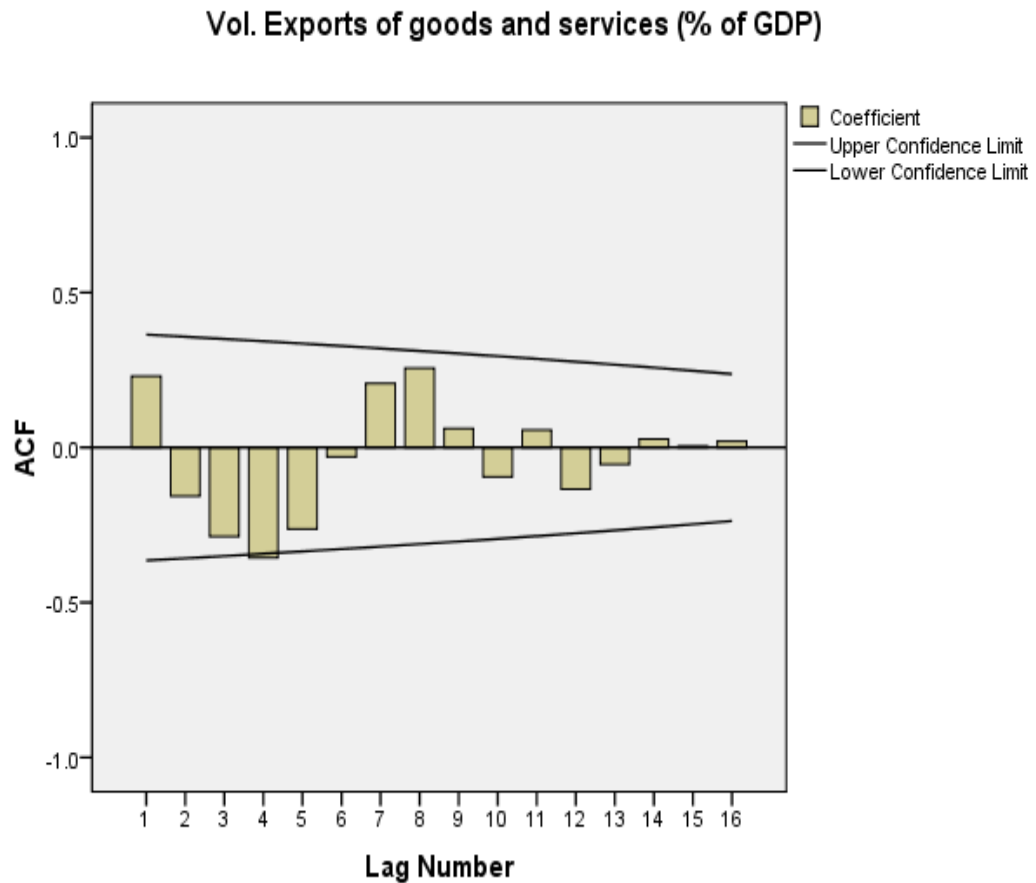


Table 3.4 and its figure above shows that volume exports of goods and services is associated with underlying assumptions is that there is white underlying process assumed is independence (white noise). The P-value (Sig) shows that $P > 0.05$. This imply that it reject the assumption that volume exports of goods and services is associated with underlying assumptions is that there is white underlying process assumed is independence (white noise). Based on this result we can conclude that there is no autocorrelation of volume exports of goods and services

Table 3.5: Testing Autocorrelation for Insurance and Financial Services (% of Service Exports, BoP)

Autocorrelations					
Series: Insurance and financial services (% of service exports, BoP)					
Lag	Autocorrelation	Std. Error ^a	Box-Ljung Statistic		
			Value	df	Sig. ^b
1	-.438	.182	5.772	1	.116
2	.335	.179	9.285	2	.110
3	-.359	.175	13.497	3	.074
4	-.014	.171	13.504	4	.069
5	.042	.168	13.567	5	.089
6	-.131	.164	14.203	6	.027
7	.237	.160	16.396	7	.022
8	-.121	.156	16.996	8	.170
9	.130	.152	17.726	9	.068
10	-.257	.147	20.778	10	.093
11	-.008	.143	20.781	11	.086
12	.029	.138	20.825	12	.053
13	-.039	.134	20.910	13	.075
14	.079	.129	21.287	14	.095
15	-.011	.124	21.295	15	.128
16	.023	.119	21.333	16	.166

a. The underlying process assumed is independence (white noise).

b. Based on the asymptotic chi-square approximation.

Table 3.5 shows that insurance and financial services (% of service exports, BoP) is associated with underlying assumptions is that there is white underlying process assumed is independence (white noise). The P-value (Sig) indicates that $P > 0.05$. This imply that we reject the assumption that the variable is associated with underlying assumptions that there is white underlying process assumed is independence (white noise). Based on this result we can conclude that there is no autocorrelation of for the variable

Table 3.6: Testing Autocorrelation for Logistics Performance Index**Autocorrelations****Series: Logistics performance index**

Lag	Autocorrelation	Std. Error ^a	Box-Ljung Statistic		
			Value	df	Sig. ^b
1	-.303	.182	2.767	1	.096
2	-.026	.179	2.788	2	.248
3	.179	.175	3.830	3	.280
4	-.335	.171	7.646	4	.105
5	.157	.168	8.526	5	.130
6	.069	.164	8.702	6	.191
7	-.024	.160	8.724	7	.273
8	-.089	.156	9.047	8	.338
9	.074	.152	9.287	9	.411
10	-.117	.147	9.913	10	.448
11	-.010	.143	9.918	11	.538
12	.032	.138	9.970	12	.619
13	.063	.134	10.193	13	.678
14	.022	.129	10.223	14	.746
15	-.004	.124	10.224	15	.805
16	-.010	.119	10.231	16	.854

a. The underlying process assumed is independence (white noise).

b. Based on the asymptotic chi-square approximation.

Figure 3.2: Testing Autocorrelation for Logistics Performance Index

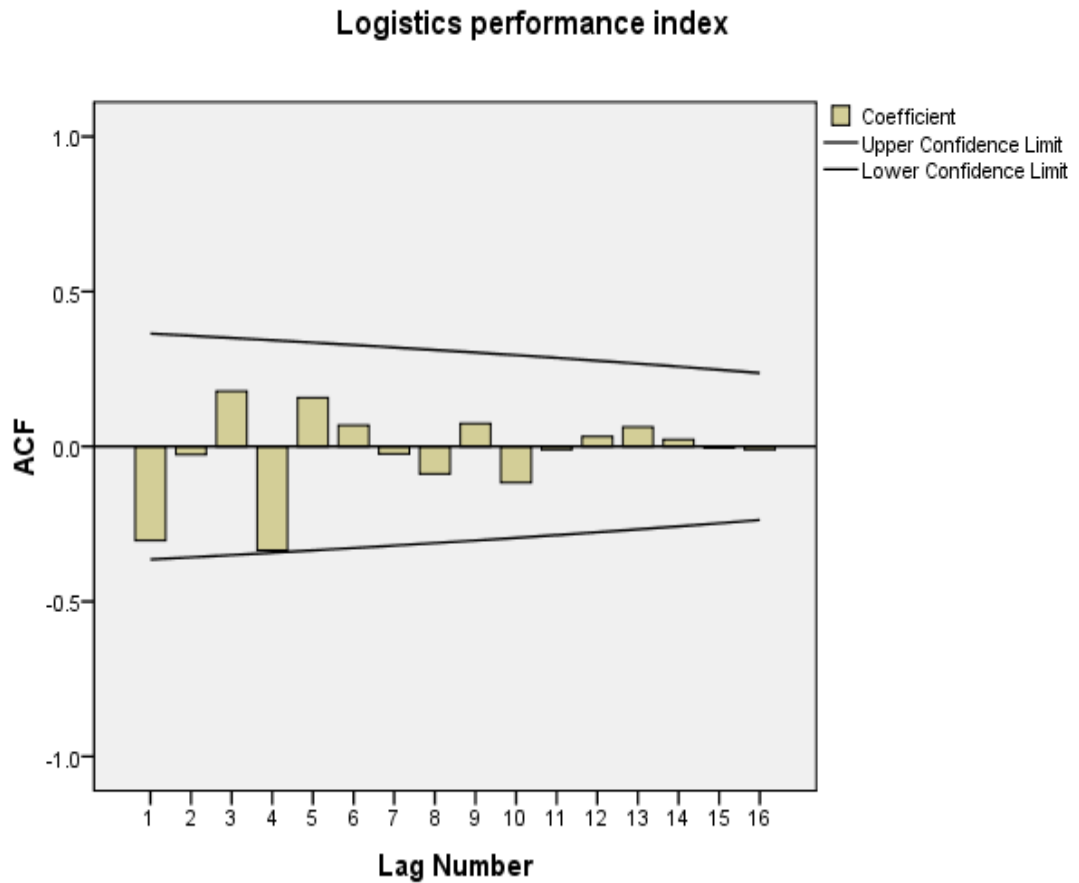


Table 3.6 and its figure above shows that logistics performance index is associated with underlying assumptions is that there is white underlying process assumed is independence (white noise). The P-value (Sig) indicates that $P > 0.05$. This imply that we reject the assumption that logistics performance index is associated with underlying assumptions that there is white underlying process assumed is independence (white noise). Based on this result we can conclude that there is no autocorrelation of logistics performance index

Table 3.7: Testing Autocorrelation for Official Exchange Rate**Autocorrelations****Series: Official exchange rate**

Lag	Autocorrelation	Std. Error ^a	Box-Ljung Statistic		
			Value	df	Sig. ^b
1	.179	.182	.962	1	.327
2	-.223	.179	2.516	2	.284
3	-.238	.175	4.357	3	.225
4	.125	.171	4.890	4	.299
5	.193	.168	6.209	5	.286
6	.069	.164	6.387	6	.381
7	-.167	.160	7.479	7	.381
8	-.219	.156	9.451	8	.306
9	.089	.152	9.795	9	.367
10	.003	.147	9.795	10	.459
11	-.051	.143	9.921	11	.537
12	.046	.138	10.031	12	.613
13	.007	.134	10.034	13	.691
14	-.037	.129	10.116	14	.754
15	-.096	.124	10.714	15	.773
16	.076	.119	11.126	16	.802

a. The underlying process assumed is independence (white noise).

b. Based on the asymptotic chi-square approximation.

