

# THE UNITED REPUBLIC OF TANZANIA



**Prime Minister's Office**  
**TANZANIA INVESTMENT CENTRE**



## **PRESENTATION ON INVESTMENT CLIMATE AND INVESTMENT FACILITATION SERVICES IN TANZANIA**

**TANZANIA-NETHERLANDS INVESTMENT FORUM**

**CROWNE PLAZA PROMONADE HOTEL, DEN HEEG**

**15<sup>th</sup> SEPTEMBER 2014**



**Maro, Brendan (Mr.)**  
**Tanzania Investment Centre (TIC)**





# TANZANIA AND NETHERLANDS ARE COMMITTED FOR BUSINESS



**H.E. Dr. Jakaya Mrisho Kikwete**  
President  
The United Republic of Tanzania



**H.E. Mark Rutte**  
Prime Minister  
The Royal Kingdom of the Netherlands



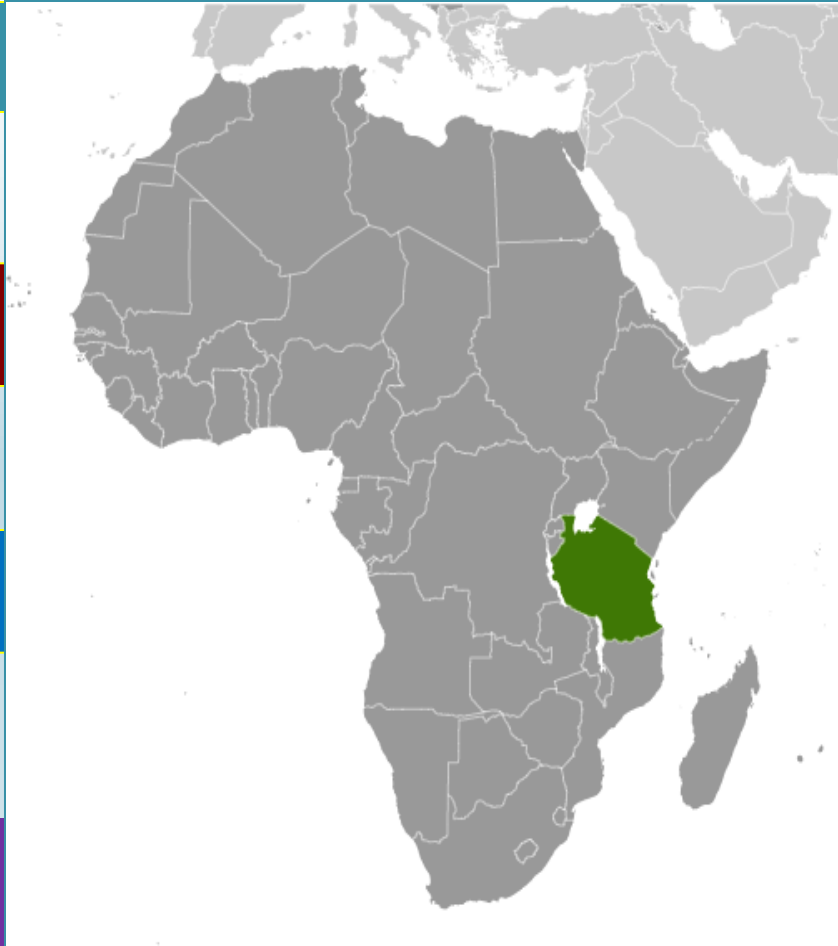
# TANZANIA AT A GLANCE

**Population: 44.9 Million**  
(2012 Population Census.)

Population Growth Rate  
2.9 % (2010 est.)

Labour Force: 20.38  
million (2010 est.)

Agriculture Employs  
80% of the Workforce



GDP Per Capita \$ 558  
(2011 Est.)

Real GDP Growth Rate  
6.5% (2011 Est.)

Bank Reserves (2010/11) :  
\$ 2,26 Billion

**Inflation**  
**12.1% (2013 Est)**

# WHY TANZANIA?



# Tanzania: Investor-friendly Regime

## ➤ Summary:

- 1> Government Commitment
- 2> Peace, Governance & Political Stability
- 3> Predictability of the investment climate
- 5> World-ranked Investment Destination
- 6> Strategic Location: 3 major ports and Access
- 7> Access to Preferential Markets (EAC, SADC, etc)
- 8> Attractive Investment Fiscal teasers & regime:
- 9> Predictable Investment incentives for soft landing for serious investors;

- Tax incentives on capital goods
- Free Repatriation of funds
- Investment Guarantees & Settlement of

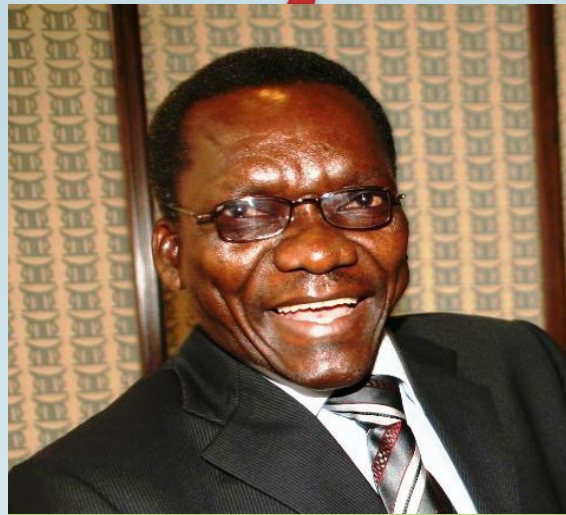
## Disputes

- 10> Strong forums representing the interests of investors & The Business Community (NISC, TNBC etc)

# <|>. Government's Commitment for Investments and Private Sector Development



**H.E Dr. Jakaya Mrisho Kikwete**  
President  
United Republic of Tanzania



**H.E Mizengo K.P Pinda (MP)**  
Prime Minister  
United Republic of Tanzania



**H.E Dr. Mary M. Nagu (MP)**  
Minister of State  
( Investment & Empowerment )



## ...Pro-investment attitude of the Government supporting Pvt

- More than 2 decades ago (Early 1990's); the Government made a U-turn from a **centralized economy** (socialism) to a **liberalized economy** (market-free) whereby most economic laws and policies had to be reformed.
- Currently, we have supportive instruments that encourages private sector involvement and engagement as drivers or engine of economic growth;

