

Policy Brief

From Port Capacity To Cargo Flow: A TPSF Perspective On Tanzania's Logistics System



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Introduction

Tanzania's growing cargo volumes reflect expanding trade, investment and the country's increasing role as a regional logistics gateway. Dar es Salaam Port handled more than 33 million tonnes of cargo in FY2025/26, reaching a level initially projected for 2030. This growth is encouraging, but it also places greater importance on the efficiency of the wider logistics system. As cargo volumes increase, the effectiveness of the port will increasingly depend on how efficiently cargo moves through ICDs, dry ports, railways, roads, customs and related digital systems.

The Tanzania Private Sector Federation (TPSF) view is that the next phase of logistics development should complement infrastructure expansion with greater efficiency across the logistics network, ensuring that cargo moves seamlessly from the port to its final destination.

A Growing Logistics Network

The development of private Inland Container Depots (ICDs) around Dar es Salaam and the establishment of Kwala Dry Port have expanded Tanzania's capacity to handle and distribute cargo beyond the port.

A joint TPSF–TradeMark Africa assessment conducted in June 2026 found that selected ICDs located approximately 2–10 kilometers from Dar es Salaam Port were handling more than 250 TEUs per day on average, with holding capacity averaging around 3,500 TEUs. However, utilization differs considerably across facilities. Some ICDs were operating at around 70% occupancy, while others were operating at 90–98%. Regulators have also indicated that some facilities have, at certain periods, operated above their rated capacity. This suggests that aggregate capacity alone does not fully explain logistics performance. The location of capacity, its utilization, connectivity and the processes linking different logistics nodes are equally important.



Kwala Dry Port

Kwala provides an important opportunity to strengthen multimodal cargo movement. The facility occupies 502 hectares, has approximately 3,500 TEUs handling capacity, a 1.3-kilometre rail connection to the metre-gauge railway, dedicated heavy-vehicle access and provision for customs and regulatory clearance. Cargo handled at Kwala has increased from 60 containers in 2023 to 2,803 by June 2026.

Facility	Design / Handling Capacity	Occupancy or Volume Signal	Rail Link Status
Some older private depot	3,500 TEUs	70% occupancy	Rail siding present, non-operational
High-demand depot	3,500 TEUs	98% occupancy	Road-only
Mid-size depot	2,400–3,000 TEUs	90% occupancy	Road-only
Inland dry port (initial phase, 502 ha total)	3,500 TEUs	-	Kwala MGR Rail-linked, but SGR call for further technical attention.

Source: TPSF/TradeMark Africa field assessment, June 2026.

The experience of Kwala therefore highlights an important policy consideration that inland capacity delivers greater value when supported by reliable, frequent and commercially attractive transport connections.

Where Efficiency Can Be Strengthened

The assessment points to several areas where greater coordination could improve the performance of the logistics network for which include:

- Rail connectivity: non-operational rail sidings at some ICDs, limited train frequency and the capacity of the existing metre-gauge railway network (MGR).

- Clearance and digital systems: customs processes, TANCIS and scanner-related interruptions do affect cargo flow and yard utilization.
- E-seals and coordinated processes: limited availability and coordination by contracted Vendors can add avoided time to cargo movement.
- Cargo allocation: greater predictability in allocation arrangements could support better planning, efficient equipment deployment and staff allocation by logistics operators and cargo owners.
- Commercial incentives: transfer tariffs, storage charges and grace periods influence how quickly containers move through logistics facilities.

Industry feedback has also raised concerns regarding the commercial adequacy of the regulated USD 65 container transfer fee in the context of rising fuel, maintenance, electricity and labour costs. At the same time, extended storage grace periods currently 30 days for DRC-bound cargo and 14 days for other EAC, SADC and domestic cargo can affect yard turnover where facilities are operating close to capacity, where this has occasionally been a factor attracting Customer cargo evacuation delays.

Measuring Logistics Performance as a System

As Tanzania continues to invest in logistics infrastructure, greater attention could be given to measuring how effectively the different components work together where some of the suggested indicators could include.

- Port-to-ICD transfer time and total container dwell time;
- ICD occupancy and yard turnover;
- Optimum Rail (MGR / SGR) capacity utilization through appropriate coordination among the 3 key parties including TRC, TRA and TPA to effect a seamless and a high frequency of Kwana train services;
- Modal Split for Containers evacuated to / or from the Port;
- Truck turnaround time;
- Frequency and duration of customs and digital-system disruptions; and
- Total logistics cost from vessel discharge to final destination.

TPSF Policy Reflections

Based on the assessment, TPSF considers the following areas relevant to the next phase of logistics development:

- i. **Strengthen the integration of logistics infrastructure** – Plan to assess Port, ICD, dry port, rail and road investments to effect a holistic infrastructure integration aimed at increasing efficiency in our logistics network, with greater attention to their respective capacity, connectivity and utilization.
- ii. **Support Kwala's development as a multimodal logistics hub** - greater utilization of Kwala could be supported through more predictable railway alignment services, adequate wagon availability, competitive tariffs, efficient cargo allocation and streamlined port-to-Kwala processes.
- iii. **Review logistics incentives collectively** - transfer tariffs, storage charges, grace periods and cargo allocation arrangements could be considered together to assess whether they support efficient cargo turnover while maintaining sustainable logistics operations.

Conclusion

From a TPSF perspective, the next priority should be to strengthen the integration, reliability and efficiency of the wider logistics network. The focus should progressively move from port capacity to cargo flow ensuring that railways, roads, ICDs, dry ports, customs and digital systems work together to support predictable, timely and cost-effective movement of cargo. The strategic question is therefore no longer simply how much cargo Tanzania can handle at the port, but how efficiently the entire logistics system can move that cargo to where it needs to go.

A more integrated approach and multimodal mode of transport will enable Tanzania to derive greater value from existing and planned infrastructure while improving predictability and reducing avoidable costs for businesses. This will strengthen the competitiveness of Tanzanian trade, support regional transit and contribute to the broader objectives of DIRA 2050 and FYDP IV.