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Social and Economic Contributions of Air Tanzania Limited as a National Carrier

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ABSTRACT

This paper examines historical development Air Tanzania Limited (ATCL) and analyses its social- economic benefits as a national carrier. In Tanzania, like most of African countries after colonial era national air lines flourished because road and rail networks were not well developed due to financial issues, terrain, and rainy seasons. With exception of Ethiopia, Egypt, Kenya, South Africa and Morocco most of national airlines proliferation were short lived and not sustainable due to bureaucracy, corruption, poor management, poor technology know how and lack of preparedness. Strong national airline is not only important but top priority especially to countries with many tourism attractions like Tanzania. The current re-invigorated ATCL possesses loads of potential at its shoulders. Within only one and a half year since its revival. The ATCL passengers have increased by 70% from around 4,000 in October 2016 to over 24,000 passengers by June 2018. It is projected that by 2020 passenger will have increased to more than 100, 000 passengers per month. ATCL routes have as well increased from 5 in 2016 to 17 routes by the November 2019, Air Tanzania serves seven international destinations including Comoro, Burundi, Uganda and recently added routes of Zimbabwe, Zambia, South Africa and India. ATCL also operates in ten domestic destinations from its hub at Dar es Salaam's Julius Nyerere International Airport. The company is also set to start flying to Thailand and China by end of 2019. The route to Europe as well is under consideration by 2022. ATCL in 2005 had a fleet size of 5 but the current fleet size is 10 and four more orders which will make it the highest ever fleet size in history of the ATCL. This is breathtaking pace in addition China and Europe route in horizon will arguably boost not only the tourism industry in Tanzania but also the social and economic aspects as far as Tanzania is concerned.

With the number tourist increasing from 153,000 in 1990 to 1, 500,000 in 2018, we hope ATCL to reduce economic distance and inconvenience related to connecting many airlines. Indeed, ATCL will act as a springboard to promote and bringing more tourists to Tanzania which has many pristine tourism attractions not yet fully utilized. ATCL will help to opens up opportunities in other sectors such as hotels, consultants, tour, travel agents and related industries. Additionally, ATCL should not only focus of passengers but also cargo airlines for exporting agricultural products. Large portion of foreign currency Tanzania receives comes from cash crops, fisheries, horticultural crops and the lucrative business for mutton and beef in Comoro and Middle East. Apart from passenger's transportation ATCL should aim in facilitating the international trade such us exporting agricultural products, accessories and electronics.

Keywords*: Air Tanzania Limited, Social and Economic Contributions, Future Perspective and Potential Value Additions.*

1. INTRODUCTION

Air transport is one of the world's biggest industries creating people mobility, connecting people's cultures and businesses across the world (Schafer and Victor, 2000). The air transport rapid development, technology advancement and service achievements make it one of the greatest contributors to the advancement of modern society. The pioneers, from Clement Ader, Otto Lilienthal up to the Wright brothers. Then the first jet airliner flew in 1949, use of commercial aviation has grown more than seventy-fold. This growth is unmatched by any other major form of transport and is essential to economic progress (http://en.wikipedia.org/wiki/Airline; Schmitt and Gollnick, 2016). The demand for air services has since dramatically increased thereby accelerating air transport on the world economy, making possible the rapid movement of millions of people and billions of dollars' worth of goods to markets around the world. Air transportation is the fastest and the most regulated transportation system currently. With new technology and development came along fastest jet planes and aircrafts, that allowed traveling faster than ever. Now the travelers can explore new areas and long distance travel in short time. A scheduled air transportation system offers a safe, convenient, reliable, frequent, and consumer-centered service. Air transportation is becoming more and more popular among the travelers who want to arrive at destinations quickly (Cooper *et al*., 2008). The industry plays a decisive role in the work and leisure of millions of people. It promotes an improved quality of life and helps to improve living standards. By facilitating tourism, air transport also helps generate economic growth and alleviate poverty-providing employment opportunities, increasing revenues from taxes and fostering the conservation of protected areas (Irwin and Kasarda 1991; Button and S. Taylor, 2000).

