

BICYCLES AND BICYCLES PARTS  
United Republic of Tanzania

Commonwealth of Independent States

-1992-

**Bicycles and Bicycle Parts - United Republic of Tanzania**

<b>Product description</b>	Products are classified under SITC (Rev.1) still in use in Tanzania.
733110	Cycles, not motorized
733121	Parts of cycles, not motorized; frames together with front fork and back stay.
733122	Parts of cycles, not motorized; frames without front fork and back stay.
733123	Parts of cycles, not motorized; front fork.
733124	Parts of cycles, not motorized; back stays.
733125	Parts of cycles not motorized; handle bars with or without fittings.
733126	Parts of cycles, not motorized; saddles.
733127	Parts of cycles, not motorized; rims.
733128	Parts of cycles, not motorized; chains.
733129	Parts of cycles, not motorized; other parts and accessories.

**Imports  
(US\$ 000)**

1986	1987	1988	1989	1990 *
3,764.0	5,213.1	7,058.0	6,354.2	3,371.2

\* Figures for the year 1990 are provisional

**Main origins  
of imports  
(US\$ 000, 1990)**

World total 3,371 of which: China 1,507, India 958, Germany 230, United Kingdom 60, The Netherlands 9.

Figures include all sub-headings under SITC (rev. 1) as per product description.

**Market  
characteristics**

The Tanzanian bicycle industry has been back in operation since June 1990, after being closed-down in 1982. So-far only 45% of bicycle components are domestically produced. The rest are imported. Domestic production, however, is not large enough to meet the increasing demand. The production target for 1991 was 60,000 bicycles, while the demand was roughly estimated at 250,000.

**Prices**

Retail prices can fluctuate, depending on the locality, season and the type of bicycles. For example, during the harvest season in the cotton growing regions prices rise considerably.

**Import prices**

- Phonex bicycles US\$ 55-59 (c.i.f.)
- Others (e.g. Avon, Flying Pigeon, etc.) US\$ 50-55 (c.i.f.).

**Retail prices**

Phonex bicycles

- Wholesale price, approx.: Tsh 25,000 (i.e. US\$ 108.7).
- Retail price, approx.: Tsh 29,000 to 32,000 (i.e. US\$ 126.09 to 139.13).

**Market access**

Although domestic demand for bicycles and bicycle parts is gradually increasing, Foreign Exchange Control has limited import capacities. Nevertheless, since 1984, these economic restrictions are gradually being lifted, thus increasing import possibilities.

The import duty on bicycles and bicycle parts is 20% "ad valorem".

**Distribution channels**

Bicycles are imported by firms specializing in bicycles and bicycle parts. Some of these firms run wholesale and retail shops in various regions of the country, while others wholesale to specialized retail traders.

**Commercial practices**

Importers require proforma invoices from potential suppliers. Payment is usually made through irrevocable and confirmed Letter of Credit. Importers usually request a credit term of 90 to 180 days.

**Packaging**

Bicycles and bicycle parts are normally packed in wooden crates and then shipped in containers. Goods may be subjected to pre-shipment inspection by specialized institutions such as: Lloyds, Bureau Veritas, etc.

**Market outlook**

High fuel costs make the bicycle an attractive alternative means of transport in both rural and urban areas.

The Economic Recovery Programme has increased the demand for bicycles, among other things, by improving farmers' purchasing power, who make-up 80% of the population.

### Major Tanzanian importers

Household Supplies Company Ltd  
P.O. Box 4795  
Dar Es Salaam  
Tel: 37041  
Tlx: 41186  
Fax: 37039

K. Agency International Ltd  
P.O. Box 935  
Dar Es Salaam  
Tel: 055-251 24047  
Fax: 055-251 24047

National Bicycles Company Ltd  
(Bicycle Manufacturers)  
P.O. Box 2827  
Dar Es Salaam  
Tel: 74561  
Tlx: 41272

TANCRAFT Ltd  
P.O. Box 6020  
Dar Es Salaam  
Tlx: 41973  
Fax: 35440

SUKITA Ltd  
P.O. Box 2992  
Dar Es Salaam  
Tel: 30312-3  
Tlx: 41800  
Fax: 37890

### Sources of information

National Bicycles Company Ltd  
(Bicycle Manufacturers)  
P.O. Box 2827  
Dar Es Salaam  
Tel: 74561  
Tlx: 41272

Customs & Sales Tax Dept.  
P.O. Box 9131  
Dar Es Salaam  
Tel: 26231

Household Supplies Company Ltd  
P.O. Box 4795  
Dar Es Salaam  
Tel: 37041  
Tlx: 41186  
Fax: 37039

- Bank of Tanzania: "Economic and Operations Report" for the year ended 30 June 1988.
- Discussion with some traders.