Over and above existing;

- ❖ National Investment Promotion Policy 1996
- ❖ Tanzania Investment Act 1997
- ❖ The Investment regulations 2001,

The government continues to improve private sector engagement via;

- ❖ The Public-Private Partnership (PPP) Act 2010
- ❖ The Public-Private Partnership (PPP) Policy 2010

Other operating instruments that facilitates investments in Tanzania;

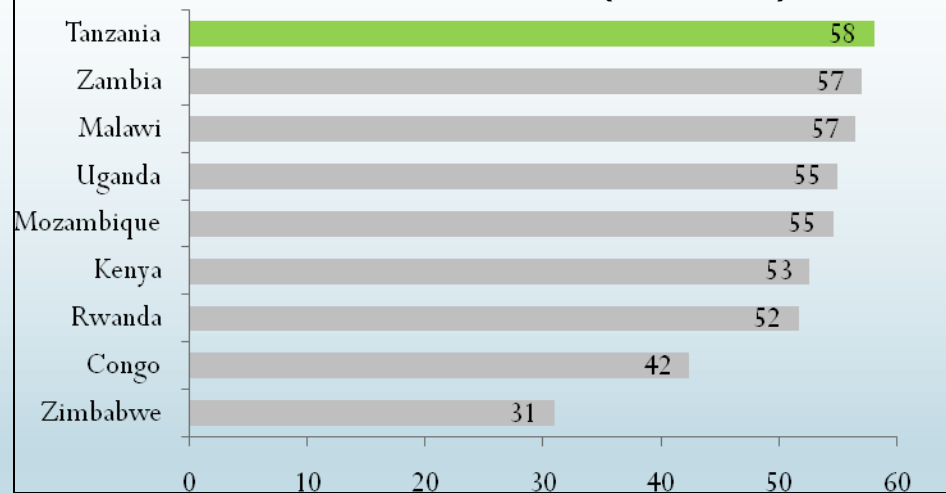
- ❖ The Tanzania Mining Act 1998
- ❖ Petroleum Exploration and Production Act 1981
- ❖ The Export Processing Zones (EPZ) Act 2002
- ❖ The Special Economic Zones (SEZ) Act 2005



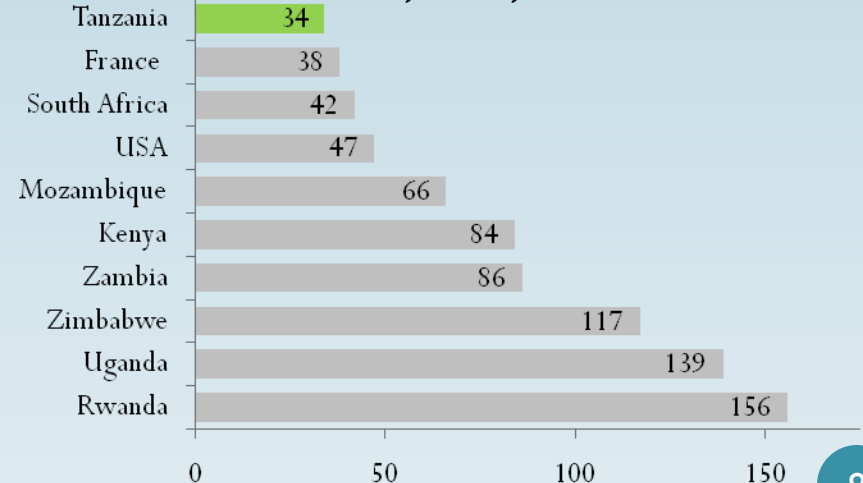
# <2>. Tanzania: Governance & Political Stability

- Tanzania is a **stable, multiparty democracy** with a Competent Executive under President, Democratic Parliament and An Independent Judiciary.
- Attained independence from Britain on December 9, 1961 and became a 'republic' a year later, on 9<sup>th</sup> December 1962.
- United with Zanzibar on 26<sup>th</sup> April 1964 and became the United Republic of Tanzania.
- Tanzania has since then, been globally known as “**Geneva of Africa**” for her being free from ideological confrontations, ethnic disputes, problems. Enjoys peaceful political climate, observer of good governance and the rule of law with sound and balanced freedom of the media, where; **Media, Civil Societies and opposition parties** are able to operate freely and challenge the ruling party openly.
- According to Transparency International, Tanzania ranks as one of the **least corrupt countries** in the region

**Ranking of countries in Mo Ibrahim Governance Index, 2011, (Sore/100)**



**Ranking of countries in Global Press Freedom Index, 2011, Rank**





# ...Good Governance & Political Stability

She is a **politically democratic state**; with Multi-party democracy adopted in 1992, a **democratically-elected President** (with only two presidential terms, tenable with 5 yrs each) and democratically-**elected** Popular **Representative Parliament** (National Assembly) and a fair and just judicial systems.

The country enjoys **organized power separation mechanisms** among the three Organs of the State, which are the Executive (Cabinet), the Legislature (Parliament) and the Judiciary (the Courts)