The air transport industry has a substantial economic impact, both through its own activities and as an enabler of other industries. Its contribution includes direct, indirect and induced impacts, which are related to the total revenues of the air transport industry. The catalytic impacts of the industry are "spin-off" effects on other industries (Button and S. Taylor, 2000, ICAO, 2004, Kasarda, 2004). Air transport plays a significant role in Tanzania's transport infrastructure. Additionally, it provides international gateways. Airports have historically been used in domestic traffic and have been indispensable for bringing development opportunities in remote rural areas. Tanzania in its national development strategies (URT, 2005, 2010) emphasizes that extensive and efficient infrastructure is critical to ensure the effective functioning of the country's economy. The government of Tanzania is embarking on airport infrastructure investments, focusing on reducing travel times between regions, integrating the national market and connecting it to other markets in the East African Community, and eliminating non-tariff barriers to trade. Tanzania is the international gateway for several of its landlocked neighboring countries including Burundi, Rwanda, Uganda, DR Congo, Zambia and Malawi. All these countries dependent to some extent on the country's transport network for their access to global markets (AFDB, 2013).

Air travel is essential to the prosperity of Tanzania as it opens up opportunities that did not exist before. Fostering the Tanzanian aviation industry may be one of the driving forces of regional integration on the continent. Better connected African countries and regions through a viable air transport industry could be the catalyst that can boost intra-African business, trade, tourism as well as cultural exchange. Developing the aviation industry may also represent an opportunity to mitigate chronic transport problems faced by the 16 landlocked African countries (AFDB, 2013). According to forecast by (Guardian, 2018), the aviation industry's impact on Tanzanian economies is set to grow. Over the next 20 years, the industry is projected to generate more than 800,000 both direct and indirect jobs. The aim of this research was to examine and analyze the past, present and future contribution of Air Tanzania Limited (ATCL) to the economic development of Tanzania.

2. HISTORICAL DEVELOPMENT of AIR TANZANIA LIMITED

2.1 Pre-Independence Era

Pre-Independence formal aviation activities in East Africa started in 1929 through Wilson airline run by Mrs Florence Wilson based in Nairobi, Kenya. The Wilson Airline provided charter services and later included airmail services between Nairobi, Dar es Salaam and Kampala. The airline existence ended in 1939 following the outbreak of the world war and all its aircraft were taken by the then Air Force. A single authority for air transport responsible to the governments of Tanganyika, Zanzibar, Uganda and Kenya, then under the British colonial empire, was recommended by a Committee in 1943. Thereafter this led to the establishment of East African Airways Corporation (EAAC) incorporated in London in October 1945. In 1948 the East African High Commission was established which provided among others common services in transport and communications. Air transport was managed by this Commission.

EAAC first operations served Nairobi, Mombasa, Tanga, Zanzibar, Dar-es-Salaam, Lindi, Morogoro, Nduli, Southern Highlands, Chunya, Mbeya, Moshi, Kisumu, Eldoret, Kitale and Entebbe. The fleet included six ex-RAF *DH89A Dominies* aircraft leased from British Overseas Airways Corporation (BOAC). In 1948 EAAC fleet was expanded to include five *Lockheed 18-56*Lodestars purchased from BOAC. At the same time newly ordered de Havill and Doves was delivered to replace the *DH89A Dominies.* The EAAC grew in numbers of aircraft operated, expanded route structure in Africa, Europe and Far East (Pakistan and India).

2.2 After Tanganyika Independence

Air Tanzania limited as a national carrier passed through stages of ownership, coalition and collaboration with different Airlines and companies. The Air Tanzania Limited for all those years it had some success at one point or another in fulfilling its

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duties as a nation carrier but mostly the airlines succumbed to different obstacles and setbacks throughout. This challenges, obstacles and setback are well documented (Ch-aviation 2018, Ippmedia 2007a, Ippmedia 2007b, Guttery 1998, Kuhenga 2011, Sumila 2015, Tairo 2012, Tairo 2016). The first phase which included formation Air Tanzania started with first East Africa Community joint airline which started in 1967 and break up 1977. Air Tanzania was formed after the breake up of East African Community joint airline. The breakup of the first East Africa Community presented challenges on how to share assets, expertise and profits which had joint ownerships. Some of the assets were fixed and could not be distributing equally (Tairo 2012, Wakabi 2000, *http://www.airtanzania.co.tz/index.php/about-us/history.html*). The next phase spurned from 1978-2006. The Air Tanzania at this stage could not stand alone so it entered into partnership with Uganda Airlines and South African Airways (SAA) to form Alliance Air. Air Tanzania had a 10 percent stake in the venture. Flights operated from Dar es Salaam to London–Heathrow via Entebbe on a Boeing 747SP initially, and then a smaller Boeing 767-200. This venture ceased operations in October 2000 after accumulating losses of about US$50 million (Wakabi, 2000). In 2002 ATC entered into a partnership deal with South African Airways under the process of privatizing ATC through the Presidential Parastatal Sector Reform Commission (Air Tanzania 2002). After few years the partnership between Air Tanzania and South African Airways (SAA) was officially terminated due to accumulation of losses.

