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1.0 INTRODUCTION

- 1.1. The postal services in the United Republic of Tanzania are provided by the Tanzania Posts Corporation (TPC) as well as by a number of privately owned courier service companies. TPC, which is a government owned parastatal, provides the traditional letter, parcel, courier and other value added services. The TPC also carries out transfer of money and other financial services.
- 1.2. A developed postal sector creates a sustainable environment for economic development in any country. A modern postal system can help to provide logistical solutions to integrate data and information flows, physical movement of mails and financial transactions. The post can offer ordering and delivery functions for electronic commerce (e-commerce), and become a reliable center which provides payment services for business and customers. The use of postal retail outlets as access points to the Internet via public terminals is a major opportunity for exploitation in future.
- 1.3. The postal sector in Tanzania should ideally play a vital role in the development of the country by providing among others efficient physical communications to other sectors of the economy. Overall, it should therefore act as a catalyst to the socio-economic development of the country and the fulfillment of the aspirations of the nation.
- 1.4. The contribution of the postal sector to national development has been constrained by a number of limitations, among which are:-
 - i. Inadequate investment which is essential for expansion of the network;
 - ii. Inadequate postal services in most areas but more acutely in the rural areas;
 - iii. Most of the equipment in use by the Public Postal Operator is insufficient and of outdated technology;
 - iv. Existence of a human resource base which is deficient in commercial expertise and lacks experience to operate in a competitive environment;
 - v. Lack of postal sector training facilities; and

- vi. Inadequate national infrastructure especially with regard to transportation, power and telecommunications.
- 1.4. In order to minimize the limitations and enable the postal service to contribute effectively towards the National Vision 2025 development goal, the pronouncement of a policy to guide the sector has become a top priority. This is more so since there has not existed any coherent policy for the Postal Sector. Therefore the National Postal Policy (NPP) provides the sector with a clear direction for its development, as well as provides a vital linkage with the policy directions of other sectors of the economy.

2.0 CURRENT STATUS OF THE SECTOR

2.1. The existing framework under which the postal sector is functioning was put into place with effect from January 1994 when wide ranging reform of the sector was made. Under the reforms, the roles of the various sector players were well defined and the Tanzania Posts and Telecommunications Corporation (TP & TC) was split into the following entities:-

- i. The Tanzania Communications Commission (TCC), as the regulator for the communications sector;
- ii. The Tanzania Posts Corporation (TPC) as the Public Postal operator; and
- iii. The Tanzania Telecommunication Company Ltd. (TTCL), as the dominant telecommunications services operator.

Prior to these reforms, the Tanzania Postal Bank (TPB) was established in 1992 as an independent entity operating within the TPC network on agency basis. Hitherto, the Tanzania Post Office Savings Bank was run off the TP & TC on an agency basis on behalf of the government. Currently TPC provides most of the outlets for TPB on an agency basis.

2.2. The current institutional structure of the postal sector is constituted of the Government which is responsible for policy formulation; the Regulator for licensing postal operators and overseeing compliance to licence conditions and ensuring a level playing field in the sector; postal operators for service provision and the customers as users of the postal services. The postal sector is partially liberalized whereby the Public Postal Operator (PPO) retains a reserved area in basic services while competing with other operators to provide domestic and international courier and other value added services.

2.1. The current network coverage of the Public Postal Operator stands at 430 Post Offices with an average of 79,140 inhabitants served per post office. The following comparative figures give an indication of the level of inadequacy of the Postal network in Tanzania:

Kenya	32,247	Inhabitants per Post Office
Republic of South Africa	16,500	Inhabitants per Post Office
United Republic of Tanzania	79,140	Inhabitants per Post Office
Arab Countries	14,773	Inhabitants per Post Office
Asia and Pacific	8,675	Inhabitants per Post Office
Latin America	12,189	Inhabitants per Post Office
Western Europe	3,501	Inhabitants per Post Office
Universal Postal Union (UPU) Standard	7,558	Inhabitants per Post Office

***Source:** Universal Postal Union and Pan African Postal Union Postal Statistics – December, 2001

- 2.4. The provision of postal services in the rural areas is even more inadequate with an average of 146,000 inhabitants being served per Subordinate Post Office which is usually run on an agency basis and its level of service is considerably lower.
- 2.5. Competition in the Postal Sector was first introduced in 1989 by utilizing an exceptional provision in the monopolistic postal law of the time thereby allowing the first private operator to be licensed to render courier services. The Communications Sector reforms of 1994 legally liberalized competition subject to adherence to license conditions set down by the regulator.

Provisions for the maintenance of a minimum level of a basic service by the TPC throughout the country at a uniform price have necessitated the imposition of licence conditions which has segmented the market accordingly. A reserved service area is applicable to letters and postcards of up to 500 grammes; packets and parcels of up to 10 kilogrammes and is designated as the Universal Postal Service (UPS) and is the preserve of the Public Postal Operator. Other operators are licensed to compete with TPC in the unreserved area.