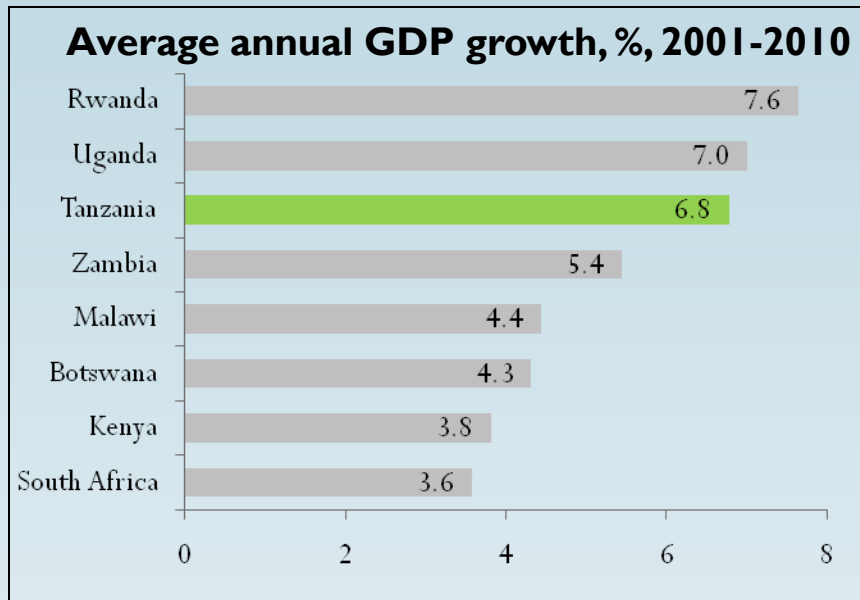


# <3>. Tanzania: fastest growing Economy

- With GDP growth averaging 7% per year, Tanzania is one of the fastest growing economies in East Africa
- Other growth indicators over the last decade:
  - The number of tourists to Tanzania has grown by more than 70% to 780,000
  - Consumption expenditure has grown by 96%
  - The number of cell phone subscribers has increased from 110,000 to 21 million
  - FDI of more than US\$5 billion was invested in the countries booming agriculture, mining, FMCG and other industries

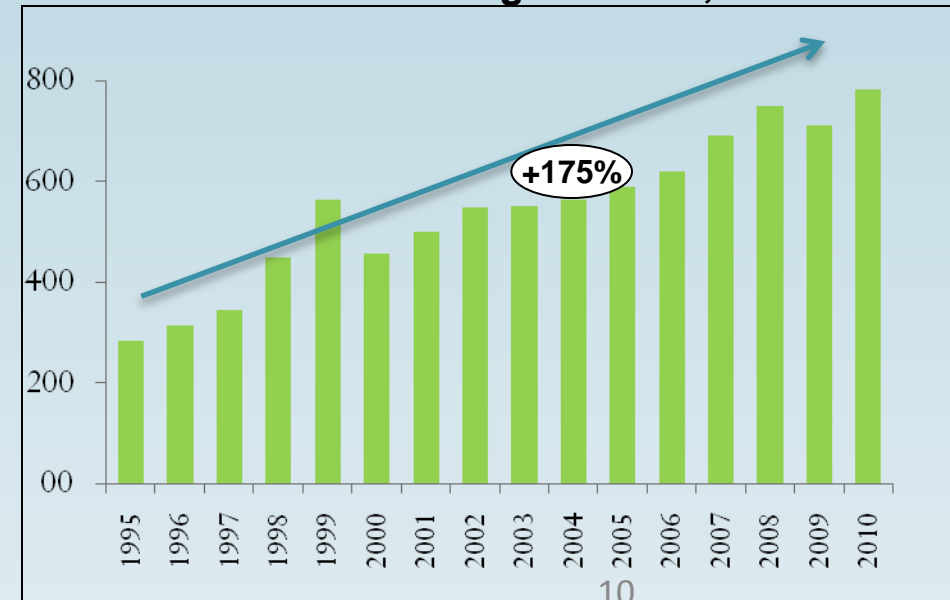


Dar es Salaam



Source : World Bank

**Number of tourists visiting Tanzania, thousands**



**6 of the world's 10** fastest-growing economies in the past 10 years were from sub-Saharan Africa and;  
**7 of the world's top 10** in the next 5 years will also be from Africa

#### World's ten fastest-growing economies\*

Annual average GDP growth, %

2001-2010†		2011-2015‡	
<b>Angola</b>	<b>11.1</b>	China	9.5
China	10.5	India	8.2
Myanmar	10.3	<b>Ethiopia</b>	<b>8.1</b>
<b>Nigeria</b>	<b>8.9</b>	<b>Mozambique</b>	<b>7.7</b>
<b>Ethiopia</b>	<b>8.4</b>	<b>Tanzania</b>	<b>7.2</b>
Kazakhstan	8.2	Vietnam	7.2
<b>Chad</b>	<b>7.9</b>	<b>Congo</b>	<b>7.0</b>
<b>Mozambique</b>	<b>7.9</b>	<b>Ghana</b>	<b>7.0</b>
Cambodia	7.7	<b>Zambia</b>	<b>6.9</b>
<b>Rwanda</b>	<b>7.6</b>	<b>Nigeria</b>	<b>6.8</b>

#### GDP growth, unweighted annual average, %



\*Excluding countries with less than 10m population and Iraq and Afghanistan †2010 estimate ‡Forecast

Sources: *The Economist*; IMF

✓ **Average GDP growth** for Sub-Sahara Africa is expected to be **5.3 %** this year

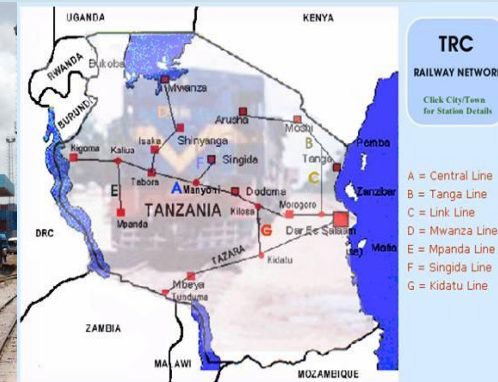
## <4>. Strategic Location of Tanzania

Tanzania's strategic geographical location allows for easy business connectivity with premier locations worldwide. To a serious investors this is a motivating rewarding factor to consider Tanzania a destination of choice.

There are 3 major ports (Tanga, DSM and Mtwara) providing reliable access services to the vast domestic market as well as neighboring landlocked countries.

Reliable railway networks; **The Southern circuit** (Dar es salaam – Kapingimposhi; Zambia, Malawi) **Two Central Circuits:** *Dar – Kigoma* (RDC, Rwanda & Burundi) & *Dar – Mwanza* (through lake victoria to neighbouring Uganda & Kenya)

➡ **Plans are underway for Northern Circuit:** (Tanga – Moshi – Musoma) to be extended to Kisumu, Kenya)





## <5>. Predictable Fiscal Investment Regime

Tanzania has Stable and Predictable Fiscal Investment Regime. The increasing number of foreign direct investments in the country and economic and structural reforms have led to substantial progress in establishing a functioning market economy. It is among the Top 10 fastest-growing economies in the world.