ATCL was re- launched in 2007 after the Tanzania Government set aside TZS 13 billion for Air Tanzania to start using its own ticket stock (number 197) instead of the stock of SAA (number 083), changing revenue systems and fuel services, preparing e-ticketing and accounts systems, using a new trademark, and clearing outstanding debts (Machira, 2009). However, ATCL was completely grounded by the end of 2015; this was due to the losses accrued to leasing foreigner aircraft, bureaucracy, few skilled personnel and inefficiency (Lamtey, 2016, Rweyemamu, 2015, Sumila, 2015).

2.3 Recreated (2016 – Now)

With the new 5th government in place, Tanzania's new president John Magufuli vowed to recreate the Air Tanzania Limited so that it can be vital element in spearheading the Tanzania economy to middle income country by 2025. In the 2016/2017 national budget, the government had set aside funds to purchase four new aircraft (Tairo, 2016). In 2016 the government purchased two Bombardier Q400 (Mbashiru, 2016). In 2017 additional two Dash 8-400 bombardiers were purchased (Ch-aviation, 2018). In 2018 new Boeing 787- 8 Dream liners landed at the Julius Nyerere International Airport (JNIA) for the first time (Dibie, 2018). At the end of the same year Airbus A220-300 aircraft were purchased. In 2019 another new Boeing 787- 8 Dream liners have been delivered. The government of Tanzania has already ordered 4 orders for 2 bombardier and airbus respectively are in place. Currently the fleet size is 9 and destination is 17 and now the ATCL turnaround is complete. According to the Air Tanzania Limited Chief Executive Mr. Ladislaus Matindi after starting India and China routes ATCL will be eyeing Europe market by 2022.

3. FRAMEWORK

3.1 Conceptual Framework for National Airline Social-Economic Contribution

National airline alternatively known as national carrier or flag carrier is an air transportation company that is locally registered in a given country where they enjoy preferential rights or privileges accorded by the government for international operations. National airline is associated with the national pride as well as national identity of that particular country. Over the years it has been often used to mean airlines which are owned by the government of their home country but practically not true. Some national airline can be owned by foreign company or individuals and sometimes joint venture or public listed (Table 1). Despite the different in ownership type's national airline have much big role to play in the country they represent than private airlines. This conceptual framework discusses social and economic benefits of national airlines. The social and economic benefits have categorized into direct, indirect, induced and catalytic benefits that national airline can contribute to a country they represent (fig.1).

