

An investigation of the impact of regional integration in accelerating development in East African community a case study of economic growth in Tanzania

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Political motives, geography, and uneven distribution of grains trumped tradition efficiency gains across Africa's Regional Economic Communities (RECs). The small, sparsely populated, fragmented, and often isolated economies to integrate regionally to reap efficient gains, exploit economies of scale, and reduce thickness of borders. This study analysed potential trade impact of the East African Community (EAC) to economic growth of Tanzania. Under this study Stratified Random Sampling (SRS) and purposive approach were used to collect primary data obtained through government officials, publications, and other reliable interest sources were analysed using a partial equilibrium WITS-SMART model: the study examine the impact of EC regional integration economic growth in Tanzania. Smart simulation results indicated that there were effects on trade creation and diversion, welfare and revenue losses after tariff cuts during the year under review trade created gains equivalent to USD 0.9 Million, revenue loss stood at USD, , million and the consumer surplus worth USD ,883 million. Thus there is need for the country to expand the tax exemption and all incentives for performing companies were they exist with clear mandate with the responsible ministry. Further analyses were carried out using descriptive analysis and timeline series to get more and wealthier conclusions. Policy implications that follow suggest that selecting industries for protection and any further decision for EAC's deeper integration should base on predicted welfare outcomes rather than pressure from tested interests for partner countries to benefit from trade liberalization within the Customs union. Furthermore, there is a need for responsible ministries related to EC affairs to improve sensitization of EAC to citizens. Surprisingly, the researcher found even most of leaned persons at graduate level in Tanzania were unaware of what is going on with EC integration.