### World's ten fastest-growing economies\*

Annual average GDP growth, %

#### 2001-2010†

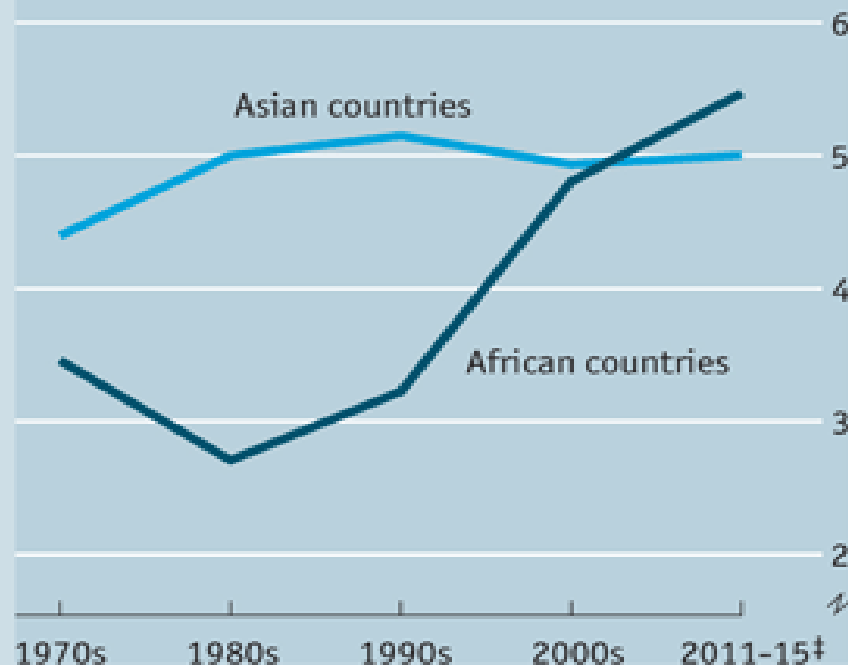
Angola	11.1
China	10.5
Myanmar	10.3
Nigeria	8.9
Ethiopia	8.4
Kazakhstan	8.2
Chad	7.9
Mozambique	7.9
Cambodia	7.7
Rwanda	7.6

#### 2011-2015‡

China	9.5
India	8.2
Ethiopia	8.1
Mozambique	7.7
<b>Tanzania</b>	<b>7.2</b>
Vietnam	7.2
Congo	7.0
Ghana	7.0
Zambia	6.9
Nigeria	6.8

Sources: *The Economist*; IMF

### GDP growth, unweighted annual average, %



\*Excluding countries with less than 10m population and Iraq and Afghanistan †2010 estimate ‡Forecast

## <6>. Attractive Investment Incentives

- The Government through Tanzania Investment Act, 1997 (Act No. 26 of 1997) has provided generous investment incentives to potential investors who are willing to unleash the existing investment potentials;

### A) Fiscal/Tax incentives:

- ✿ **Import duty relief;** An investor will enjoy an exemption of import duty on projects capital/deemed capital goods by 90%. (Only pay 10% of the required import-duty)
- ✿ **Reduced Value Added Tax (VAT);** Investors will also enjoy VAT relief on projects capital goods for the investment. This relief also applies to deemed capital goods. (Only pay 10% as VAT)

### B) Non-Fiscal incentives:

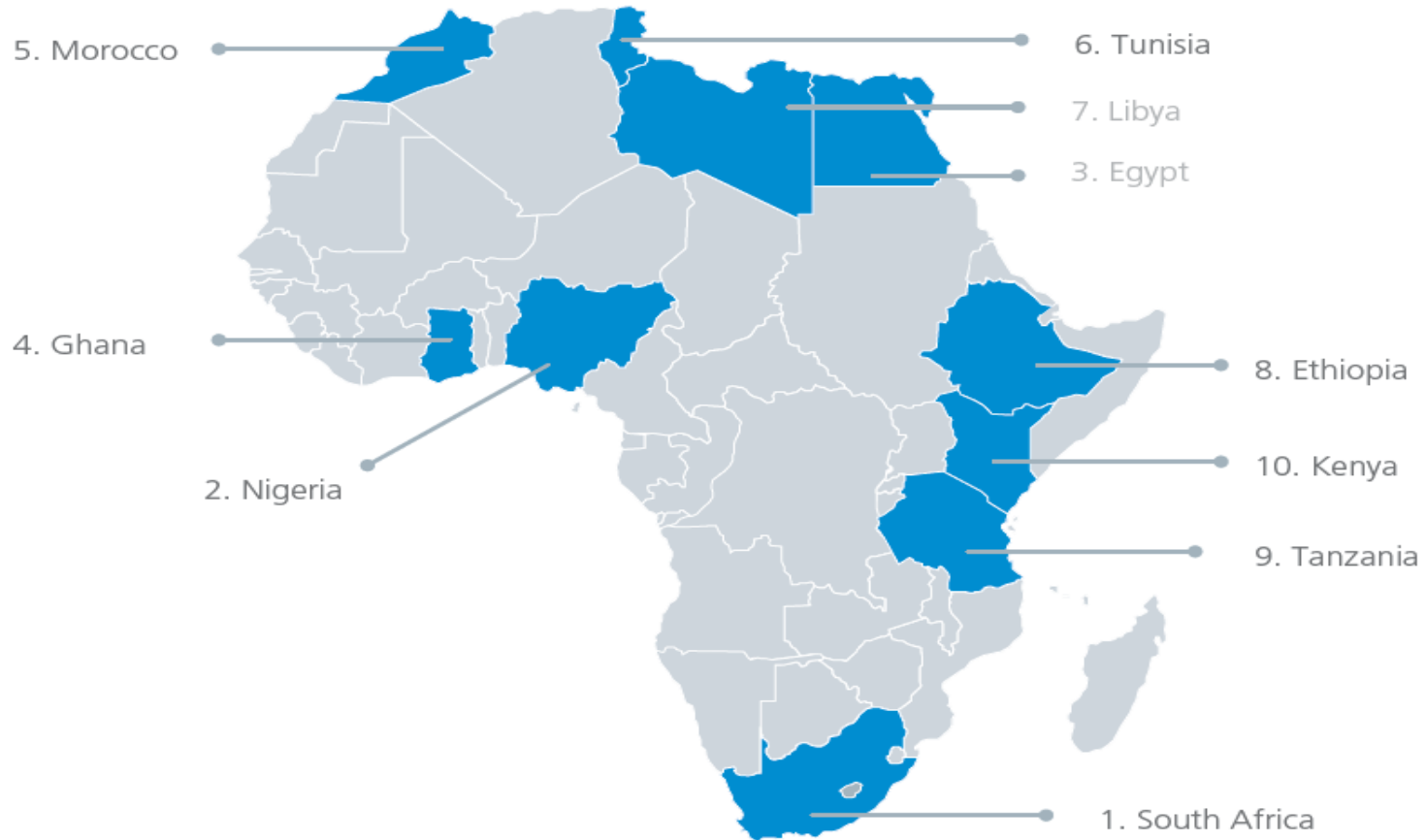
- ✿ **Foreign Expatriates;** An Investor would be granted an automatic immigration quota of up to 5 expatriates at the initial stage of the projects.
- ✿ **Free Repatriation of Funds;** An Investor will be entitled to unconditional transferability of funds in any freely convertible currency for purposes of flying net profit, loan repayment (servicing a foreign loan), royalties, fees and charges in respect of any technology transfer agreement, remittance of proceeds, payment of emoluments and other benefits to foreign personnel. Provided that transactions are effected through authorized dealer banks.

