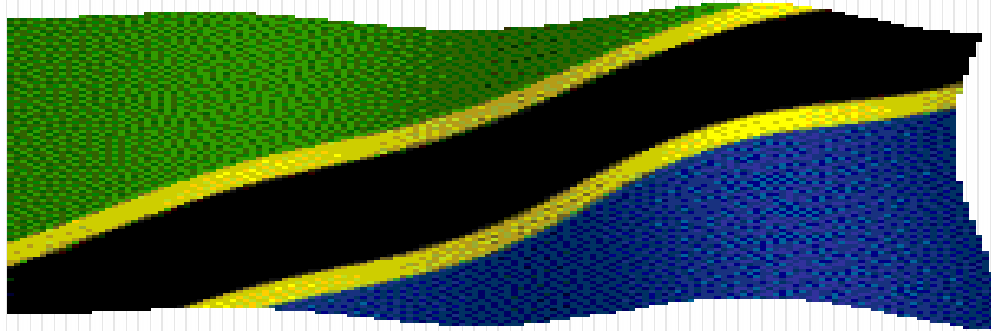


United Republic of Tanzania



East – West Business Forum 2013: Emerging Africa

WHY INVEST IN TANZANIA

Presented by:
Mr. Dunstan Mrutu, CEO,
Mike&Dan Ventures Ltd

TANZANIA'S ECONOMY

Tanzania has a total area of **945,087 sq km**

The economy **depends** on **agriculture**, which accounts for more than 40% of GDP, provides 85% of exports, and employs 80% of the work force.

Population: 44 Million (2012 est.)

Labour Force: 20.38 million
(2012 est.)

GDP \$ 22.4 Billion
(2009 Est.)

GDP Per Capita \$ 660
(2010 Est.)

Real GDP Growth Rate
7% (2010 Est.)



Source: NBS/BOT

Annual Budget (2010/11) :
TShs 4.7 Trillion

Av. Monthly tax collection
(2010/11):
TShs 390 Billion

Bank Reserves (2010/11) :
Tshs 3,551.3Billion

Inflation
6.4% (Jan 2011)

Why Tanzania?



1. Peace & Political Stability

Elected National assembly, Elected President and presidential term – two terms only.

Government is Walking the Transformation

2. Strategic Location of Tanzania

Tanzania's strategic geographical location and easy connectivity business locations worldwide is a motivating factor to investors. Has 3 major ports (Tanga, DSM and Mtwara – providing service to neighboring landlocked countries), two new ports under construction

3. Competitive Investment Legal Framework

More than 2 decades ago, the Government made a U-turn from a centralized to a market free economy whereby most laws and policies had to be reformed. Tax laws, companies, Immigration laws, etc

4. Attractive Investment Fiscal Regime

Tanzania has Stable and Predictable Fiscal Investment Regime - providing a **Soft Landing** to all investors. It recognizes that investors need to recover their **Investment Costs** first before paying corporation tax.

5. Predictable Investment Incentives

All prospective investors are most welcome to take advantage of the generous incentives under the liberalized environment offered by the new investment regime – Tanzania Investment Act, 1997 (Act No. 26 of 1997)

6. Free Repatriation of Funds

Transfer of funds is allowed through any authorized bank in freely convertible currency of net profits, repayment of foreign loans, royalties, fees charges in respect of foreign technology, remittance of proceeds and payment of emoluments, etc

Market Access

Tanzania enjoys Preferential Market Access with;