Figure 3.3: Testing Autocorrelation for Official Exchange Rate

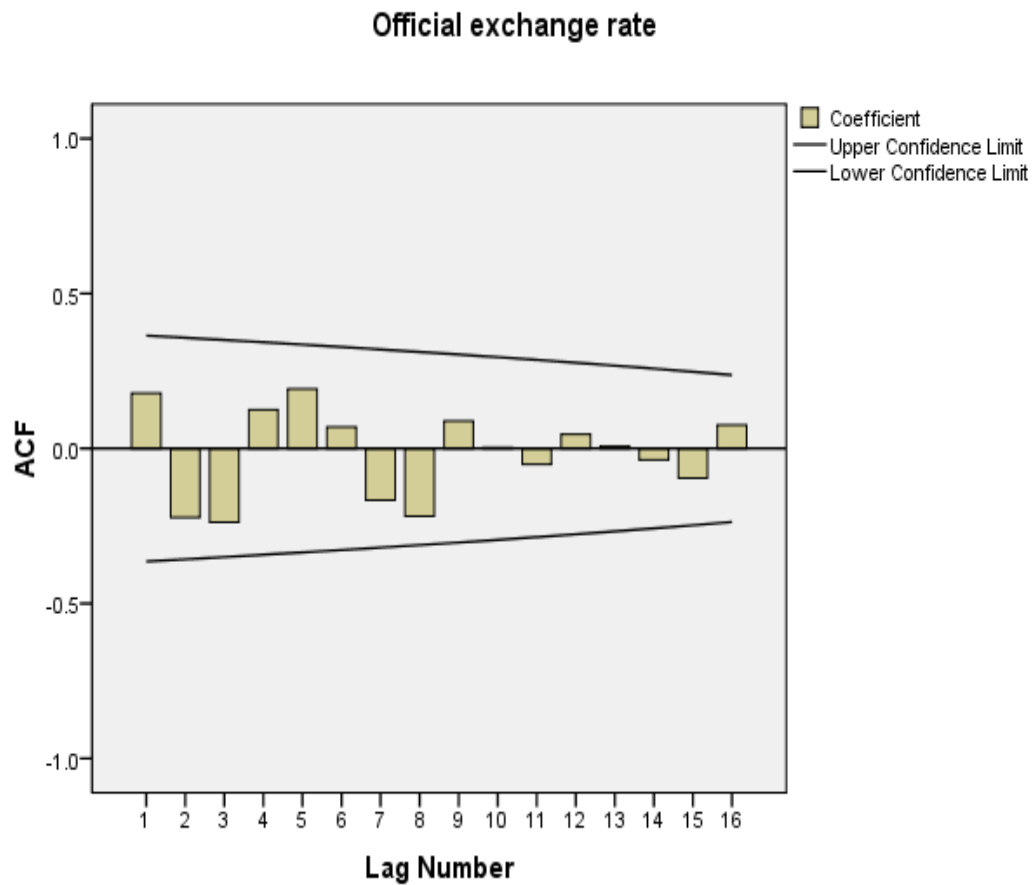


Table 3.6 and its figure above shows that official exchange rate is associated with underlying assumptions is that there is white underlying process assumed is independence (white noise). The P-value (Sig) indicates that $P > 0.05$. This imply that we reject the assumption that official exchange rate is associated with underlying assumptions that there is white underlying process assumed is independence (white noise). Based on this result we can conclude that there is no autocorrelation of official exchange rate

3.9 Data Analysis

The data in this study was analysed using three quantitative analysis tools. This includes descriptive statistics which represent number of observations, mean and standard deviation of variables. In addition to that, the study adopted correlation analysis to indicate the relationship between independent variable and dependent variable. The study adopted correlation coefficient to demonstrate the relationship between variables.

Finally, the study adopted regression analysis in assessing factors affecting the export volume in Tanzania. The tools such as coefficient of parameter, t-value and p-value were used to judge the effect of independent variable on dependent variable. The study used inferential analysis because the information that was collected allows quantitative analysis to answer research questions.

CHAPTER FOUR

PRESENTATION OF FINDINGS AND DISCUSSIONS

4.1 Introduction

The former chapter presented methodology adopted in collecting and analysing the information related with factors affecting the export volume in Tanzania. The current chapter therefore presents the finding obtained as far as factors affecting the export volume in Tanzania.

The study conducted survey for 50 exporters and staff working at Dar es Salaam Port Authority and reviewed quantitative data related to variables of the study. Therefore, this chapter presents finding related to survey of 50 respondents as well as finding related to analysis of quantitative data for each variable used in assessing the factors affecting the export volume in Tanzania. The study begins with demographic profile of respondents, descriptive statistics of data related to variables as well as presenting results according to each specific research objectives.

4.2 Background Information of Respondents

The background information of surveyed respondents shows important characteristics of respondents who were selected on answering questions related with factors affecting the export volume in Tanzania. The variables such as gender, experiences in exports of goods and services and exporters knowing were analysed and the results presented at Table 4.1.

Table 4.1: Background Information of Surveyed Respondents

Profile	Category of Profile	Frequency	Percent
Gender of exporters	Male	43	86
	Female	7	14
	Total	50	100
Experiences of exporters	1-5 years	9	18
	6-10 years	30	60
	Above 10 years	11	22
	Total	50	100
Exporters knowing factors promote exports	Yes	50	100
	No	0	0
	Total	50	100

Source: Researcher, 2019.

Table 4.1 shows that out of 50 respondents surveyed for answering questions related to the study problem, only 7 equivalents to 14% were female and remaining 43 equivalent to 86% were male. This has implication that, large percents of exporters of goods and services in Tanzania are male as compared to female. The finding from this study related with former study conducted in Kenya by Bromise (2016) evaluating gender mainstreaming in import and export trade indicated 82% of importers and exporters were men and 18% were female. This shows women are lying behind on export trade and reasons behind this may be lack of access of capital to participate in trade or lack strong commitment of women to participate in export trading activities.

Table 4.1 shows that out of 50 respondents surveyed for answering questions related to the study problem, 9 of them equivalent to 18% had experiences in export of goods and services between 1-5 years, 30 of them equivalent to 60% had 6 to 10 years experiences in exports of goods and services and 11 of them equivalent to 22% had above 10 years experiences in exports in goods and services. The finding imply that majority of respondents have experiences in exports above 5 years. This study finding confirmed Bromise (2016) showed that experiences in import and export trade increases ability to manage challenges related to import and export trade.

In this study, it was considered that exporters with different experiences had ability to know factors affecting the export volume in Tanzania.

Table 4.1 shows that all 50 respondents surveyed for answering questions related to the study problem equivalent to 100% knows factors influence exports of goods and services. This has implication that the exporters in Dar es Salaam Port knows various factors that influence exports as the results they were capable to tell about the factors affecting the export volume in Tanzania. The finding from this study confirmed study by Deb (2006) knowing determinants in agriculture exports contributes toward addressing export challenges in agricultural products. In this study, it was observed that 100% of exporters know factors influence exports of goods and services which considered important on answering questions related with factors affecting the export volume in Tanzania.

4.3 Descriptive Statistics for Data of Variables

The study investigated factors affecting the export volume in Tanzania. The independent variables were insurance and financial services, logistics performance index and official exchange rate. The dependent variable was volume of exports of goods and services. This section presents the descriptive statistics related with data of each variable and results are presented at Table 4.2.

