

**Trade finance sources and instruments accessibility and utilization problems for
Exporters from Tanzania
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This study has been prompted by existing imbalances in the global trading system whereby majority of the developing countries are facing declining exports despite the fact that they have to a large extent liberalized their markets and the volume of world trade has been on increasing trend since the world of Mercantilism. At least in the literature it is now evident that developing countries have a great deal to gain from free trade mainly through improved quality of goods and services and general competitiveness. This is, however, difficult considering existing supply side constraints among them limited sources and instruments of trade finance. This study has confined itself to existing supply side constraints related to trade finance and, in particular, has sought to investigate factors limiting development and usage of trade finance sources and instruments in Tanzania, hoping that the findings will be able to highlight issues requiring immediate action and also lays foundation for further studies in this subject. The study has used data collected from banks, financial institutions, exporters, Bank of Tanzania, Tanzania economic review reports, interest and exchange rates daily reports and high court performance reports to investigate the actual problems facing exporters. The empirical findings show that there are number of obstacles which include but not limited to absence of adequate support from legal and regulatory systems, high cost of borrowings, cumbersome procedures on the side of granting institutions, lack of knowledge on the part of both exporters and support institutions, volatile local currency exchange rate and government inefficiencies in managing export credit guarantee schemes. These findings have important policy implications.