ITC/MBDBS - April 1992

This brief has not been formally edited by ITC.

## Bicycles - Commonwealth of Independent States

**Product description** HS 8712.00 Bicycles and other cycles, not motorized.

(Q = '000 units  
V = '000 Roubles)

	1989		1990		1991	
	Q	V	Q	V	Q	V
<b>Production</b>	5,605	-	5,865	-	5,626	-
of which:						
Tourist use	143	-	120	-	109	-
<b>Imports</b>	35	8	13,100	1,052	620	170
of which:						
China	-	-	7,500	386	357	140
Bulgaria	-	-	-	-	320	24
Finland	-	-	5,300	613	7	...
<b>Exports</b>	661	24,351	543	22,102	58	2,978

Source : Market Research Institute (MRI) - Ministry of Foreign Trade

Figures cover the former USSR and are only indicative of the size of the market.

**Market profile**

Over the three-year period 1989-1991, bicycle production in the former USSR was over 5.5 million units a year, with a peak in 1990. In 1991, folding bicycles were the fastest growing segment of the market, with a 20% share. A total of 60% of bicycles are bought by people in the countryside, who need solid machines of simple construction with light, detachable, metal baskets.

The Russian Federation and Ukraine are the two largest producers and consumers of bicycles in the Commonwealth of Independent States (CIS).

Exports of bicycles are significant. They go mainly to the former members of the Council for Mutual Economic Assistance (CMEA), especially Poland, Cuba, Bulgaria and Romania. There are few regular imports which, apart from the 13,100 units imported in 1990 from China and Finland as part of a special agreement, consist primarily of professional racing bikes.

**Market access**

Import duties were introduced in July 1992. The duties are payable in hard currency or Roubles at a base rate of 5% of contract value, except for specific products.

(Source : Business International Ltd, Sept.1992)  
In January 1993 a new tariff scheme will be introduced.

**Market opportunities**

Demand for bicycles in the CIS is strong, especially for cheap and safe machines. Exporters in developing countries have the potential to expand their exports to the CIS considerably, provided that they can enter into some type of barter or countertrade agreement. Demand for bicycles may also increase as a result of higher petrol prices.

**Selected importers**

"AVTOIMPORT"  
Marx Engels  
119902,8 Moscow  
Tel: 202-85-35  
Tlx: 411135  
Fax: 202-60-75

INCO-CENTRE  
1, Marshal Birusov  
123298 Moscow  
Tel: 215-42-95

PERVOURALSKY NOVOTRUBNI ZAVOD  
1, Torgovaja  
623112 Pervouralsk  
Sverdlovskaja obl.  
Tel: 7-56-56  
Tlx: 148715

TBILISSKI UNIVERMAG  
2/4, Roustavely  
380007 Tbilisi  
Georgia  
Tel: 93-42-32

MEHANICHESKI ZAVOD  
95, Stroitelei  
424006 Ioshkar-Ola  
Mairiiskaia ASSR  
Tel: 6-03-14  
Tlx: 220247 - EPBN

"SOUZVNESHSTROJIMPORT"  
6, bulvar Tverskoi  
103009 Moscow  
Tel: 290-30-83  
Tlx: 113600 - CTPNM

SPORTIZDELIA  
14/42 Soushovskii val  
127018 Moscow  
Tel: 972-41-56

**Exchange rate**

1992 Aug. US\$ 1,000 = 156,000 Roubles

ITC/MBDBS - September 1992

This brief has not been formally edited by ITC.  
Prepared in cooperation with MRI (Market Research Institute)-  
Ministry for Foreign Trade(ex-USSR)