Table 4.2: Descriptive Statistics of Variables

Descriptive Statistics					
Variables	N	Minimum	Maximum	Mean	Std. Deviation
Monetary Vol.Exports of goods and services (current US\$)	28	509,000,000	9,870,000,000	3,802,300,000	3,256,350,000
Insurance and financial services (% of service exports, BoP)	28	0.01	3.93	1.7049	0.99422
Logistics performance index	28	1.98	2.89	2.2446	0.2317
Official exchange rate	28	195.06	2,228.86	1,067.50	567.84

Source: Researcher, 2019

Table 4.2 shows that all variables have 28 numbers of observations. This implies that quantitative data obtained in this study for each variable have 28 years. In addition to that volume of export of goods and services measured in terms current USA dollars shows that for 28 years, value of export volume of goods and services had minimum of 509 million US Dollars and maximum of 9.870 trillion US Dollars. The average value of volume of exports is 3.8 trillion US Dollars for 28 years. The standard deviation of data is 3.256 trillion US Dollars. This has implication that Tanzania volume of exports for 28 years stands an average of 3.8 trillion US Dollars.

Table 4.2 shows that for 28 years, insurance and financial services measured in terms percentage of services exports in balance of payments had minimum of 0.01 percents and maximum of 3.93 percents. The average insurance and financial services for 28 years are 1.7049 percents. The standard deviation of data is 0.99422 percents. This has implication that insurance and financial services measured in terms percentage of services exports in balance of payments for 28 years stands an average of 1.7049 percents which is relative good.

Table 4.2 shows that for 28 years, logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) had minimum of 1.98 and maximum of 2.89. The average logistic performance indicator for 28 years is 2.2446. The standard deviation of data is 0.2317. This has implication that, logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) for 28 years stands an average of 2.2446 which is relative not attracting. This has indications that Tanzania have long way efforts to improve logistic performance at Airport in order to promote high performance in logistic in Ports.

Table 4.2 shows that for 28 years, exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar had minimum of 195.06 and maximum of 2,228.86. The average exchange rate for 28 years is 1,067.50. The standard deviation of data is 567.84.

This has implication that, exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar for 28 years stands an average of 1,067.50 which is relative good. This has indications that in average of 28 years Tanzania shillings have not been highly depreciated to large extent. The currency is still stable for exchange against US Dollars.

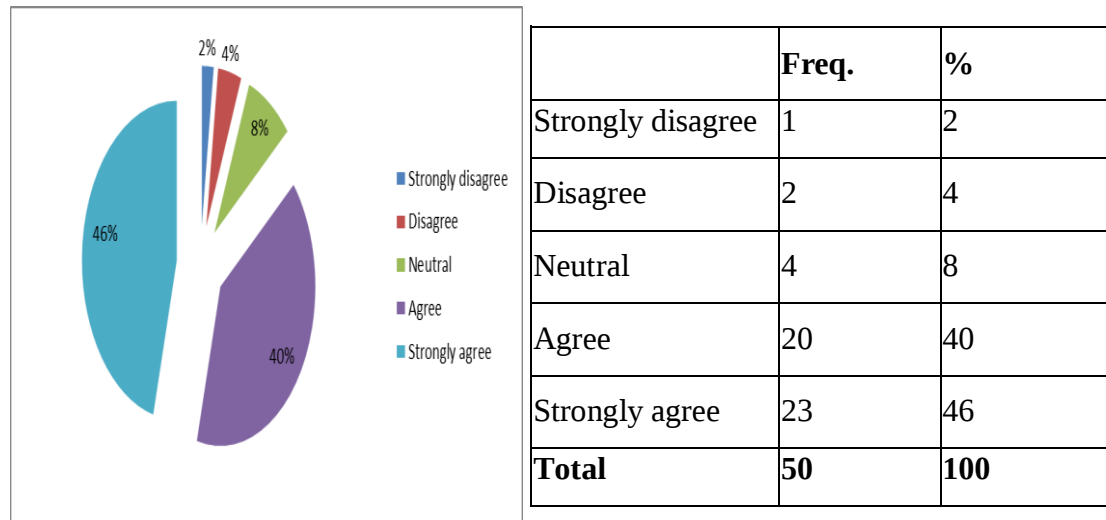
4.4 Contributions of Insurance and Financial Services on Export Volume in Tanzania

The study investigated factors affecting the export volume in Tanzania. The study employed data collected from survey and quantitative data gathered through documentary review to analyse the factors affecting the export volume in Tanzania. The data gathered through survey are presented using descriptive statistics and quantitative data were analysed through correlation matrix and regression analysis. The results obtained are presented in the following subsections below.

4.4.1 Insurance Package Promote Export of Goods and Services

The survey conducted assessed what exporters considered about the contribution of insurance package related with export and imports of goods if promote exports of goods and services. The respondents were asked to rate their level of agreement if insurance package related to exports of goods and services contribute toward increase export volume in Tanzania. The finding obtained is presented at Figure 4.1.

Figure 4.1: Insurance Package Promote Export of Goods and Services



Source: Researcher, 2019

Figure 4.1 shows that out of 50 respondent surveyed; 20 equivalent to 40% agreed that insurance package related to exports of goods and services contribute toward increase export volume in Tanzania, 23 equivalents to 46% strongly agreed on insurance package related to exports of goods and services contribute toward increase export volume in Tanzania. In addition to that 4 equivalents to 8% were neutral on insurance package related to exports of goods and services contribute toward increase export volume in Tanzania. Furthermore, 2 equivalent to 4% disagreed on insurance package related to exports of goods and services contribute toward increase export volume in Tanzania and 1 equivalent to 2% strongly disagreed on insurance package related to exports of goods and services contribute toward increase export volume in Tanzania.

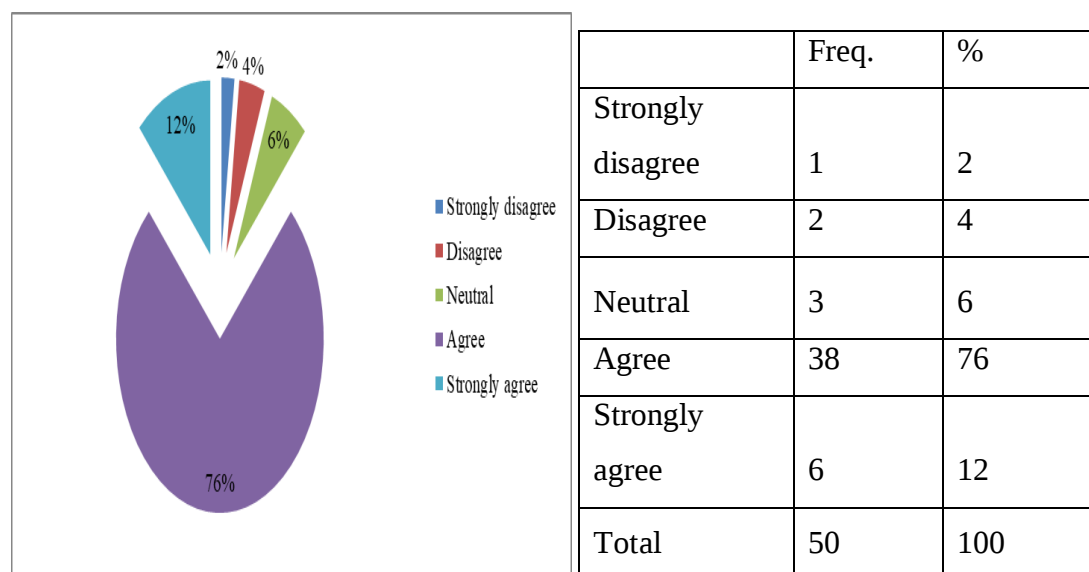
The finding indicates that, 86% of respondents agreed on insurance package related to exports of goods and services contribute toward increase export volume in Tanzania while only 6% disagreed on it. This imply that as long as exporters access insurance package on their goods and services exports, risks on export is lowered as the results contributes to higher exports of goods and services. The findings in this study is similar with Ardakani et al (2009) observed that insurance package reduces risks on import and exports of goods and services which contributes to higher import

and exports of goods and services. In this study it has been observed that insurance package related to exports of goods and services contribute toward increase export volume in Tanzania.

4.4.2 Financial Obligations Promote Export of Goods and Services

The survey conducted assessed what exporters considered about the contribution of financial obligation on export of goods, services and capital has on promoting export volume in Tanzania. The respondents were asked to rate their level of agreement if financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania. The finding obtained is presented at Figure 4.2.