Negotiated **EPAs-EBA**,
Everything But Arms

AGOA (USA)
Africa Growth and
Opportunity Act
Over 6,000 items

China
Over 4,000 Items



Japan, Canada etc

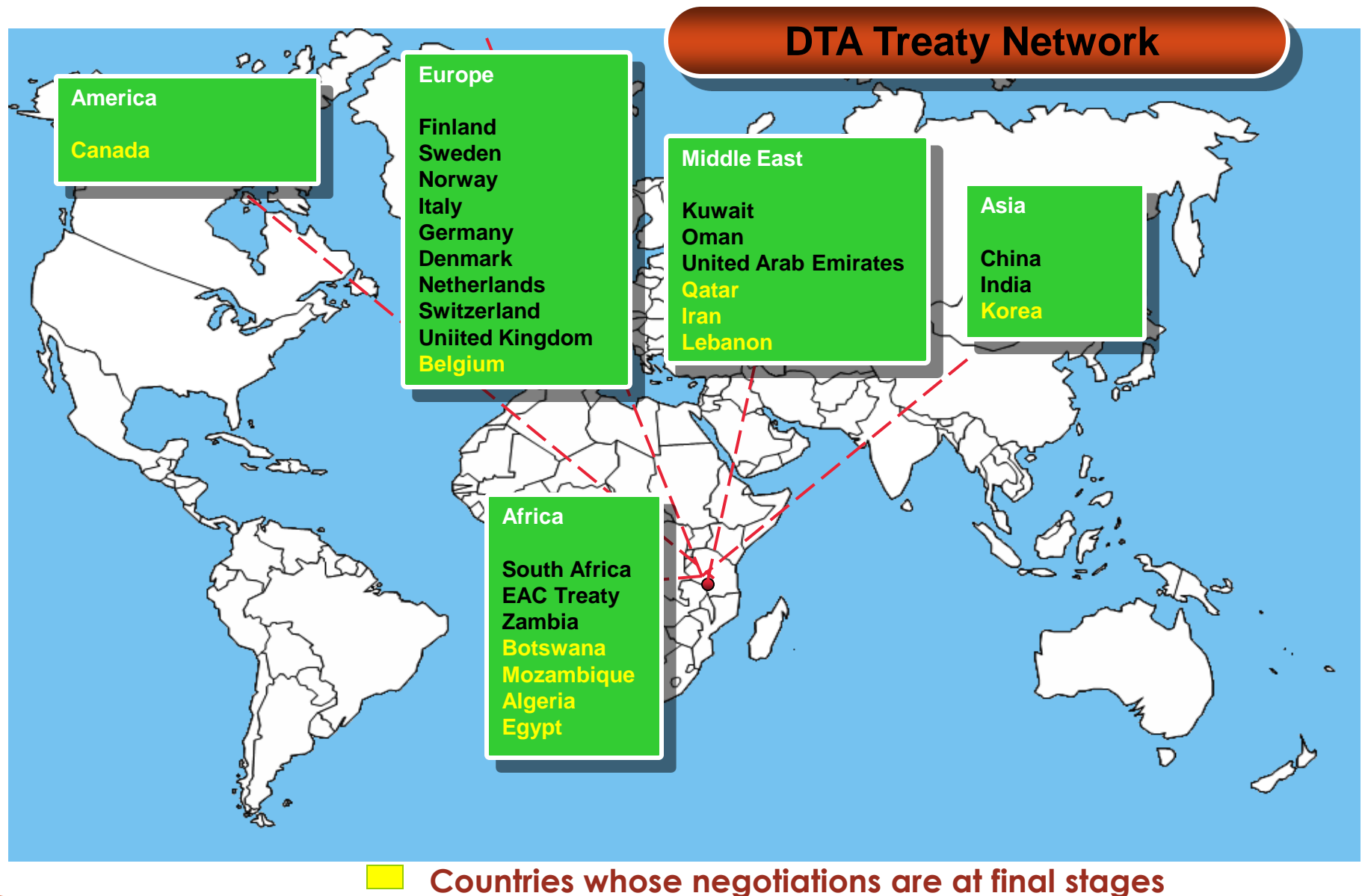
EAST AFRICA