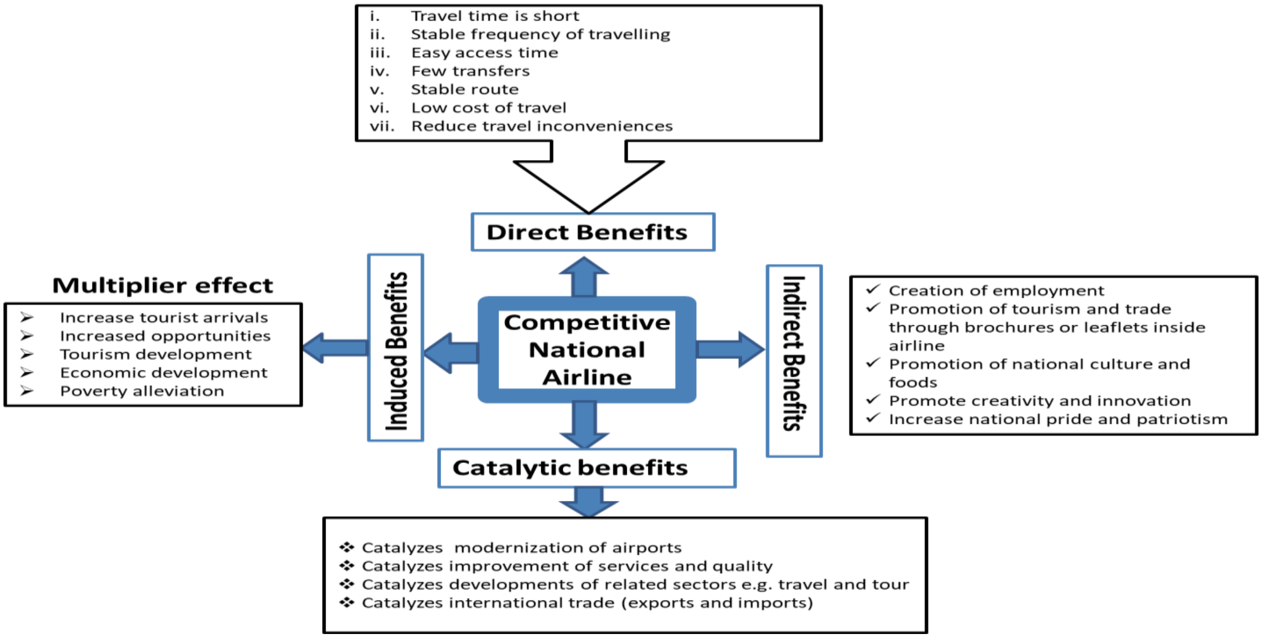

Fig.1 Conceptual framework elucidating social and economic benefits of national airline.

Table 1. Example of national airline and ownership type

S/N	Country	National airline	Ownership type
1	Algeria	Air Algérie	State-owned
2	Argentina	Aerolíneas Argentinas	State-owned
3	Bahrain	Gulf Air	State-owned
4	Egypt	EgyptAir	State-owned
5	Ethiopia	Ethiopian Airlines	State-owned
6	India	Air India	State-owned
7	Poland	LOT Polish Airlines	State-owned
8	South Africa	South African Airways	State-owned
9	Tanzania	Air Tanzania Limited	State-owned
10	Afghanistan	Ariana Afghan Airlines	Majority
11	Angola	TAAG Angola Airlines	Majority
12	Finland	Finnair	Majority (55.8%)
13	Malawi	Malawian Airlines	Majority (51%)
14	Russia	Aeroflot	Majority (51%)
15	Saudi Arabia	Saudia	Majority
16	Austria	Austrian Airlines	Owned by Lufthansa
17	Belgium	Brussels Airlines	Owned by Lufthansa
18	Ireland	Aer Lingus	Owned by IAG
19	Switzerland	Swiss International Air Lines	Owned by Lufthansa
20	Bangladesh	Biman Bangladesh Airlines	Public-limited company

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21	Norway	Scandinavian Airlines	Joint venture
22	Djibouti	Air Djibouti	Joint venture
23	France	Air France	Minority (18%)
24	Italy	Alitalia	Minority (19.48%)
25	Israel	El Al	Minority
26	Ivory Coast	Air Côte d'Ivoire	Minority (49%)
27	Netherlands	KLM	Minority (14%)

Source (https://en.wikipedia.org/wiki/Flag_carrier)

3.2 ATCL and Economic Distance

Economic distance to a destination is related to the time and cost involved in travelling from the origin to the destination and back. The rule of thumb is; the higher the economic distance the higher the resistance to travel to the destination therefore the lower the demand to that destination. Tourist travel choice is highly affected with frequency of travelling, cost of travel, inflight time, transfer time and access time (Boisso and Ferrantino 1997, Lijesen *et al*., 2005). The tourist choice of airline and destination rely on these attributes, the selection process is ultimately affected by personal characteristics such as age, experience, income level and visiting purposes. After deciding the airline and destination to visit, the tourist visit the destination and he/she get desired new experiences (Lijesen *et al*., 2006). The scenario of having a dependable national airline like ATCL will lead to stability and predictability of available routes for Tanzania which is important for tourist planning and scheduling of their trips. This is the pre-requisite for a destination to increasing international arrivals. The increased extra tourist movement will indeed lead to increased tourism expenditure in the country, hence impacting Tanzania tourism and economic development. It is through this method national tourism is improved as well as economic development through tourism and airlines are achieved.