Figure 4.2: Financial Obligations Promote Export of Goods and Services



Source: Researcher, 2019

Figure 4.2 shows that out of 50 respondent surveyed; 38 equivalent to 76% agreed that financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania and 6 equivalents to 12% strongly agreed on financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania. In addition to that 3 equivalents to 6% were neutral on financial obligation on export of goods, services and capital has

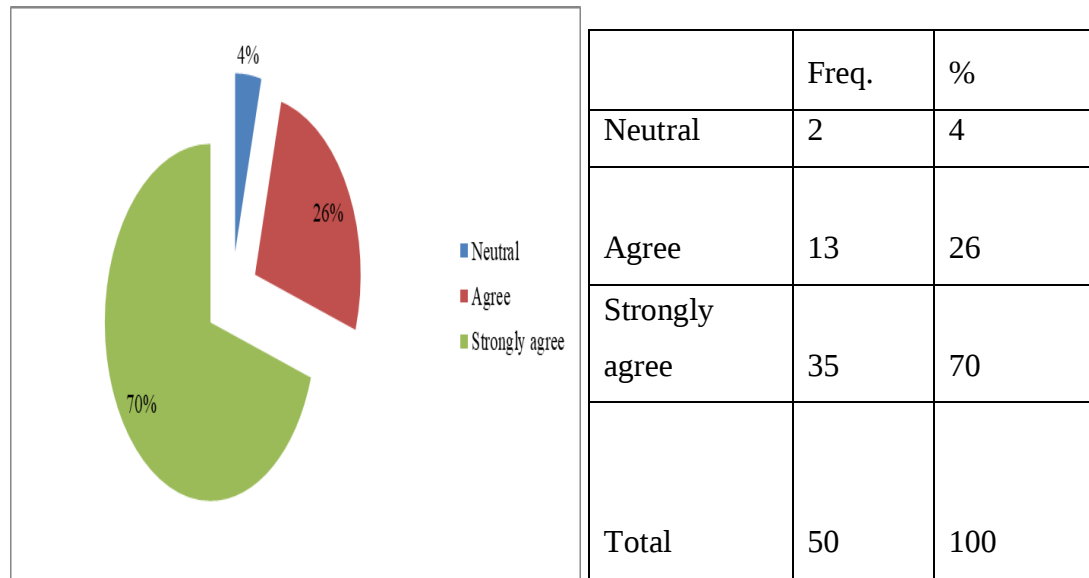
contributions on promoting export volume in Tanzania. Furthermore, 2 equivalent to 4% disagreed on financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania and 1 equivalent to 2% strongly disagreed on financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania.

The finding indicates that 88% of respondents agreed on financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania while only 6% disagreed on it. This implies that as long as exporters access financial obligations on exports of goods and services exports, they are likely to increase their capacity of production and exports of goods and services. The findings in this study is similar with Karugia et al, (2009) observed that financial constraints among exporters limits their capacity to export maize in international market. In this study it has been observed that financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania.

4.4.3 Access to Finance from the Financial Institutions in Tanzania Promote Export of Goods and Services

The survey conducted assessed what exporters considered about the contribution of access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania. The respondents were asked to rate their level of agreement if access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania. The finding obtained is presented at Figure 4.3.

Figure 4.3: Access to Finance Promote Export of Goods and Services



Source: Researcher, 2019

Figure 4.3 shows that, out of 50 respondent surveyed 12 equivalent to 26% agreed that access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania and 35 equivalents to 70% strongly agreed on access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania. In addition to that 2 equivalents to 4% were neutral on access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania. Furthermore, 0 equivalents to 0% disagreed on access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania and 0 equivalent to 0% strongly disagreed on access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania.

The finding indicates that 96% of respondents agreed on access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania while only 0% disagreed on it. This implies that as long as exporters access finance from the financial institutions in supporting exports of goods and services, they are likely to increase their capacity of production and exports of goods and services. The findings in this study is similar with Karugia et al, (2009) observed that financial constraints among exporters limits their capacity to export maize in international

market. In this study it has been observed that access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania.

4.4.4 Relationship between Volume of Exports and Insurance and Financial Services

The study was interested to investigate the relationship between volume of exports of goods and services measured through current US dollars and insurance and financial services measured on percentage of services exports from balance of payment. The study used correlation matrix analysis to investigate the relationship between variables. The finding obtained is presented at Table 4.3.

Table 4.3: Relationship between Volume of Exports and Insurance and Financial Services

Correlations			
		Vol.Exports of goods and services (current US\$)	Insurance and financial services (% of service exports, BoP)
Vol.Exports of goods and services (current US\$)	Pearson Correlation	1	.669**
	Sig. (2-tailed)		.000
	N	28	28
Insurance and financial services (% of service exports, BoP)	Pearson Correlation	.669**	1
	Sig. (2-tailed)	.000	
	N	28	28
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Analysis of Data from World Economic Indicators, 2019.

Table 4.3 shows that volume of exports of goods and services measured through current US dollars and insurance and financial services measured on percentage of services exports from balance of payment have correlation coefficients 0.669 at

p=0.000. The findings indicates that there is strong positive relationship between insurance and financial services measured on percentage of services exports from balance of payment and volume of exports of goods and services measured through current US dollars. In addition to that since p-value is less than 0.05 it indicates that there is statistically significant strong positive relationship between insurance and financial services measured on percentage of services exports from balance of payment and volume of exports of goods and services measured through current US dollars. The finding implies that as long as exporters have access to insurance and financial services they are likely to raise volume of exports of goods and services. The finding related with Karugia et al, (2009) observed that financial constraints among exporters limit their capacity to export maize in international market.

4.4.5 Regression between Volume of Exports and Insurance and Financial Services

The study was interested to investigate the contribution of insurance and financial services measured on percentage of services exports from balance of payment on volume of exports of goods and services measured through current US dollars. The finding obtained is presented at Table 4.4a, b and c below.

Table 4.4a: Regression Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.536a	0.287	0.23	2,856,550,000
a. Predictors: (Constant), Insurance and financial services (% of service exports, BoP)				

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.4a shows that R-square is 0.287 and adjusted R-square is 0.23, the finding indicates that goodness fit of insurance and financial services measured on percentage of services exports from balance of payment in explaining the variation of volume of exports of goods and services measured through current US dollars is 28.7 percents and remaining 71.3 is explained by other variables which were not regressed in this study.

Table 4.4b: ANOVA

ANOVA(b)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82,310,000,000,000,000,000	2	41,150,000,000,000,000,000	5.043	.014a
	Residual	204,000,000,000,000,000,000	25	8,160,000,000,000,000,000		
	Total	286,300,000,000,000,000,000	27			
a. Predictors: (Constant), Insurance and financial services (% of service exports, BoP)						
b. Dependent Variable: Vol.Exports of goods and services (current US\$)						

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.4b shows F value is 5.043 at $p=0.014$. The finding implies that the variation of insurance and financial services measured on percentage of services exports from balance of payment in explaining volume of exports of goods and services measured through current US dollars is statistically significance because the p-value is less than 0.05.

Table 4.4c: Coefficient of Regression Output

Coefficients(a)						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-13,800,000,000.00	5,574,000,000.00		-2.476	0.02
	Insurance and financial services (% of service exports, BoP)	424,400,000.00	156,500,000.00	0.613	3.763	0.004
a. Dependent Variable: Vol.Exports of goods and services (current US\$)						

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.3c shows that insurance and financial services have coefficient of 424,400,000 and t-value 3.763 at $p=0.004$. The finding indicates that there is positive contribution of insurance and financial services on volume of exports of goods and

services and one unit change of insurance and financial services increases volume of exports of goods and services by 424,400,000.

The study also indicates that since p-value of insurance and financial services is less than 0.05, it implies that the positive contribution of insurance and financial services on volume of exports of goods and services and one unit change of insurance and financial services increases volume of exports of goods and services is statistically significant. The finding related with Karugia et al, (2009) observed that financial constraints among exporters limit their capacity to export maize in international market.

4.4.6 Testing Hypothesis of Insurance and Financial Services

The study had the hypothesis stated that insurance and financial services has no contributions on export volume in Tanzania. The regression results obtained found that insurance and financial services have coefficient of 424,400,000 and t-value 3.763 at $p=0.004$. This result indicates that insurance and financial services are significant in explaining the variation of export volume in Tanzania since p-value is less than 0.05. Based on this results we reject hypothesis stated that insurance and financial services has no contributions on export volume in Tanzania and accept the insurance and financial services has contributions on export volume in Tanzania.

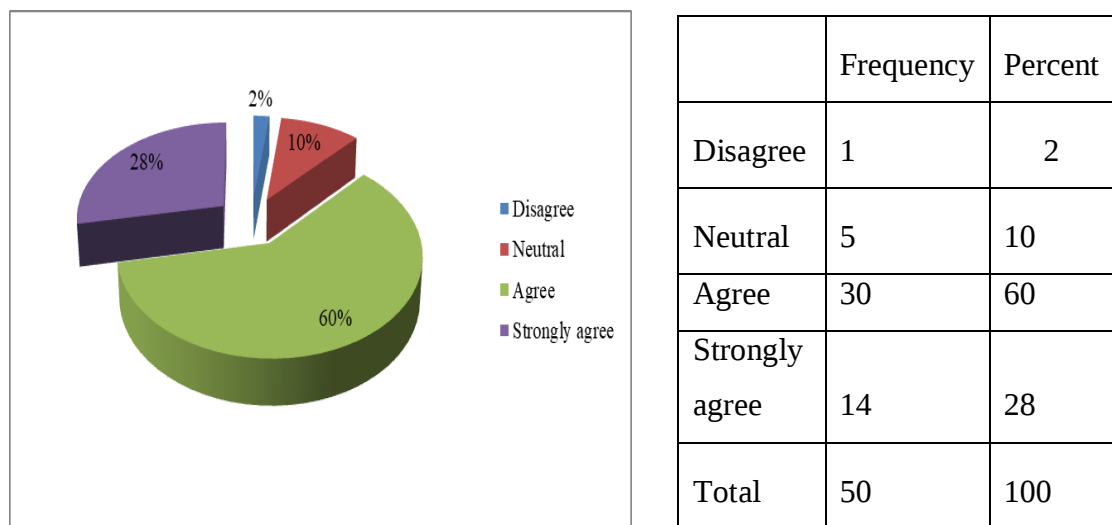
4.5 Contributions of Official Exchange Rate on Export Volume in Tanzania

The study investigated contributions of official exchange rate on export volume in Tanzania. The study employed data collected from survey and quantitative data gathered through documentary review to analyse the contributions of official exchange rate on export volume in Tanzania. The data gathered through survey are presented using descriptive statistics and quantitative data were analysed through correlation matrix and regression analysis. The results obtained are presented in the following subsections below.