About 130M People

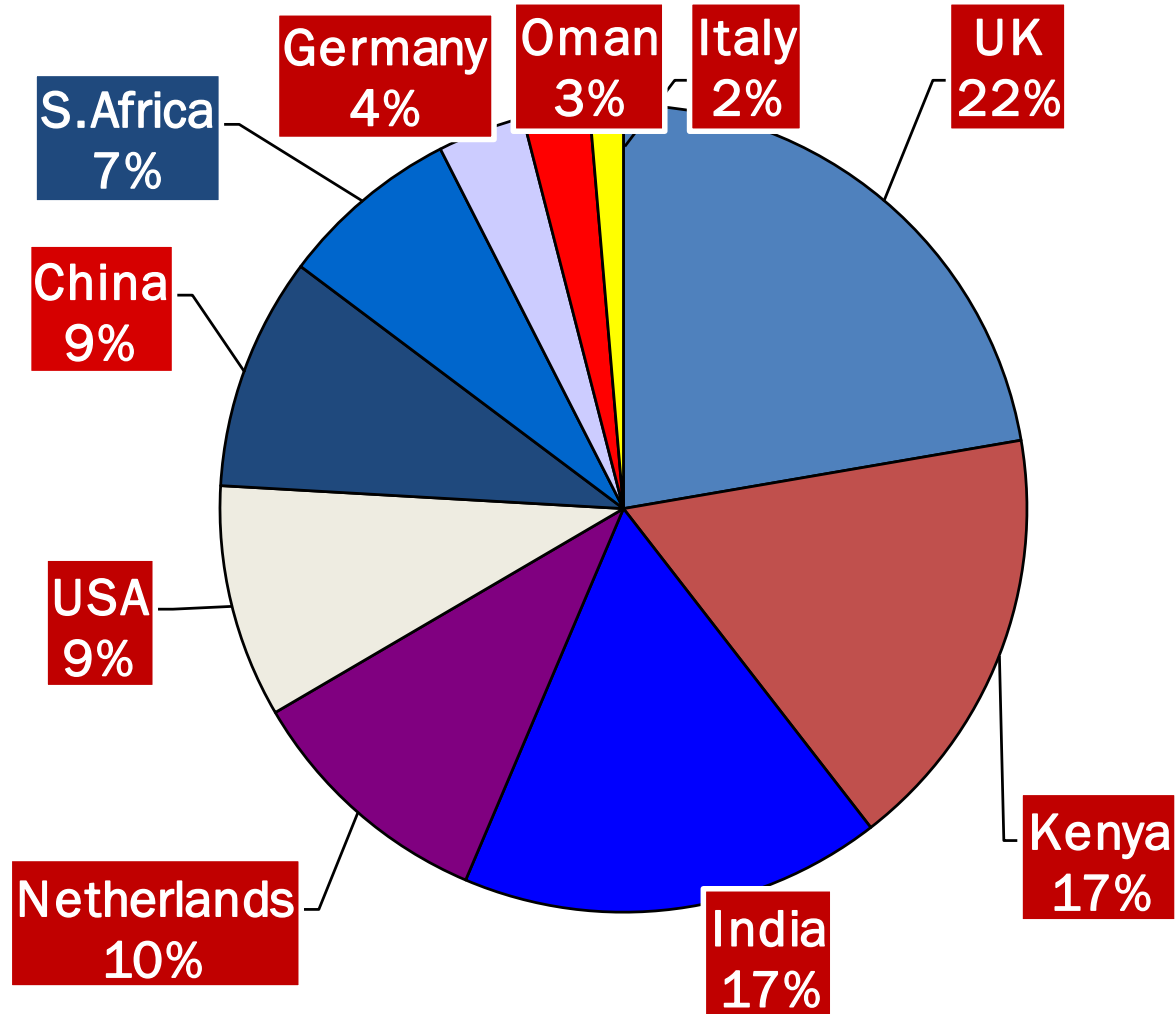
SADC

300m People

In Order to create Investment Confidence Tanzania has entered into Double Taxation Agreement with several countries.