3.2 Air Tanzania and Improvement of Airports

There exist mutual benefits relations between strong national airlines and national airports development. This is evidently clear when you compare countries with strong national airlines such as South Africa, Ethiopia and Egypt in Africa as well as Qatar and United Arab Emirates. All these countries which strong national airline they have the best airports infrastructures far better than countries with weak or no national airlines. There are strong evidence national airlines have positive financial significance financial performance on airports (Debbage, 2005). Strong performance of ATCL will stimulates development of good airport infrastructures in Tanzania. A Competitive ATCL will stimulate airport infrastructures development in Tanzania; On the other hand, good airports will strengthen the competitiveness of Tanzania economy and play key role in Tanzania development. According to Graham (2001) the full potential of any destination whatsoever cannot be fully utilized until direct air services and suitable airport infrastructure is provided. Tanzania has so many attractions and for it's this attraction to contribute fully to the nation economy and poverty alleviation direct air services globally and improved airports is necessary.

3.3 Impact of Air Transport to Tourism

Tanzania is a country with many tourist attractions. Approximately 38 percent of Tanzania's land area is set aside in protected areas for conservation (Laher and Sing'oei, 2017). There are 16 national parks (TANAPA, 2018), 29 game reserves, 40 controlled conservation areas (including the Ngorongoro, Conservation Area) and marine parks. Tanzania is also home to Mount Kilimanjaro, the highest point in Africa (Kweka *et al*., 2003). The tallest tree in Africa in additional to that there are many others beautiful mountains, rift valley, cultural sites, historical sites, Lakes and Tanzania coastal beaches. Tourism sector is important in many developing countries, including Tanzania. According to world economic forum (WEF, 2017) Tanzania ranks 91st in 2017. It is home of one of the most impressive concentration of the natural resources (8th) and wildlife globally, with its rich variety of landscape. Tanzania ranks 34th in price-competitiveness destination where the government plays an active role in promoting the tourism and travel sector. In 2017 the total contribution of Travel & Tourism to GDP was TZS10, 526.7bn (USD4, 721.0mn), 9.0% of GDP in 2017, and is forecast to rise by 9.1% in 2018, and to rise by 7.1%

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pa to TZS22, 790.8bn (USD10, 221.2mn), 10.1% of GDP in 2028 (Turner and Freiermut, 2017). This rise of revenues and contribution to the national GDP has been realized from the ever increasing number of tourists visiting Tanzania. Most of the tourists who come to Tanzania they use air transport as a mode of transport (Fig.3). Tanzania for so long time had weakness of not having a stable national carrier. Tanzania can immensely benefit from this lucrative industry if it addresses this snag which handicaps its competiveness.

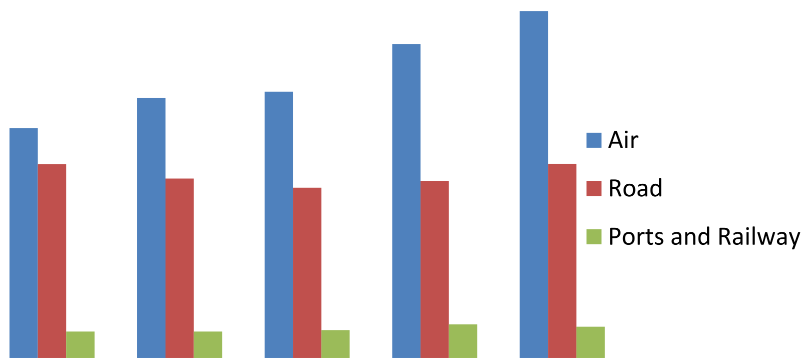

Fig 2. Share of International Visitor Arrivals by mode of Transport

The ongoing fifth government efforts to revive ATCL, it is obvious Tanzania will not be left out of these successes in the tourism sector, employment opportunities and total economic growth. According to the ATCL's plans, in the few coming years, the company will be able to fly across the country, Africa, Asia (particularly India and China) and Europe (Ch-aviation, 2018, Magarula, 2016). This means ATCL will be able to fly tourists to all regions at affordable prices and reliable services (Magarula, 2018). The country receives an average of 1.1 million tourists a year. The number rose 1.7 per cent in 2013 to 1.095 million, bringing in 1.85bn/- US dollar. Most of the visitors came from Britain, Germany, the United States and Italy. Tourism is Tanzania's number one foreign currency earner. It's quite clear that with the revival of the national carrier, Tanzania will be able to offer travel and tourism services accordingly. This will probably help to strengthen tourism sector and boost the country's economy.

Table 2. Share of international visitor arrivals at Airports from 2005-2018.