4.5.1 Stable Exchange Rate Contributes Exports of Goods and Services

The survey conducted assessed what exporters considered about the contribution of stable exchange rate toward increase export volume in Tanzania. The respondents were asked to rate their level of agreement if stable exchange rates contributes toward increase export volume in Tanzania. The finding obtained is presented at Figure 4.4.

Figure 4.4: Stable Exchange Contributes Exports of Goods and Services



Source: Researcher, 2019

Figure 4.4 shows that out of 50 respondent surveyed; 30 equivalent to 60% agreed that stable exchange contributes toward increase export volume in Tanzania and 14 equivalents to 28% strongly agreed on stable exchange contributes toward increase export volume in Tanzania. In addition to that 5 equivalents to 10% were neutral on stable exchange contributes toward increase export volume in Tanzania. Furthermore, 1 equivalent to 2% disagreed on stable exchange contributes toward increase export volume in Tanzania and 0 equivalent to 0% strongly disagreed on stable exchange contributes toward increase export volume in Tanzania.

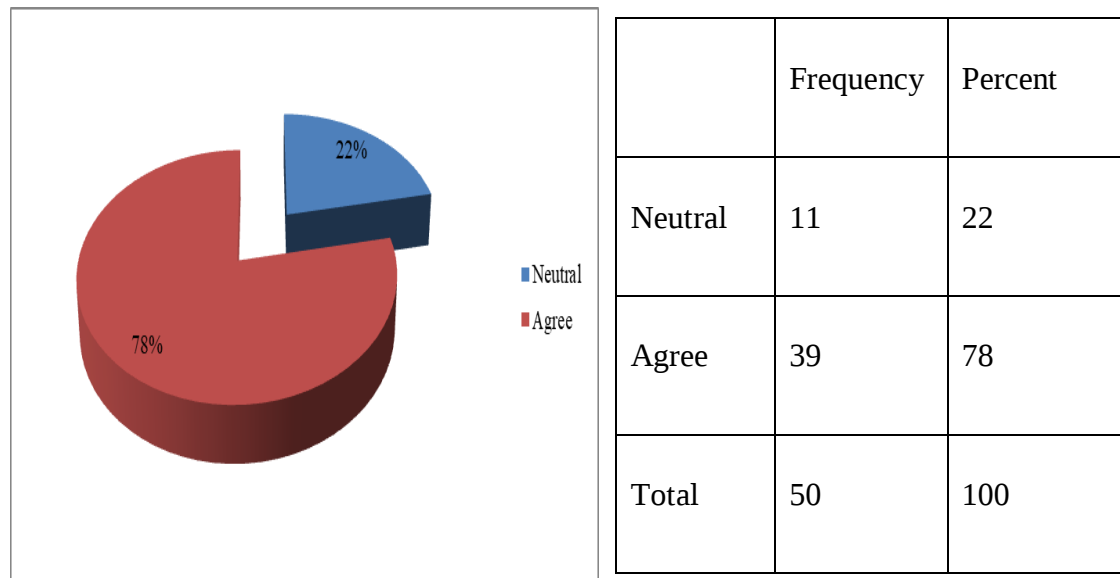
The finding indicates that 88% of respondents agreed on stable exchange contribute toward increase export volume in Tanzania while only 0% disagreed on it. This implies that as long as exporters know exchange rate is stable in Tanzania, they are

assuring to export at predicted costs which contribute toward increases export volume. The findings in this study is similar with Ardakani et al, (2009) stable exchange rate creates predictability of costs on import and exports of goods and services. In this study it has been observed that stable exchange contribute toward increase export volume in Tanzania.

4.5.2 Persistence Value of Tanzania Shillings against Foreign Currency Contributes Exports of Goods and Services

The survey conducted assessed what exporters considered about the contribution of persistence value of Tanzania shillings against foreign currency on promoting export volume in Tanzania. The respondents were asked to rate their level of agreement if persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania. The finding obtained is presented at Figure 4.5.

Figure 4.5: Persistence Value Of Tanzania Shillings Against Foreign Currency Contributes Exports Of Goods And Services



Source: Researcher, 2019

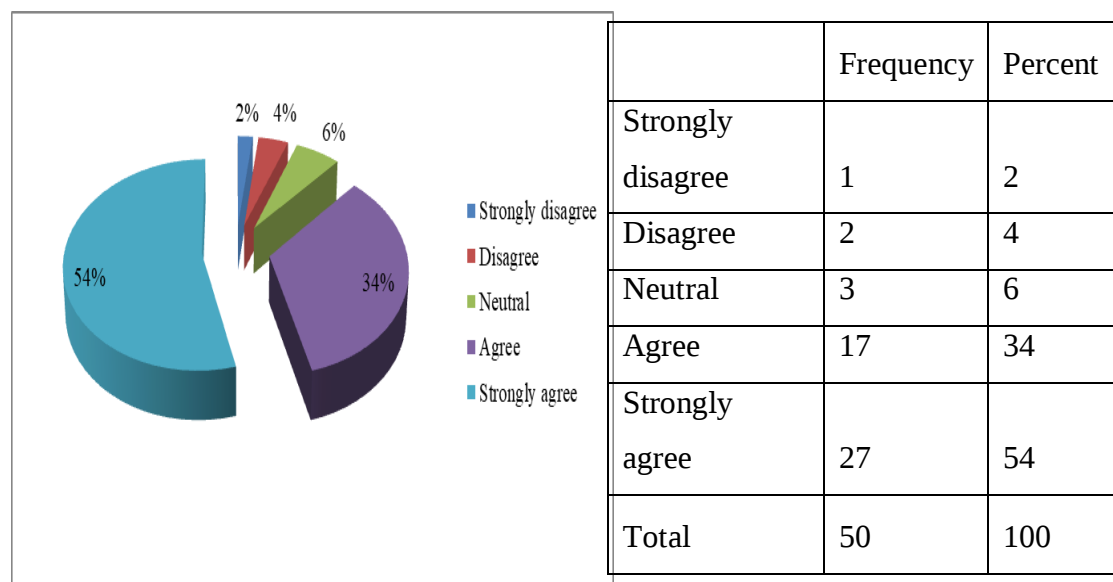
Figure 4.5 shows that out of 50 respondent surveyed; 39 equivalent to 78% agreed that persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania and 0 equivalents to 0% strongly agreed on persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania. In addition to that 11 equivalents to 22% were neutral on persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania. Furthermore, 0 equivalent to 0% disagreed on persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania and 0 equivalent to 0% strongly disagreed on persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania.

The finding indicates that 78% of respondents agreed on persistence value of Tanzania shillings against foreign currency have contributions on promoting export volume in Tanzania while only 0% disagreed on it. This implies that as long as exporters know value of Tanzania shilling against other currency are goods, they are able to save more money for exports of goods and services as the results promotes increases export volume. The findings in this study is similar with Ardakani et al, (2009) stable exchange rate creates predictability of costs on import and exports of goods and services. In this study it has been observed that persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania.

4.5.3 Price Stability Caused by Exchange Rate Management Contributes Exports of Goods and Services

The survey conducted assessed what exporters considered about the contribution of price stability caused by exchange rate management on increases export volume in Tanzania. The respondents were asked to rate their level of agreement if price stability caused by exchange rate management increases export volume in Tanzania. The finding obtained is presented at Figure 4.6.

Figure 4.6: Price Stability Caused by Exchange Rate Management Contributes Exports of Goods and Services



Source: Researcher, 2019

Figure 4.6 shows that out of 50 respondent surveyed; 17 equivalent to 34% agreed that price stability caused by exchange rate management increases export volume in Tanzania and 27 equivalents to 54% strongly agreed on price stability caused by exchange rate management increases export volume in Tanzania. In addition to that 3 equivalents to 6% were neutral on price stability caused by exchange rate management increases export volume in Tanzania.

Furthermore, 2 equivalent to 4% disagreed on price stability caused by exchange rate management increases export volume in Tanzania and 1 equivalent to 2% strongly disagreed on price stability caused by exchange rate management increases export volume in Tanzania.