### C) Strategic Investor Incentives:

- ✿ **Strategic Investor Status:** In addition to existing investment incentives (Provided by the TIA), Potential Investors (Above US\$ 20m) are upon application, accredited a 'strategic investor status'. This status privileges an investor to dialogue with the government to seek additional investment incentives.

# <7> Tanzania is among Top 10 Most Attractive Investment Destinations in Africa...

Figure 2: Africa's top 10 most attractive investment destinations



Source: RMB Global Markets  
Data as at September 2013



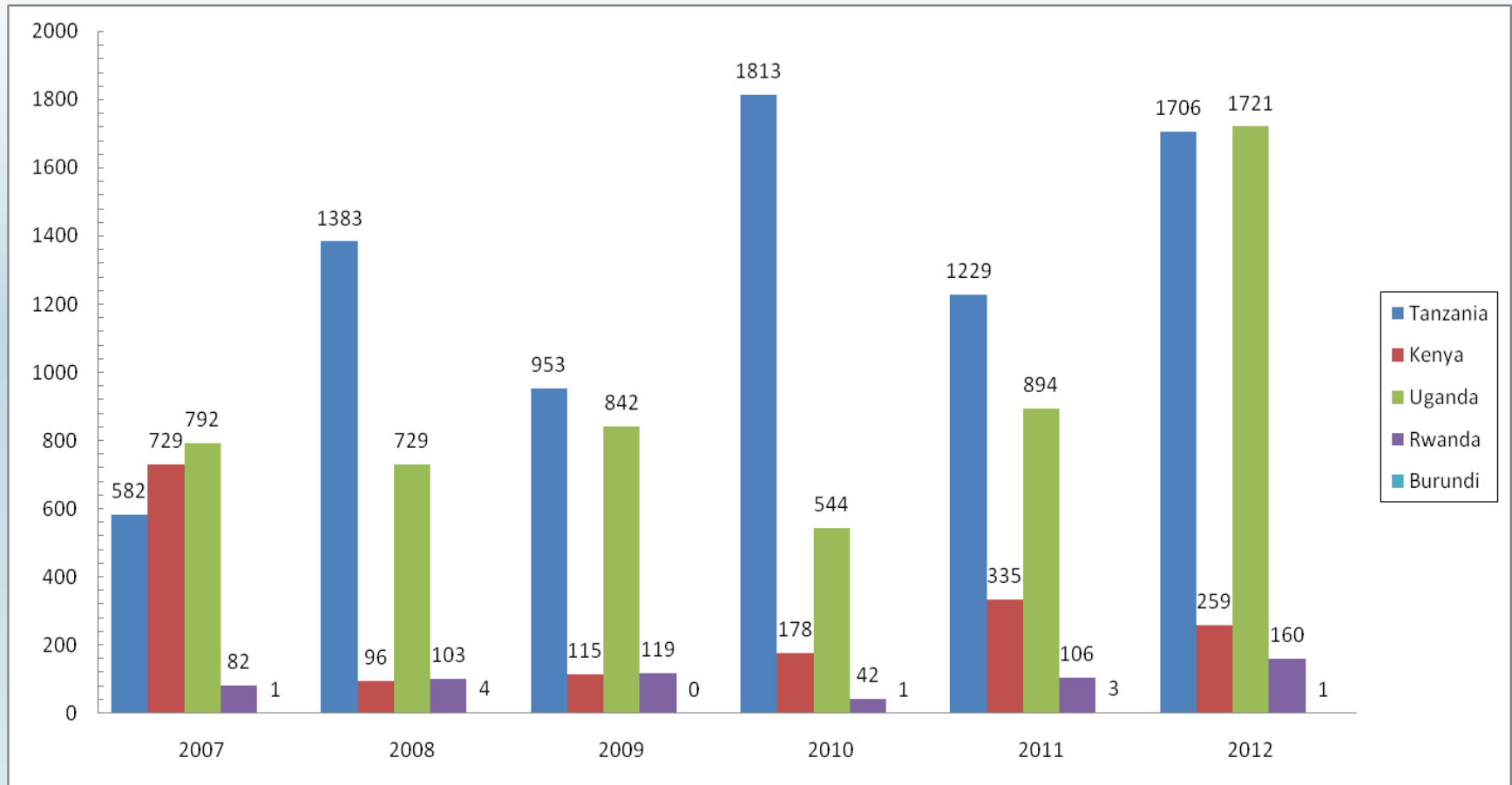
# <8>. Tanzania Ranked as #1 Investment Destination for Corporate in the EAC

Table 1: RMB's 2013/14 rankings of the most attractive African countries for investment (the higher the score, the better)