	Leisure and Holiday	Visiting friends and relatives	Business and professionals	Transit	Other	Total
2005	539223	30638	24510	NA[a]	18383	612754
%	88	5	4	NA	3	100
2006	573270	25765	32206	NA	12882	644124
%	89	4	5	NA	2	100
2007	60110	38828	32356	NA	46737	719031
%	83.6	5.4	4.5	NA	6.5	100
2008	480715	117867	87052	NA	79349	770376
%	62.4	15.3	11.3	NA	10.3	100
2009	565064	58579	46434	NA	44291	714367
%	79.1	8.2	6.5	NA	6.2	100
2010	634769	66529	36787	NA	44614	782699
%	81.1	8.5	4.7	NA	5.7	100
2011	694395	78120	52079	NA	43400	867994
%	80	9	6	NA	5	100

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2012	843108	68619	55902	33991	75438	1079070
%	78.2	6.3	5.2	3.3	7	100
2013	890798	76674	65922	33267	29223	1097897
%	81.1	7	6	3	2.9	100
2014	920028	85818	68341	27146	38823	1142170
%	80.5	7.5	6	2.6	3.4	100
2015	872499	103627	76245	33093	51718	1139197
%	77	9.1	6.7	3	4.6	100
2016	936549	138342	6707	51055	91528	1226197
%	76.6	11.3	0.6	4.1	7.4	100
2017	981217	163391	58130	51068	73337	1329160
%	74	12	4	4	6	100
2018	1122336	101030	76123	127569	78644	1505702
%	74.5	6.7	5	8.6	5.2	100

Source (MNRT 2017, Tanzania Exit Surveys 2005-2017)

*NA= Denotes data not available

Table 3. Number of tourist arrivals, Annual percentage change and Receipts received from 1990-2018.

Year	number of visitor arrival	Annual percentage change	Receipts(USD $Mill)
1990	153,000	22	65.00
1991	186,800	8	94.73
1992	201,744	14	120.04
1993	230,166	13	146.84
1994	261,595	12	192.10
1995	295,312	1.1	259.44
1996	326,188	10	322.37
1997	359,096	34	392.39
1998	482,331	30	570.00
1999	627,325	-20	733.28
2000	501,669	4.6	739.06
2001	525,000	9.5	725.00
2002	575,000	0.8	730.00
2003	576,000	1.2	731.00
2004	582,807	5.1	746.02
2005	612,754	4.8	823.05
2006	644,124	5.12	950.00
2007	719,031	11.62	1198.76
2008	770,376	7.14	1288.70
2009	714,367	-7.27	1159.82
2010	782,699	9.5	1254.50
2011	867,994	10.89	1353.29
2012	1,077,085	24	1712.75
2013	1,095,884	1.7	1853.28

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2014	1,140,156	4	2006.32
2015	1,137,182	-0.26	1901.95
2016	1,284,279	12.1	2131.57
2017	1,327,143	3.2	2258.96
2018	1,505,702	13.5	2412.30

Source (Tanzania exit surveys 1990-2018)

3.4 Impact of Air Tanzania to Employment and Development of other Sectors

According to IATA (2017) the aviation industry 62.7 million people are directly employed in world aviation industry with hundreds millions more are indirectly employed in world aviation industry. The little information in number of people directly or indirectly employed in Tanzania aviation industry but the number is staggering. According to Air Tanzania statistics https://en.wikipedia.org/wiki/Air_Tanzania) it has 221 employees in 2010 when its fleet size was 3. The Fleet size of Air Tanzania now is 11 and still increasing suggesting that it contributes more on employing young Tanzania. The employment categories include Pilots, Air hostess, cabin crews, traffic liaison officers, sales and reservations, cargo sales officers-commerce and marketing officers, ICT officers, Engineers, Internal auditors, Clerks and receptionist among others with each having specific job descriptions. Many Tanzanians will be indirectly employed through number of business activities triggered by stable national carrier. A stable and expanding national carrier will promote and make easier for tourists to visit Tanzania. This will create indirectly employment through business activities such as Tourism and Travel agencies, with increase of tourists many hotels will be created, Tour companies, Tour guiding, rental car business and many more related businesses which will be there to accommodate and give a Tanzania experience to the tourists. It's a given fact known to all aviation stakeholders that air transport is a vital contributor to both national and global economic growth and its sustainability. Air Tanzania limited will surely contributes a lot if it will stable and be able to expand from its current Uganda, Comoro, Burundi, India to have Europe, Asian and America routes.