The finding indicates that 88% of respondents agreed on price stability caused by exchange rate management increases export volume in Tanzania while only 0% disagreed on it. This implies that as long as exporters know price is stable on export of goods and services contribute with exchange rate they are likely to increase their

capacity to exports of goods and services. The finding in this study is similar with Rahedi (2003) price stability on exports of goods and services determine volume of export of goods and services in COMESA economic integrations. In this study it has been observed that price stability caused by exchange rate management increases export volume in Tanzania.

4.5.4 Relationship between Volume of exports and Exchange Rate

The study was interested to investigate the relationship between volume of exports of goods and services measured through current US dollars and exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar. The study employed correlation matrix analysis to investigate the relationship between variables. The finding obtained is presented at Table 4.5.

Table 4.5: Relationship between Volume of Exports and Exchange Rate

Correlations			
		Vol.Exports of goods and services (current US\$)	Official exchange rate
Vol.Exports of goods and services (current US\$)	Pearson Correlation	1	.943**
	Sig. (2-tailed)		.000
	N	28	28
Official exchange rate	Pearson Correlation	.943**	1
	Sig. (2-tailed)	.000	
	N	28	28
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Analysis of Data from World Economic Indicators, 2019.

Table 4.5 shows that volume of exports of goods and services measured through current US dollars and exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar have correlation coefficients 0.943 at $p=0.000$. The findings indicates that there is strong positive relationship between exchange

rate measured in terms rate to which Tanzania shillings exchanged with one dollar and volume of exports of goods and services measured through current US dollars.

In addition to that since p-value is less than 0.05 it indicates that there is statistically significant strong positive relationship between exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar and volume of exports of goods and services measured through current US dollars. The finding implies that as long as exporters knows there is stable exchange rate they are likely to raise volume of exports of goods and services. The finding related with Ardakani et al, (2009) stable exchange rate creates predictability of costs on import and exports of goods and services.

4.5.5 Regression between Volume of exports and Exchange Rate

The study was interested to investigate the contribution of official exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar on volume of exports of goods and services measured through current US dollars. The finding obtained is presented at Table 4.6a, b and c below.

Table 4.6a: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.943a	0.89	0.886	1,101,540,000
a. Predictors: (Constant), Official exchange rate				

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.6a shows that R-square is 0.89 and adjusted R-square is 0.886, the finding indicates that goodness fit of official exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar in explaining the variation of volume of exports of goods and services measured through current US dollars is 89 percents and remaining 11 is explained by other variables which were not regressed in this study.

Table 4.6b: ANOVA

ANOVA(b)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	254,800,000,000,000,000,000	1	254,800,000,000,000,000,000	209.952	.000a
	Residual	31,550,000,000,000,000,000	26	1,213,000,000,000,000,000		
	Total	286,300,000,000,000,000,000	27			
a. Predictors: (Constant), Official exchange rate						
b. Dependent Variable: Vol.Exports of goods and services (current US\$)						

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.6b shows F value is 209.952 at $p=0.000$. The finding implies that the variation of official exchange rate measured in terms rate to which Tanzania shillings exchanged with one dollar in explaining volume of exports of goods and services measured through current US dollars is statistically significance because the p-value is less than 0.05.

Table 4.6c: Coefficient of Regression Output

Coefficients(a)						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1,972,000,000	449,600,000		-4.386	.000a
	Official exchange rate	5,409,000	373,327.87	0.943	14.49	.000a
a. Dependent Variable: Vol.Exports of goods and services (current US\$)						

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.6c shows that official exchange rate have coefficient of 5,409,000 and t-value 14.49 at $p=0.000$. The finding indicates that there is positive contribution of official exchange rate on volume of exports of goods and services and one unit change of official exchange rate increases volume of exports of goods and services by 5,409,000.

The study also indicates that since p-value of official exchange rate is less than 0.05, it implies that the positive contribution of official exchange rate on volume of exports of goods and services is statistically significant. The finding related with Ardakani et al, (2009) stable exchange rate creates predictability of costs on import and exports of goods and services.

4.5.6 Testing Hypothesis of Official Exchange Rate

The study had the hypothesis stated that official exchange rate non-tariff barriers has no contributions on export volume in Tanzania. The regression results obtained found that official exchange rate have coefficient of 5,409,000 and t-value 14.49 at $p=0.000$. This result indicates that official exchange rate non-tariff barrier is significant in explaining the variation of export volume in Tanzania since p-value is less than 0.05. Based on this results we reject hypothesis stated that official exchange rate non-tariff barriers has no contributions on export volume in Tanzania and accept the official exchange rate non-tariff barriers has contributions on export volume in Tanzania.

4.6 Contributions of Logistic Performance Index on Export Volume in Tanzania

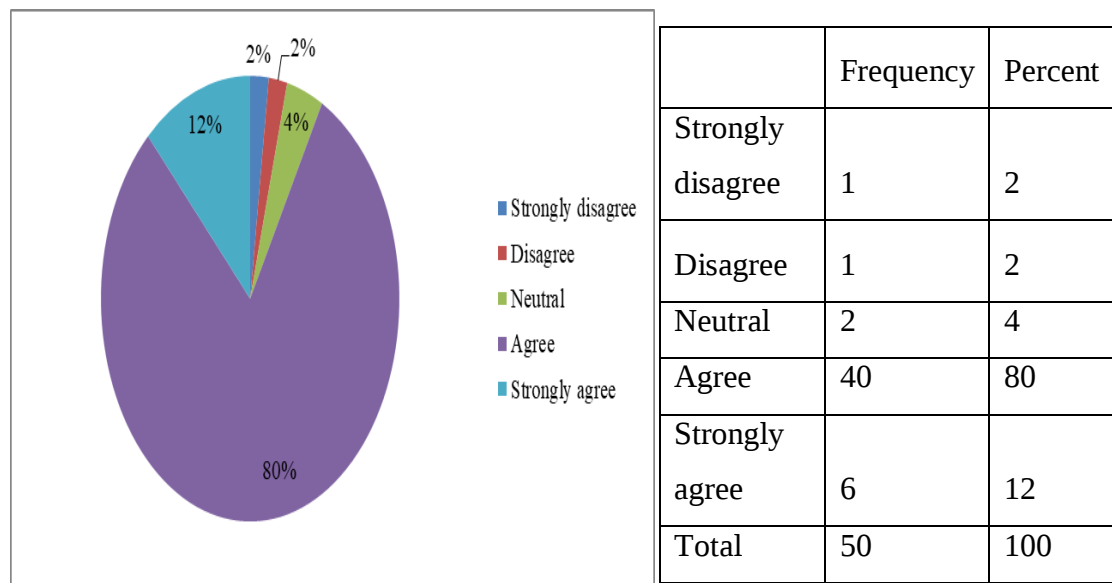
The study investigated contributions of logistic performance index on export volume in Tanzania. The study employed data collected from survey and quantitative data gathered through documentary review to analyse the contributions of logistic performance index on export volume in Tanzania. The data gathered through survey are presented using descriptive statistics and quantitative data gathered through documentary review were analysed through correlation matrix and regression analysis. The results obtained are presented in the following subsections below.

4.6.1 Efficiency of Country's Logistics Customs Clearance Process Contributes Exports of Goods and Services

The survey conducted assessed what exporters considered about the contribution of overall good score reflects perceptions of a country's logistics based on efficiency of

customs clearance process toward increase export volume in Tanzania. The respondents were asked to rate their level of agreement if overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania. The finding obtained is presented at Figure 4.7.

Figure 4.7: Efficiency of Country's Logistics Customs Clearance Process Contributes Exports of Goods and Services



Source: Researcher, 2019

Figure 4.7 shows that out of 50 respondent surveyed; 40 equivalent to 80% agreed that overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania and 6 equivalents to 12% strongly agreed on overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania.

In addition to that 2 equivalents to 4% were neutral on overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania.

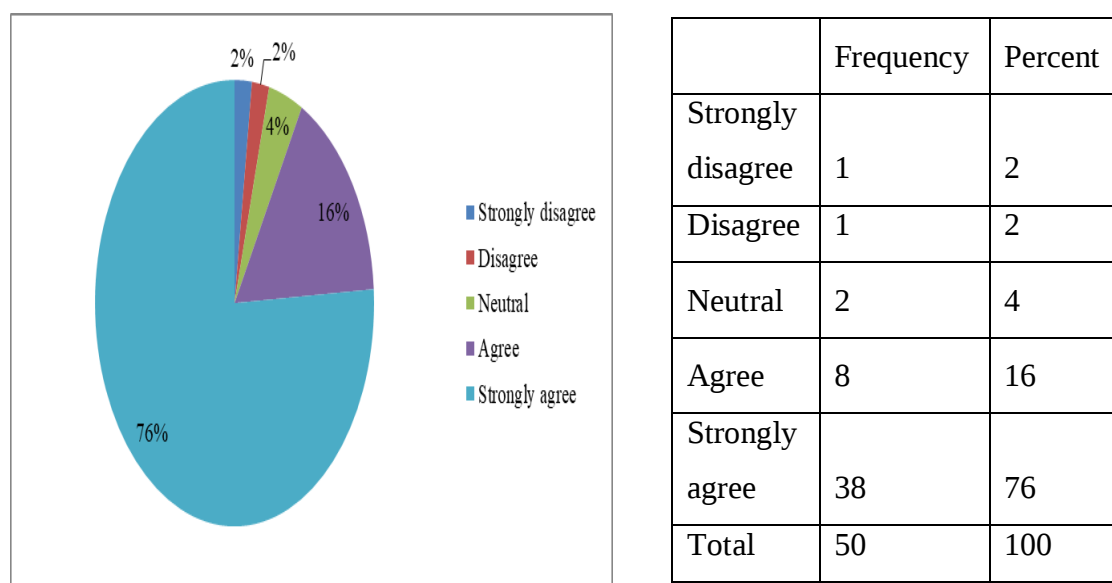
Furthermore, 1 equivalent to 2% disagreed on overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania and 1 equivalent to 2% strongly disagreed on overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania.