2013 rank	Country	Score	2012 rank	RMB's world rank
1 →	South Africa	5.79	1	33
2 ↑	Nigeria	5.63	3	38
3 ↓	Egypt <sup>1</sup>	5.57	2	44
4 →	Ghana	5.46	4	47
5 ↑	Morocco	5.41	6	51
6 ↓	Tunisia	5.37	5	53
7 →	Libya <sup>1</sup>	5.20	7	61
8 →	Ethiopia	5.09	8	67
9 ↑	Tanzania	5.08	10	68
10 ↓	Kenya	5.00	9	72
11 ↑	Botswana	4.97	12	76
12 ↓	Algeria	4.91	11	80
13 →	Zambia	4.90	13	82

*Source: RMB Global Markets Data – September 2013*

# Trend of FDI flows into East African Countries (US \$ Million)



## <9>. Availability of Skilled and semi-skilled labour

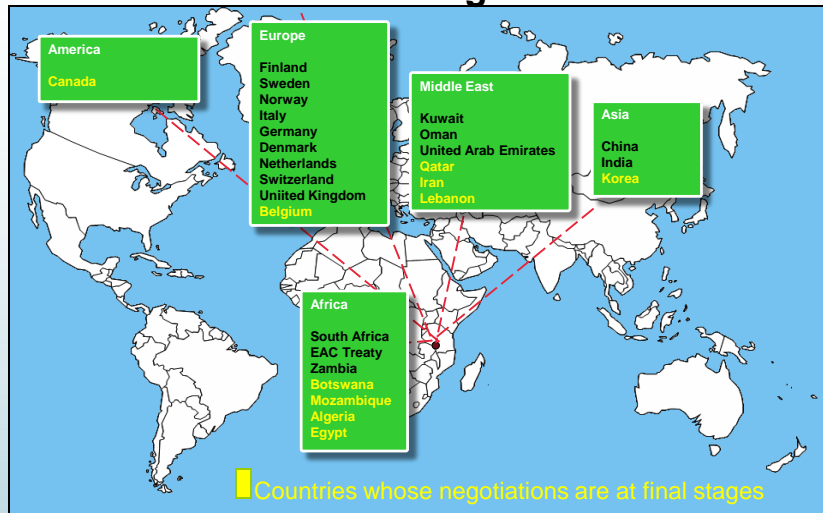
The Government understands that 'availability of skilled labour' is a key priority for companies competing in African economies. As a result; Tanzanian Government has made a long-term commitment to develop a pool of well-trained and educated specialists.

There are also a good number of competent and accredited tertiary, technical and vocational training Institutions which prepares both skilled and semi-skilled labor force for the market.



# <10>. Affiliation to International Guarantees and Institutions

## Double Tax Agreements:



## Selected Trade Agreements:

- East African Community (EAC) Treaty
- Southern Africa Development Community (SADC)
- Trade and Investment Framework Agreement with USA
- African Growth and Opportunity Act (AGOA) with USA
- Everything But Arms (EBA) with the EU
- A number of bilateral agreements with the UK, South Africa and a range of other countries
- Preferential market access to China (4,000 items)
- Other bilateral and multilateral arrangements: World Trade Organization (WTO), African, Caribbean Pacific (ACP), United Nations Development Programme (UNDP)

- **International Agreements:** Tanzania has signed a number of multilateral agreements overseen by International Institutions such as the Multilateral Investment Guarantee Agency (MIGA) and International Centre for Settlement of Investment Disputes (ICSID). Bilateral agreements are in place with all major trading partners and double tax agreements with more than 20 countries have been signed
- **Non-Discrimination:** In Tanzania, foreign investors are treated with equal and same rights and privileges as applied to domestic investors
- **Investment Ownership:** In Tanzania, it is **NOT mandatory** that foreign investors to have a Tanzanian partner in ownership of investments. The capital shares can be 100% foreign (No domestic share obliged)
- **Dispute Resolution:** Tanzania is a member of the International Court for Settlement of Investment Disputes (ICSID). Furthermore the Tanzanian Investment Act and a range of bilateral agreements warrant a fair and transparent procedure incase of dispute on investments by foreign nationals.

## 9<11> Access to Growing Domestic and International Markets

- Tanzania enjoys Preferential Market Access with;
  - The EAC market has 150 mil people
  - The SADC market has 350 mil people
  - The Tripartite (EAC, SADC and COMESA) market which consist of 600 mill people and GDP of approximately 624 Billion USD.
  - With AGOA (over 6,000 items tradable)
  - With China (over 4,000 items tradable), Canada, Japan.
  - Signed BTA's and EBA' with EU Economies



# <11> Access to Growing Domestic and International Markets

## Tanzania enjoys Preferential Market Access with;

### **EAST AFRICA**

About 150M People

### **AGOA (USA)**

Africa Growth and  
Opportunity Act  
Over 6,000 items

### **China**

Over 4,000 Items



### **SADC**

350m People

Negotiated **EBA** –  
**European Union**

**Japan, Canada etc**

## <12>. Abundant Natural Resources

Tanzania's untapped natural resources offer a wide range of investment opportunities; arable land, minerals and natural tourist attractions are all awaiting potential investors. Tanzania is internationally renowned for its abundance of wildlife attractions and unexploited mineral reserves.





# ✓ Investor's One-stop-Shop



# As Tanzania's investment promotion agency, TIC offers a range of services to investors

## TIC Overview

- The Tanzanian Investment Centre (TIC) was established by the Act of Parliament No 26 of 1997. The Centre Operates as a Semi-Autonomous Institution under the Prime Ministers Office (PMO).
- TIC is the primary Agency of the Government established with the Mandate to Coordinate, encourage, promote and facilitate investment in Tanzania.
- It is an instrumental institution to advise the Government on the investment policy and investment related matters

### Vision:

- To become a premier Investment Promotion Agency (IPA) capable of creating and sustaining ever-increasing investment flows in an attractive and competitive environment that promotes Tanzania as the prime investment destination of choice in Sub-Saharan Africa

### Mission:

- To contribute to the sustainable economic development of Tanzania through attraction on new investment and maximizing its impact on the economy



**Ms. Juliet R. Kairuki**  
**Executive Director, TIC**

# As Tanzania's investment promotion agency, TIC offers a range of services to investors

- The Tanzanian Investment Centre (TIC) provides a one stop-facilitation-shop to investors, offering a range of services that includes but not limited to;
  - Promotion of Investment Opportunities
  - Facilitation Services for Investment activities
  - After Care Services to Investors
  - Linkage With Other Economic Blocks e.g: EAC, SADC
- Senior officers from key Government Ministries, Departments and Executive Agencies have been permanently stationed at TIC. These are those from;
  - Ministry of Lands & Settlement Development
  - Ministry of Industry and Trade (MIT)
  - Business Registration & Licensing Agency (BRELA)
  - Tanzania Revenue Authority (TRA)
  - Ministry of Home Affairs - Immigration Department
  - Ministry of Labour