- 2.6. Only limited automation is in application by the TPC in the provision of postal services due to limited resources. Automation in TPC has so far been confined to the use of computers for counter operations at selected regional offices; electronic provision of remittance services; track and trace facility of the Expedited Mail Service (EMS) and in the diagnostic testing of quality of mail service

provided. The major courier operators utilize computer technology in their acceptance and delivery services, as well as in tracking-and-tracing mail consignments.

- 2.7. The Public Postal Operator has taken measures to assure security for postal items handled through its network by establishing a specialized unit. Measures taken include the use of electronic surveillance machines which are capable of monitoring theft, violation of postal articles and detecting some dangerous and prohibited articles sent through the post. TPC has also been co-operating with national security agencies, regional and international counterpart organizations in strengthening postal security.

- 2.8. The United Republic of Tanzania is signatory to the Universal Postal Union and the Pan African Postal Union Conventions, both of which are international treaties on the operation of postal services. Tanzania is also a signatory to the Southern African Development Co-operation Protocol on Transport, Communications and Meteorology which has provisions for co-ordination in postal services. Regional and international collaboration with other international bodies in postal services has also been vigorously pursued.

3.0 VISION AND MISSION

3.1 National Macro Economic Goal

The long term National Vision 2025 development goal is to raise the standard of living of Tanzanians to a typical medium level developed country. The critical components of the goal include among others:-

- 3.1.1. To ensure sustainable development on inter-generation equity basis, such that the present generation derives benefits from the rational use of resources of the country without compromising the needs of future generations.
- 3.1.2. To build a strong, resilient and competitive economy capable of adapting to technological and market changes in the world economy;
- 3.1.3. To satisfy the basic needs of people, eradicating poverty and ensuring availability of productive employment opportunities;
- 3.1.4. To avail equal opportunity to all citizens to participate in and contribute to the development of the nation, paying particular attention to gender balance.

The fundamental targets of the vision include among others:

- i. To attain high levels of domestic savings, investment, and labour productivity through appropriate monetary policies; and
 - ii. To achieve a GDP growth rate of 8% or more per annum.
- 3.1.5 In order to assist in the achievement of the above fundamental targets, the provision of effective, reliable and efficient postal services is of paramount importance. An efficient postal service is therefore considered to be among the critical requirements which will enable the national strategic goals to be achieved.

3.2. Postal Sector Vision

The National Postal Policy is aligned to the following vision statement:-

To ensure the provision of sustainable universal quality postal services to all segments of the population and sectors of the economy so that the postal sector in Tanzania effectively becomes part of the global info-communication society.

3.3. Postal Sector Mission

Based on the above vision, the mission is:

To develop reliable, effective, efficient, secure postal services which will meet the needs of the population and support socio-economic development of the country.

3.4. Main Postal Sector Policy Goals

The main Postal Sector policy goals are to:

- i. Develop a competitive environment for delivering efficient quality postal services;
- ii. Commercialize the services of the public postal operator
- iii. Involve private sector participation in the provision of postal services
- iv. Stimulate growth of the market for quality postal services
- v. Modernize the postal sector by utilizing appropriate state of the art technologies so as to satisfy diversified customer needs;
- vi. Facilitate effective and efficient utilization of public and private resources in order to increase the development and sustainability of the postal sector.

4.0 POLICY OBJECTIVES, ISSUES AND DIRECTIONS

The following are the policy objectives, issues and directions of the NPP.

4.1 Policy Objective: Universal Postal Service (UPS)

To have efficient and effective basic postal services that reach all locations and people throughout the United Republic of Tanzania at an affordable price so as to meet the growing socio-economic and cultural requirements of the country as it works towards poverty alleviation and develops to a middle income economy by the year 2025. In view of the above, the Government will make effort to establish a special fund for the development of the postal services in the rural and underserved areas.

4.1.1. The Issues

The National Postal Policy recognizes the need to ensure the provision of basic postal services to the whole population; and especially to the rural and economically disadvantaged areas of the country.

4.1.2 Policy Directions

In order to adequately facilitate the provision of basic postal services, the Public Postal Operator will be charged with the responsibility of providing the universal postal service.

4.2 Policy Objective: Commercialization of the Public Postal Operator

To have an efficient and effective commercially oriented Public Postal Operator so as to contribute to national socio-economic development.

4.2.1 The Issue

The NPP recognizes the inherent weaknesses in the incumbent Public Postal Operator with respect to its capital structure, legal framework and commercial orientation. The NPP also recognizes

that Government discourages subsidies and therefore the PPO must develop into a commercially viable entity.

4.2.2 Policy Directions

In order to make the Public Postal Operator turn around financially and commercially so as to be able to provide efficient and competitive postal services, the incumbent PPO requires to be strengthened.