The finding indicates that 92% of respondents agreed on overall good score reflect perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania while only 4% disagreed on it. This implies that as long as exporters know country's logistics customer clearance process is more efficiency they are likely to increase their capacity to exports of goods and services. The finding in this study is similar with Sugema (2005) overall good score reflect perceptions of a country's logistics based on efficiency of customs clearance process is an important determinants for promoting export and imports of goods and services in order to address issues of trade imbalance.. In this study it has been observed that overall good score reflect perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania.

4.6.2 Ease of Arranging Competitively Priced Shipments Contributes Exports of Goods and Services

The survey conducted assessed what exporters considered about the contribution of ease of arranging competitively priced shipments on promoting export volume in Tanzania. The respondents were asked to rate their level of agreement if ease of arranging competitively priced shipments has contributions on promoting export volume in Tanzania. The finding obtained is presented at Figure 4.8.

Figure 4.8: Ease of Arranging Competitively Priced Contributes Exports



Source: Researcher, 2019

Figure 4.8 shows that out of 50 respondent surveyed; 8 equivalent to 16% agreed that ease of arranging competitively priced shipments has contributions on promoting export volume in Tanzania and 38 equivalents to 76% strongly agreed on ease of arranging competitively priced shipments has contributions on promoting export volume in Tanzania. In addition to that 2 equivalents to 4% were neutral on ease of arranging competitively priced shipments have contributions on promoting export volume in Tanzania. Furthermore, 1 equivalent to 2% disagreed on ease of arranging competitively priced shipments has contributions on promoting export volume in Tanzania and 1 equivalent to 2% strongly disagreed on ease of arranging competitively priced shipments has contributions on promoting export volume in Tanzania.

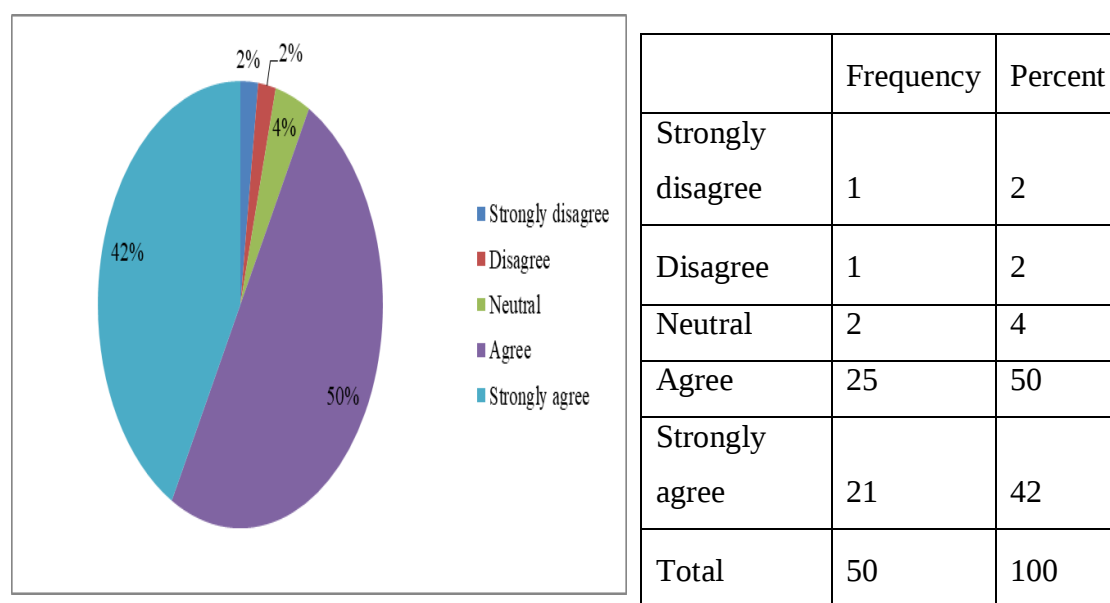
The finding indicates that 92% of respondents agreed on ease of arranging competitively priced shipments have contributions on promoting export volume in Tanzania while only 4% disagreed on it. This implies that as long as exporters know there is competitively pricing in shipment of goods and services they are likely to increase their capacity to exports of goods and services.

The finding in this study is similar with Sugema (2005) cost of shipment is an important determinants for export and imports of goods and services. In this study it has been observed that ease of arranging competitively priced shipments have contributions on promoting export volume in Tanzania.

4.6.3 Quality of Logistics Services Contributes Exports of Goods and Services

The survey conducted assessed what exporters considered about the contribution of quality of logistics services on increases export volume in Tanzania. The respondents were asked to rate their level of agreement if quality of logistics services increases export volume in Tanzania. The finding obtained is presented at Figure 4.9.

Figure 4.9: Quality of Logistics Services Contributes Exports



Source: Researcher, 2019

Figure 4.9 shows that out of 50 respondent surveyed; 25 equivalent to 50% agreed that quality of logistics services increases export volume in Tanzania and 21 equivalents to 42% strongly agreed on quality of logistics services increases export volume in Tanzania. In addition to that 2 equivalents to 4% were neutral on quality of logistics services increases export volume in Tanzania.

Furthermore, 1 equivalent to 2% disagreed on quality of logistics services increases export volume in Tanzania and 1 equivalent to 2% strongly disagreed on quality of logistics services increases export volume in Tanzania.

The finding indicates that 92% of respondents agreed on quality of logistics services increases export volume in Tanzania while only 4% disagreed on it. This implies that as long as exporters know there is quality of logistic services on exports of goods and services they are likely to increase their capacity to exports of goods and services. The finding in this study is similar with Theie (2014) quality of logistics services in import and export trade promote international trading activities among nations. In this study it has been observed that quality of logistics services increases export volume in Tanzania.

4.6.4 Relationship between Volume of exports and Logistics Performance Index

The study was interested to investigate the relationship between volume of exports of goods and services measured through current US dollars and logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high). The study employed correlation matrix analysis to investigate the relationship between variables. The finding obtained is presented at Table 4.7.

Table 4.7: Relationship between Logistics Performance Index

Correlations			
		Vol.Exports of goods and services (current US\$)	Logistics performance index
Vol.Exports of goods and services (current US\$)	Pearson Correlation	1	.520**
	Sig. (2-tailed)		0.005
	N	28	28
Logistics performance index	Pearson Correlation	.520**	1
	Sig. (2-tailed)	0.005	
	N	28	28
**. Correlation is significant at the 0.01 level (2-tailed).			

Source: Analysis of Data from World Economic Indicators, 2019.

Table 4.7 shows that volume of exports of goods and services measured through current US dollars and logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) have correlation coefficients 0.520 at $p=0.005$. The findings indicates that there is strong positive relationship between logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) and volume of exports of goods and services measured through current US dollars. In addition to that since p-value is less than 0.05 it indicates that there is statistically significant strong positive relationship between logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) and volume of exports of goods and services measured through current US dollars. The finding implies that as long as exporters know there good logistic performance index on exports of goods and services they are likely to raise volume of exports of goods and services. The finding related with Theie (2014) quality of logistics services in import and export trade promote international trading activities among nations.

4.5.5 Regression between Volume of Exports and Logistics Performance Index

The study was interested to investigate the contribution of logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) on volume of exports of goods and services measured through current US dollars. The finding obtained is presented at Table 4.8a, b and c below.

Table 4.8a: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.520a	0.271	0.243	2,833,470,000
a. Predictors: (Constant), Logistics performance index				

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.8a shows that R-square is 0.271 and adjusted R-square is 0.243, the finding indicates that goodness fit of logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) in explaining the variation of volume of exports of goods and services measured through current US dollars is 27.1 percents and remaining 72.9 is explained by other variables which were not regressed in this study.

Table 4.8b: ANOVA

ANOVA(b)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77,560,000,000,000,000	1	77,560,000,000,000,000	9.661	.005a
	Residual	208,700,000,000,000,000	26	8,029,000,000,000,000		
	Total	286,300,000,000,000,000	27			
a. Predictors: (Constant), Logistics performance index						
b. Dependent Variable: Vol.Exports of goods and services (current US\$)						

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.8b shows F value is 9.661 at p=0.005. The finding implies that the variation of logistic performance indicator measured in terms of efficiency of customs clearance process (1=low to 5=high) in explaining volume of exports of goods and

services measured through current US dollars is statistically significance because the p-value is less than 0.05.

