INVESTMENT CLIMATE AND OPPORTUNITIES IN TANZANIA

PRESENTATION TO THE CDM WORKSHOP
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Presented by;
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AGENDA

- Investment Climate
- One stop facilitating center
- Investment Incentives
- Investment Opportunities
- Markets
- FDI Inflows
- Reasons for investing in Tanzania
GEOGRAPHICAL LOCATION OF TANZANIA
KEY INDICATORS

• **Land Area:** 945,087 sq km
• **Population:** 37.5 Million, (2006 est.).
• **Population Growth Rate:** 2.9% 2002 census
• **Currency:** Tanzanian Shilling (TSh.)
• **Official Language:** Kiswahili and English
• **Value of Merchandise Exports:** US$ 1,723.0 million (2006)
• **Principal Exports:** coffee, tea, cotton, cashew nuts, tobacco, sisal, minerals, manufactured goods.
• **Value of Imports (f.o.b):** US$ 3,864.1 million (2006)
• **Principal Imports:** Machinery and transportation equipments, industrial raw materials, crude oil, Consumer goods,
• **GDP Growth Rate:** 6.2% (2006)
• **Inflation at consumer price:** 7.3% (2006)
• **Major Trading Partners:** India, Germany, Japan, Malaysia, Rwanda, Netherlands, South Africa, Kenya, UK, Saudi Arabia, China
INVESTMENT CLIMATE

• Political Stability
• Macroeconomic framework
• Investment Guarantee – MIGA, ATIA
• Protection against Nationalization – TIA, 1997
• Transfer of Capital or Profits
• Settlement of Dispute – ICSID
• Access to Credit from Domestic Sources
• Investment Support Institutions – TNBC, NISC
GDP GROWTH RATE AND INFLATION (1997-2006)

Source: Bank of Tanzania - 2006
ONE STOP FACILITATING CENTER FOR ALL INVESTORS

- Immigration Officers
- Assistant Registrar of Companies
- Licensing Officer
- Land Officer
- Labour Officer
- Tanzania Revenue Authority Liaison Officer
INTERNATIONAL AWARDS TO TIC

• 2007 - Best Investment Promotion Agency in the World (By WAIPA)

• 2006 - Best Country of the Future (By Financial Times)

• 2005 - Best Investment Promotion Agency in Sub Saharan Africa (By Africa Investor)
INCENTIVE SCHEMES

• Tanzania Investment Act 1997
  - Certificate of incentives
  - Strategic investor status
  - Import duty draw back scheme
• Export Processing Zones Act 2002
• Mining Act 1998
• Special Economic Zones Act 2005
• Petroleum (Exploration and Production) Act 1981
PRIORITY SECTORS FOR INVESTMENT

- **Agribusiness**
  Traditional crops, Horticulture, Floriculture, Oil Palm, Jatropha, Sugar ethanol, Organic Cotton, Pyrethrum, Artemisia, Fish and Aquaculture

- **Extractive**
  Minerals – Base Metals and Gemstones, Gold, Tanzanite, Hydrocarbons – Oil and Natural Gas, Coal, Refining, Processing, Smelting, Cutting and Polishing

- **Infrastructure**
  Power, Roads, Seaports, Airports
OTHER INVESTMENT OPPORTUNITIES

- Natural resources
- Tourism
- Manufacturing
- Commercial building
- Transportation
- Services
- Financial Institutions
- Human Resources
MARKETS

- EAC – East African market
- SADC – Southern Africa market
- AGOA- US market
- EPA - EU
- China
SUB SECTOR STUDIES AVAILABLE

• Textile
• Leather
• Biofuels
• Cotton
• Sugar
• Coal and Iron
• Power
• Floriculture
• Telecommunication
FDI INFLOWS TO TANZANIA:
1995 – 2006

Millions of Dollars

ORIGIN OF MAJOR INVESTMENT PROJECTS IN TANZANIA 1990 - 2006

UK 22%
S.Africa 10%
India 17%
China 8%
UAE 2%
Kenya 20%
N’Lands 9%
USA 7%
German 3%
Botswana 2%

Source: Tanzania Investment Center (2006)
OWNERSHIP OF TIC REGISTERED PROJECTS 1990 - 2006

Source: Tanzania Investment Center (2006)
REASONS FOR INVESTING IN TANZANIA

- Political stability
- Enormous investment opportunities
- Strong economic performance
- Pro-business Government
- Geographical location
- Presence of one stop center for investors
- Reasonable investment incentives
- Vibrant private sector
- Presence of autonomous organizations that represent the private sector (TPSF, CTI, TNBC, TCCIA, Chamber of Mines etc.)
THANK YOU FOR YOUR ATTENTION

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