## International Awards by TIC:

- 2005 - Best Investment Promotion Agency in Sub Saharan Africa (By Africa Investor Platform)
- 2006 - Best country of the future (By Financial Times)
- 2007 - Best Investment Promotion Agency in the world (by UNCTAD/WAIPA)
- 2008 - Gold Award for Innovative Management in Africa ( By AAPAM)

# OUR COMMITMENT TO INVESTORS

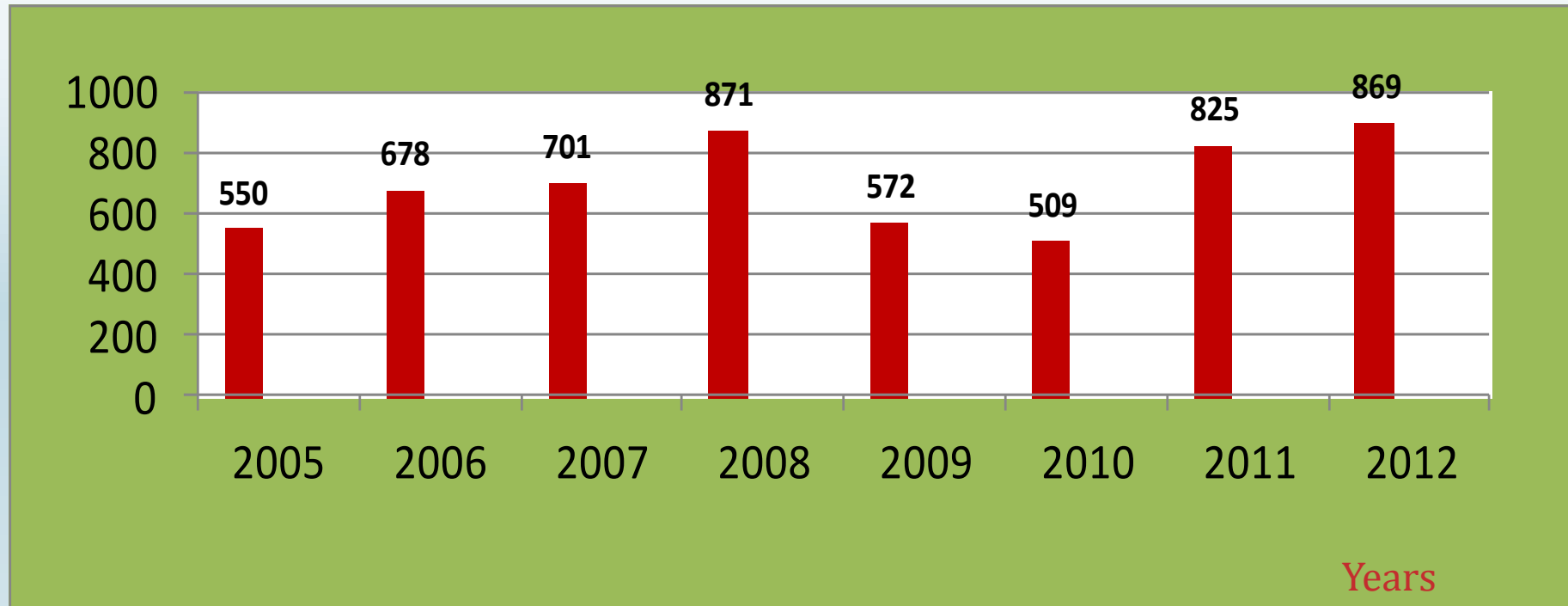
## Application

## Maximum Time taken

✿ Company Registration	3days
✿ Industrial License	1day
✿ Business licensing	1days
✿ Certificate of incentives	7days
✿ Resident Permit Class 'A'	14days
✿ Resident Permit Class 'B'	14days
✿ Special Pass	1day
✿ Appointment with TIC staff	Immediately
✿ Arranging appointments	24hours
✿ Investor Access pass (Airports)	3days