The new international flight will bolster trading activities between the two countries and open room for more businesses to happen. The flight lane will as well spur investment for economic development domestically and regionally. The possible skyway should act as a bait to attract investors not only in the aviation industry but also in the manufacturing sector to propel the industrialization goal of the country. The aviation sector is gaining competitive with the introduction of new technology. Governments are investing heavily in better infrastructure to lure businesses. The aviation industry touted for greatness in Africa has brought Head of States together to discuss ways to make the sector better and strengthen their economies. The open skies policy has played a fundamental factor in bolstering trade.

Table 4. Statistics of Tanzania Aircraft movements, number of passengers and total cargo in m.tons from1999-2017

Aircraft Movements	Number of Passengers	Total Cargo (Metric Tons)	Years
21,879	586,325	11,567	1999
31,539	621,513	14,618	2000
32,074	652,002	14,467	2001
37,035	703,483	12,552	2002
44,289	822,398	12,338	2003
49,523	1,011,392	17,863	2004
50,604	1,124,235	15,575	2005
53,218	1,249,419	15,617	2006
55,938	1,450,558	18,456	2007
61,954	1,542,778	23,039	2008
57,790	1,422,846	18,844	2009

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62,620	1,556,410	19,675	2010
70,460	1,829,219	23,946	2011
75,564	2,088,282	25,412	2012
77,185	2,348,819	21,891	2013
77,990	2,478,055	21,255	2014
75,240	2,496,394	22,014	2015
75,749	2,469,356	17,398	2016
74, 286	2,385,456	17,031	2017

Source (http://www.taa.go.tz/)

3.5 Impact on Agriculture

Agriculture is the leading sector in the Tanzanian economy and it is going to continue to occupy that position for several decades to come. The sector contributes approximately 50% to G.D.P., food crops contributing about 35% of the agricultural GDP followed by livestock production which accounts for 30% of the agricultural GDP. Agriculture contributes over 60% of export earnings. It is estimated that about 95 to 97% of the food consumed in the country is produced locally with imports consisting mainly of food items which we do not produce in adequate quantities such as wheat in which we are only 40% self-sufficient, sugar in which we are 75% self-sufficient etc. With carefully focused planning and investment, we could be self-sufficient in all items of food and food exports could contribute a greater share of export earnings.

While Air Tanzania Limited like other national carrier is expected to have immense impact within tourism industry, there are major stimuli to manufacturing and agriculture. The specific sectors that benefit most are food and beverages, fishing, staple foods, and wholesale and retail. This is unsurprising as food and beverages are the major consumption goods demanded by tourists (and, of course, by restaurants); the import multiplier shows that about a quarter leaks to imports (Kweka *et al*., 2003). Multipliers account for the effect on other sectors, for example, an increase in tourism spending on restaurants can increase demand for locally produced food. Furthermore, Air Tanzania limited should think on investing in Cargo airlines in order to boost Tanzania export of agricultural products to Europe and Asia where these products are highly demanded. Table 5 shows statistics from 1999 to 2017. The number of cargo movements has not increased significantly with regards to the agriculture production and business increases. There are many fresh tropical vegetables and fruits like mangoes, passion fruits, jackfruits and avocado which cannot be grown in Europe and parts of Asia. Moreover, Spices, fresh flowers business and export of cash crops like coffee, tea and cashew nuts will enhance to the next level. This will encourage farmers to invest more in sustainable agriculture which will help in poverty alleviation and economic development of Tanzania.

4. CONCLUSION

Air transport system just like rail and road transport, is arguably an important facilitator of the movement of goods and people between cities to cities and between countries across the world. In this paper we have showed how rapid growth and expansion of ATCL will stimulate airports constructions and opening opportunities in other sectors such as inter and intra national trade, agriculture, hotel, tour company, horticulture which altogether will have a multiplier effects in national economic growth and poverty alleviation. The full potential Tanzania as a destination will be partly achieved when Tanzania is accessed with direct air services globally as well when the country is provided with suitable airport infrastructures. The Tanzanian 5th phase government under leadership of his excellent Dr. John Magufuli which is committed for economic transformation and steering the country to middle income country by 2025. It should continue developing strong international trading links, give higher priority to air transport and its infrastructures as this industry will continues contributing billions of money to economy through tourism, supports thousands of direct and indirect jobs as well as enhancing innovations, strengthening trade and related sectors.

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