4.3 Policy Objective: Expansion and Modernization of the Postal Network

To modernize and expand the postal network in order to meet the increasingly diversified needs of the customers.

4.3.1 The Issues

The postal sector has been operating with an inadequate network and outdated equipment and technology.

4.3.2 Policy Directions

Attract more investment and encourage technological development to enhance expansion and improve operational efficiency and quality of service.

4.4 Policy Objective: National Address System

To have a comprehensive address system that includes among others street names and identification of buildings thus facilitating physical delivery of mail.

4.4.1 The Issues

- i. Tanzania does not have a comprehensive national address system that identifies streets and individual buildings and as a result mail has to be delivered through boxes which are located at post offices.

- ii. The lack of a standardized physical address system also limits attempts to increase productivity through the automation of mail handling and application of other modern postal systems.

4.4.2 Policy Directions

Ensure the establishment and use of a comprehensive national address system.

4.5 Policy Objective: Postal Security and Safety

To attain optimum security and safety in the provision of postal services in the country.

4.5.1 The Issues

The postal services are faced with increased threats from modern day terrorism, as well as the prohibited dissemination of narcotics contraband and other undesirable articles. Theft, loss and violation of postal items is currently on the decline but remains a major concern.

4.5.2 Policy Directions

Ensure there is security and safety in the provision of postal services.

4.6 Policy Objective: Capacity Building

To have a skilled and efficient human resources base that will effectively deliver the increasingly diversified postal services in the changing environment.

4.6.1 The Issues

There are inadequate skills to handle technological development and the emerging complex logistics in the postal sector and, inadequate commercial orientation in the market place.

4.6.2 Policy Directions

Ensure availability and sustainability of local technical and managerial capacity to man the postal sector.

4.7 Policy Objective: Gender Perspective

To provide equal opportunity to women to participate in the postal sector in order to contribute to the socio-economic development of the nation.

4.7.1 The Issues

Due to discriminatory traditional practices, women have been disadvantaged in terms of educational and employment opportunities.

4.7.2 Policy Directions

Ensure equal opportunity in recruitment and advancement of women in the postal sector.

4.8 Policy Objective: International Co-operation

Foster international co-operation in postal matters.

4.8.1 The Issues

The international dimension on the activities of the postal sector is comprised of commitment to international treaties, protocols and practices which must be complied with by the United Republic of Tanzania as a signatory.

4.8.2 Policy Directions

Enhance international co-operation in the exchange of mail and information between the United Republic of Tanzania and other countries elsewhere in the world.

5.0. INSTITUTIONAL FRAMEWORK

The institutional framework of the postal sector comprises of the Government, the Regulator, Postal Operators and Customers. Their specific roles are as follows:-

5.1 The Government

The Government will be charged with policy formulation, setting strategies and monitoring implementation.

5.2 The Regulator

The specific functions of the Regulator will be to regulate and monitor development of the postal sector by:

- i. Ensuring provision of sufficient, reliable and efficient postal services throughout the country;
- ii. Monitoring of compliance with performance standards and codes of conduct in respect of postal services;
- iii. Ensuring the existence of a level playing field in the postal sector, so as to enhance competition.

5.3 The Operators

The role of postal operators will be to provide domestic and international postal services.

5.4 The Customers

The customers will be expected to utilize postal services and organize themselves into consumer protection groups to seek support for and champion their common interests.

5.5. Consultative Forum

There will be formed a postal services consultation forum of stakeholders to provide for an effective platform of obtaining stakeholders view for the improvement of the services in the country.

6.0 COMPETITION POLICY

The National Postal Policy provides for increased competition in the unreserved service area as the best means of ensuring that postal services are provided as efficiently as possible and at competitive prices. Competition in the sector will be fostered by the continuing licensing of new players. This will increase customer choice and accelerate investment.

GLOSSARY

“Courier Service”	means specialized services for the speedy collection, conveyance and delivery of postal articles other than letters;
“Letter”	means any form of written communication in the nature of current and personal correspondence and includes postcards;
“Philatelic item”	means postage stamps produced by the public postal operator and sold either in mint form or fixed to special envelopes to stamp collectors.
“Post”	means a system for the collection, dispatch, conveying and delivery of postal articles by or through public postal licensee.
“Post Office”	means any building, house, room, vehicles or place where postal articles are received, processed, delivered or dispatched by a public postal operator.
“Postal Operator:	means an operator licensed to provide postal services.
“Postal Services”	means any service by a licensed postal operator.
“Universal Postal Service”	means the basic postal service which includes the acceptance, conveyance and delivery of letters up to 500 grammes, parcels and packets of up to 10 kg, and financial services delivered at tariffs approved by the Regulator.
“Subordinate post office”	a post office operated on agency basis to provide a limited range of services.