Table 4.8c: Coefficient of Regression Output

Coefficients(a)						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	- 12,620,000,000	5,310,000,000		-2.376	0.025
	Logistics performance index	7,315,000,000	2,354,000,000	0.52	3.108	0.005
a. Dependent Variable: Vol.Exports of goods and services (current US\$)						

Source: Analysis of Data from World Economic Indicators, 2019

Table 4.8c shows that logistic performance index have coefficient of 7,315,000,000 and t-value 3.108 at p=0.005. The finding indicates that there is positive contribution of logistic performance index on volume of exports of goods and services and one unit change of logistic performance index increases volume of exports of goods and services by 7,315,000,000. The study also indicates that since p-value of logistic performance index is less than 0.05, which implies that the positive contribution of logistic performance index on volume of exports of goods and services is statistically significant. The finding related with Okumu and Nyankori (2010) logistic performance index non-tariff barriers is important determinants for exports and imports of goods and services among EAC countries. High logistic performance index contributes to better export and import trade among partner states.

4.5.6 Testing hypothesis of Logistic Performance Index

The study had the hypothesis stated that logistic performance index non-tariff barriers has no contributions on export volume in Tanzania. The regression results obtained found that logistic performance index have coefficient of 7,315,000,000 and t-value 3.108 at p=0.005.

This result indicates that logistic performance index non-tariff barrier is significant in explaining the variation of export volume in Tanzania since p-value is less than 0.05. Based on this results we reject hypothesis stated that logistic performance index non-tariff barriers has no contributions on export volume in Tanzania and accept logistic performance index non-tariff barriers has contributions on export volume in Tanzania.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The former chapter presented the results obtained from the study and discussed based on various literatures. The current chapter presents summary of the study, conclusion of study in relation with findings obtained and recommendation related with the issues observed during the study.

5.2 Summary

The general objective of this study was assessing the factors affecting the export volume in Tanzania. The specific objectives of the study was examine the contributions of insurance and financial services on export volume in Tanzania, finding out contributions of official exchange rate on export volume in Tanzania and evaluating the contributions of logistic performance index on export volume in Tanzania.

The study adopted descriptive cross sectional design in order to investigate during the time of 2000 to 2017 on factors affecting the export volume in Tanzania. In this study factors such as insurance and financial services, official exchange rate and logistic performance index were analysed their relationship with export volume in Tanzania for the period of 2000 to 2017.

The targeted population was 195 countries in the world where sample was Tanzania country taken as case study analysing how insurance and financial services, official exchange rate, logistic performance index influence Tanzania export volume. There was also survey for 50 exporters using Dar es Salaam Port for exports as well as staff working with Dar es Salaam Port in Tanzania. The researcher used documentary review and questionnaire to collect data for each variable.

The researcher reviewed world performance indicator report, national bureau statistical data base and bank of Tanzania statistical report from 2000 to 2017 in order to collect information for each variables and used for analysis. In addition to that; the study used primary data collected from 50 exporters and Dar es Salaam Port Officers for answering questions related with contributions of insurance and financial services on export volume in Tanzania, contributions of official exchange rate on export volume in Tanzania and contributions of logistic performance index on export volume in Tanzania.

The data in this study was analysed using three quantitative data analysis methods which are descriptive statistics which represent number of observations and percents, correlation analysis to indicate the relationship between independent variable and dependent variable and regression analysis in assessing the effect of factors used for the study on export volume in Tanzania. The tools such as coefficient of parameter, t-value and p-value were used to judge the effect of independent variable on dependent variable.

The study found that insurance and financial services have coefficient of 424,400,000 and t-value 3.763 at $p=0.004$ which indicates positive contribution of insurance and financial services on volume of exports of goods and services and one unit change of insurance and financial services increases volume of exports of goods and services by 424,400,000. The study also indicates that since p-value of insurance and financial services is less than 0.05, it implies that the positive contribution of insurance and financial services on volume of exports of goods and services is statistically significant.

The study found that official exchange rate have coefficient of 5,409,000 and t-value 14.49 at $p=0.000$ indicating there is positive contribution of official exchange rate on volume of exports of goods and services and one unit change of official exchange rate increases volume of exports of goods and services by 5,409,000. The study also indicates that since p-value of official exchange rate is less than 0.05, it implies that

the positive contribution of official exchange rate on volume of exports of goods and services is statistically significant.

The study found that logistic performance index have coefficient of 7,315,000,000 and t-value 3.108 at $p=0.005$ which indicates that there is positive contribution of logistic performance index on volume of exports of goods and services and one unit change of logistic performance index increases volume of exports of goods and services by 7,315,000,000. The study shows that since p-value of logistic performance index is less than 0.05, which implies that the positive contribution of logistic performance index on volume of exports of goods and services is statistically significant.

5.3 Conclusions

The study found that the positive contribution of insurance and financial services on volume of exports of goods and services is statistically significant. Thus in this study it is concluded that efforts to promote access to insurance and financial services for exporters in Tanzania has to be highly motivated in order to promote more exports of goods and services.

The study found that the positive contribution of official exchange rate on volume of exports of goods and services is statistically significant. Therefore it is concluded that strategies to promote official exchange rate stability in order to promote predictable for exporters on costs of exports as the results increases export of goods and services.

The study observed that the positive contribution of logistic performance index on volume of exports of goods and services is statistically significant. Therefore it is concluded that efforts to improve higher logistic performance index has to be made by port authority in Tanzania as it has revealed that logistic performance index has significant contributions on volume of exports of goods and services.

5.4 Recommendations

The study recommends that since logistic performance index, official exchange rate and insurance and financial services are significant predictors of volume of exports of goods and services in Tanzania, it is important for port authorities and policy makers to take account improvement logistic performance index, official exchange rate and insurance and financial services in order to promote more exports of goods and services. Increasing access of financial services on exports traders in Tanzania has significant values on promoting export volume as well export earning which have an effect on promoting favourable balance of trade. Therefore, mechanisms should be in place to ensure exporters are facilitated to access financial services to allow them participate effectively on exports of goods and services.

The logistic performance index should be promoted in order to ensure a country have better logistics for export and facilitate better export. The documentations on exports requirement need to be friendly as well as electronically in order to promote export motivation in a country.

The exchange rate was found to have significant contributions on export volume in Tanzania. Therefore, the central banks has to put in place a better follow up toward facilitating stable exchange rate in order to smoothen export volume in a country.

5.5 Areas for Further Research

The study investigated factors affecting the export volume in Tanzania. The study selected only three factors which are official exchange rates, logistic performance index and insurance and financial services on explaining volume of export. Therefore further study should be conducted analysing other factors in order to understand their contributions on export volume in Tanzania.

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APPENDICES

Appendix 1: QUESTIONNAIRES

The purposes of this study will be to collect information related with contributions of non-tariff barriers on export volume in Tanzania. The information that will be provided will be used for academic purposes and not for other use. Please be free to provide information needed for this study by spending some time to answer the research questions below:-

SECTION A: PERSONAL INFORMATION

1. What is gender of respondents?
 - (a) Male ()
 - (b) Female ()

2. What is your experience in export trade
 - (a) 1-5 years ()
 - (b) 6-10 years ()
 - (c) Above 10 years ()

3. Do you know non-tariff barriers in export trade?
 - (a) Yes ()
 - (b) No ()

SECTION B: INFORMATION TO SPECIFIC THEME OF THE STUDY

1. The following statement related with contributions of insurance and financial services non-tariff barriers on export volume in Tanzania. Please tick your choice based on level of your agreement whereby 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Statement	1	2	3	4	5
Insurance package related to exports of goods and services contribute toward increase export volume in Tanzania.					
The financial obligation on export of goods, services and capital has contributions on promoting export volume in Tanzania					
Access to finance from the financial institutions in Tanzania for exports increases export volume in Tanzania					
1) Others please mention					

2. The following statement related with contributions of official exchange rate non-tariff barriers on export volume in Tanzania. Please tick your choice based on level of your agreement whereby 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Statement	1	2	3	4	5
Stable exchange contributes toward increase export volume in Tanzania.					
The persistence value of Tanzania shillings against foreign currency has contributions on promoting export volume in Tanzania					
Price stability caused by exchange rate management increases export volume in Tanzania					
1) Others please mention					

3. The following statement related with contributions of logistic performance index non-tariff barriers on export volume in Tanzania. Please tick your choice based on level of your agreement whereby 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree

Statement	1	2	3	4	5
Overall good score reflects perceptions of a country's logistics based on efficiency of customs clearance process contributes toward increase export volume in Tanzania.					
Ease of arranging competitively priced shipments has contributions on promoting export volume in Tanzania					
Quality of logistics services increases export volume in Tanzania					
Ability to track and trace export cargoes increases export volume in Tanzania					
1) Others please mention					

ENDS

Thanks for Your Cooperation