Ten leading countries that have invested in Tanzania (by Value Million US\$) 1990 –2010



Source: TIC Database

Main Investment Opportunities in Tanzania

Core Investments (as per Tanzania 5 year Development Plan)

1. **AGRICULTURE**: Development of SAGCOT projects
2. **ENERGY**: Min 2,780 MW Electricity Generation
3. **PORTS**: Expansion of Capacity of Dar es salaam, Tanga and Mtwara Ports, Building two new ports
4. **RAILWAYS**: Rehabilitation and expansion of Tanzania Railway lines
5. **AIRPORTS**: Expansion of air cargo capacity
6. **ICT**: Complete the National ICT backbone infrastructure
7. **HUMAN CAPITAL DEVELOPMENT**

TANZANIA'S AGRICULTURAL POTENTIAL

- 44 million hectares of arable land but only 10 million or 23% is currently under cultivation.
- 29 million hectares of irrigable land but only 300,000 or 1% is currently irrigated
- 62,000 sq. kms of the fresh water resources or about 2,300m³ of 'internal fresh water' per person - 1.4 times that of Uganda and 3.6 that of Kenya.
- 19 million cattle, 17 million sheep and goats, 30 million chicken, 90% of as low yield species and not commercially exploited.
- 1424 kms of coastline and 223,000 sq. kms of Tanzania's Exclusive Economic Zone of the Indian Ocean which is not being effectively exploited.

AGRICULTURE & AGRI-BUSINESS

Tanzania has 44 million hectares of unexploited land suitable for Agriculture. There is huge arable land suitable for large scale farming of both food and cash crops as shown here below:



- **Horticulture**
- **Floriculture**
- **Fish And aquaculture**
- **Sugar**
- **Oilseeds**
- **Organic Cotton**
- **Coffee**
- **Tea**
- **Cereals**



The Southern Agricultural Growth Corridor of Tanzania

The Southern Agricultural Growth Corridor of Tanzania(SAGCOT) is a public-private partnership which aims to boost agricultural productivity in Tanzania and the wider region. SAGCOT will promote “clusters” of profitable agricultural farming and services businesses, with major benefits for smallholder farmers and local communities

PARTNERSHIP & LEADERSHIP

SAGCOT partners include major actors from all relevant stakeholder groups.

Government of the
United Republic of
Tanzania



SAGCOT is Championed by President Jakaya Mrisho Kikwete and supported by donor groups and many private sector actors.



ENERGY AND MINING

The Government plan is to increase generation of electricity to 2,780 MW by 2015.

This can be achieved by enhancing the following projects:

- Upgrading and construction of new distribution lines
- Improving power transmission to rural areas
- Enhancing Natural gas development projects
- Fast-tracking renewable energy projects

ENERGY AND MINING

- Exploitation of other minerals:
- Coal, Copper, Cobalt, Chrome
- Iron Ore, Nickel, Uranium,
- Diamonds, Gold, Tanzanite, Coloured Stones
- Industrial Minerals

Oil and Gas Opportunities in Tanzania

Hydrocarbon exploration in Tanzania, a number of available blocks in sedimentary basin both onshore and offshore. Currently, open acreage include the Rufiji basin, inland rift basins of L. Rukwa, L. Tanganyika, L. Nyasa, and the Ruhuhu Karoo Basin.



Contact:

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P O R T S

Tanzania has 3 major ports of Dar es salaam, Mtwara and Tanga. Tanzanian ports are the natural hubs bordering 6 landlocked countries of Uganda, Burundi, Rwanda, DRC, Malawi and Zambia.

The aim is to improve the cargo volume handling capacities in Tanzania's lake and sea ports by 2015. This will be achieved through:

- Enhancing the use of improved technology in water transport facilities
- Private investment in Marine Transport Services
- Multi Model port operation system

Down Stream Investment Opportunities In the Gas subsector

- Fertilizers and Petrochemicals production
- Compressed Natural Gas (CNG) for vehicles
- Piped Natural Gas (PNG)/CNG for households (Millions of forest hectors are burnt every year)
- Liquefied Petroleum Gas (LPG) Production

RAILWAYS

The Government plans to:

- Rehabilitate existing railway lines
- Upgrade & construct strategic lines
- Construct new railway lines

Tourism



- **Air charter**
- **City Tourism**
- **Beach Tourism**
- **Conference Tourism**
- **Sports/Golf Tourism**
- **Medical Tourism**
- **Historical Tourism**
- **Hotel development**



COME & GROW WITH US





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