

Abstract

A survey was conducted to analyze the economic impact of Reverse Logistics (RL) in steel industry in Arusha – Tanzania. The specific aims of the study were to evaluate the awareness of various stakeholders along the market chain on the term 'RL', to quantify the amount of steel and iron related materials that are collected per year, to evaluate the economic impact of the RL and determine who takes a bigger share in terms of profit among the stakeholders of the business. Other objectives were to investigate if the government benefits from the business along the chain and the impact of the business on the environment.

Survey study design was used by researcher in carrying out the research study since the research study only focused on the impact of reverse logistics in steel industries and therefore, this design provided the chance for the researcher in accessing the required data easily. Also, survey study design provided the good chance for the researcher in data collections and also making analysis of that particular industry and hence come out with the expected results and lastly be able to come out with the necessary recommendations

Results showed that the stakeholders of the industry included the retailers who are involved in collecting the steel and iron related materials and sell to the collecting agents. The collecting agents sell their collections to the manufacturers. About 47% of stakeholders were completely un-aware of the term RL, 17% had a fair awareness and 36% had very little knowledge on the term RL. The quantity of recyclable materials varied from industry to industry and also years with a range of 500 – 1700 ton collected per year. There was a general decline of the collections as the years went by. Economically it was revealed that of all stakeholders a collecting agent accrued a bigger profit percentage by attaining almost 77.4% whereas the manufacturer obtained a profit margin of about 21.4%. A retailer realized a meager profit of about 1.2%. It was generally observed that the government get nothing from the collecting agents and retailers, only the manufacturers paid the tax. Steel recycling helps to conserve raw materials, energy and costs as well as to preserve landfill space and the environment.