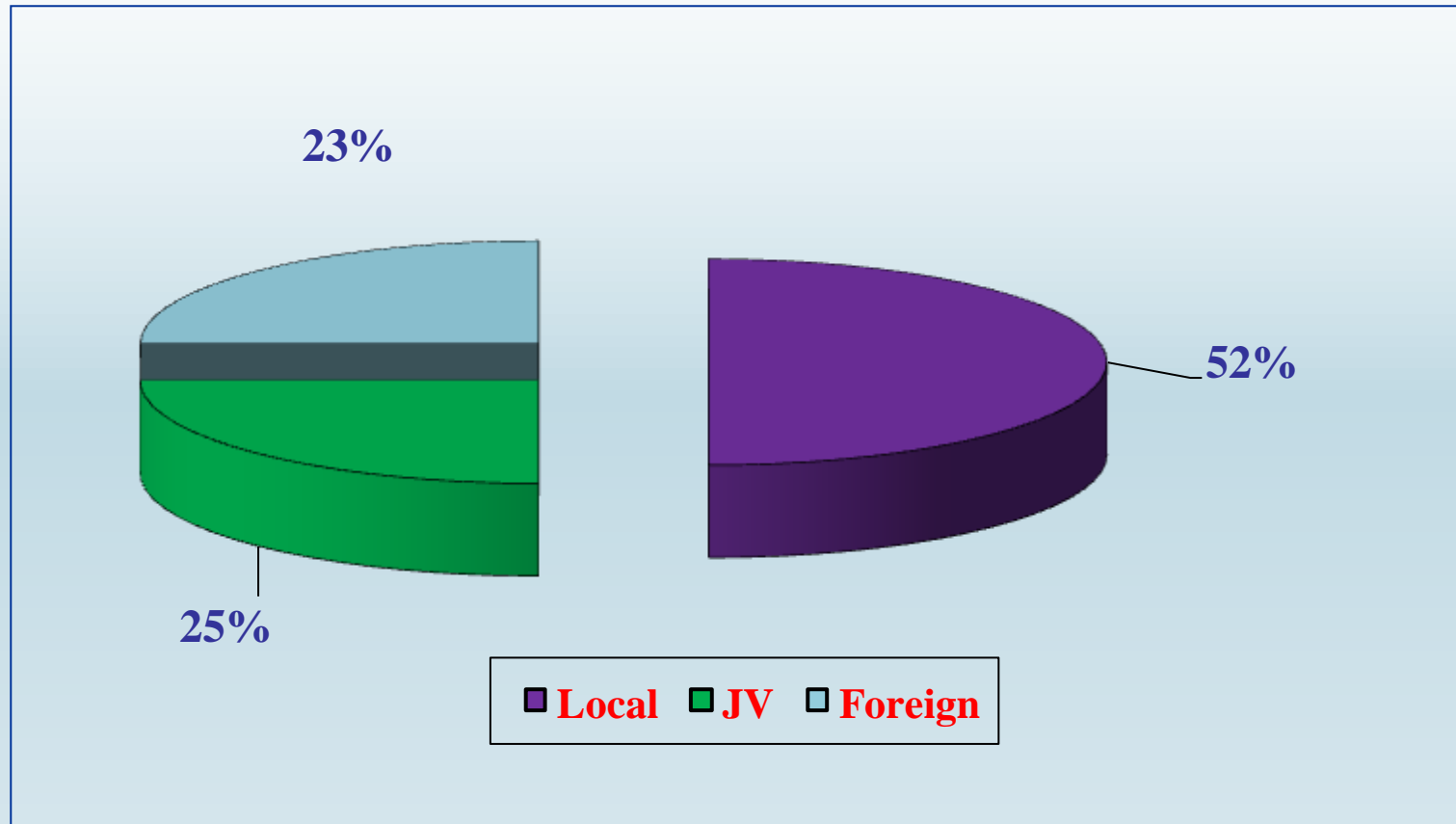
# TREND OF PROJECTS REGISTERED BY TIC FROM 2005 TO 2012

No. of Projects



*Source: TIC (Dec.2013)*

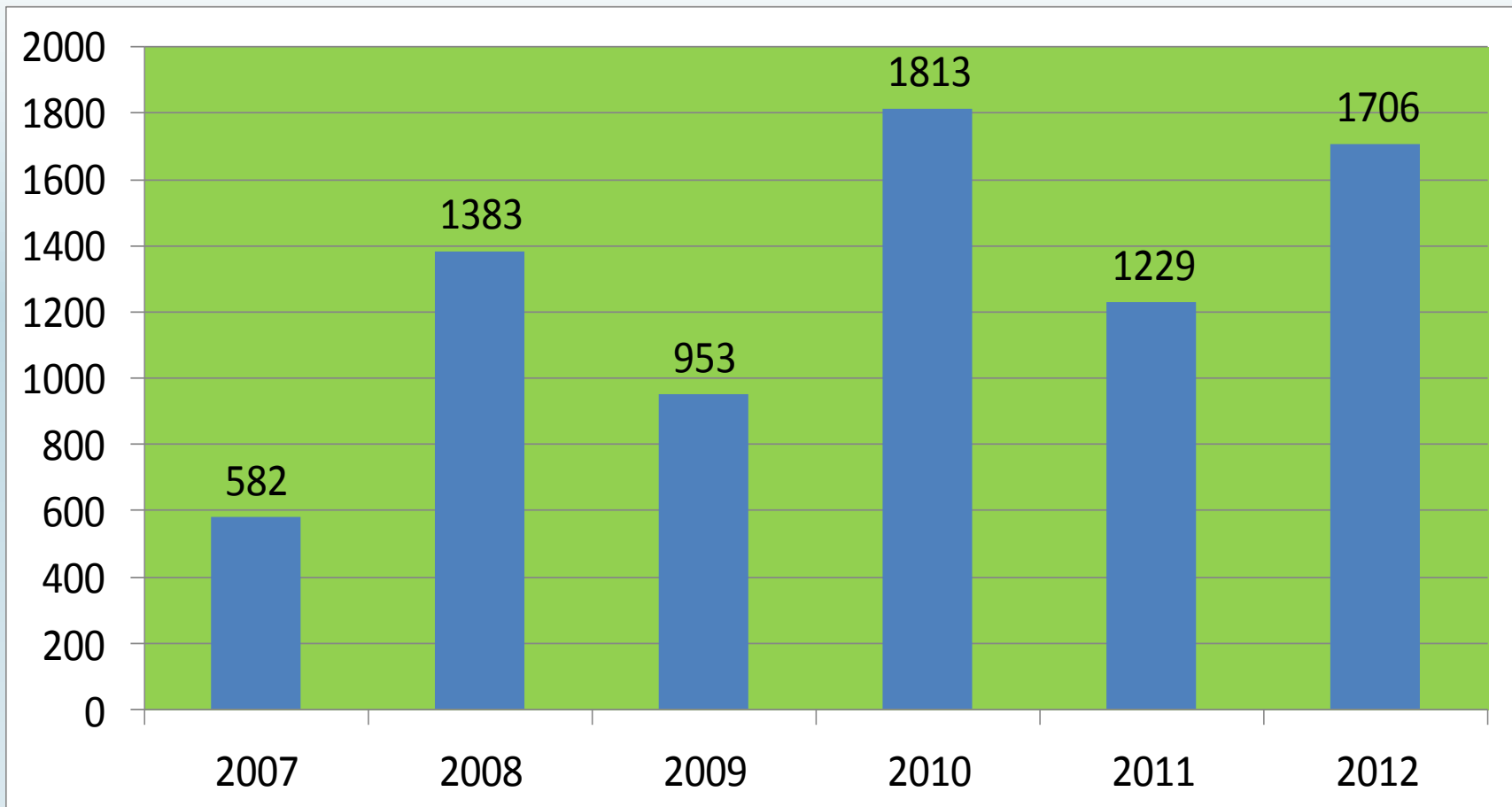
# OWNERSHIP OF PROJECTS REGISTERED BY TIC 2005 - 2012



Source; *TIC*, (Dec.2013)

# ACHIEVEMENTS OF TIC EFFORTS:

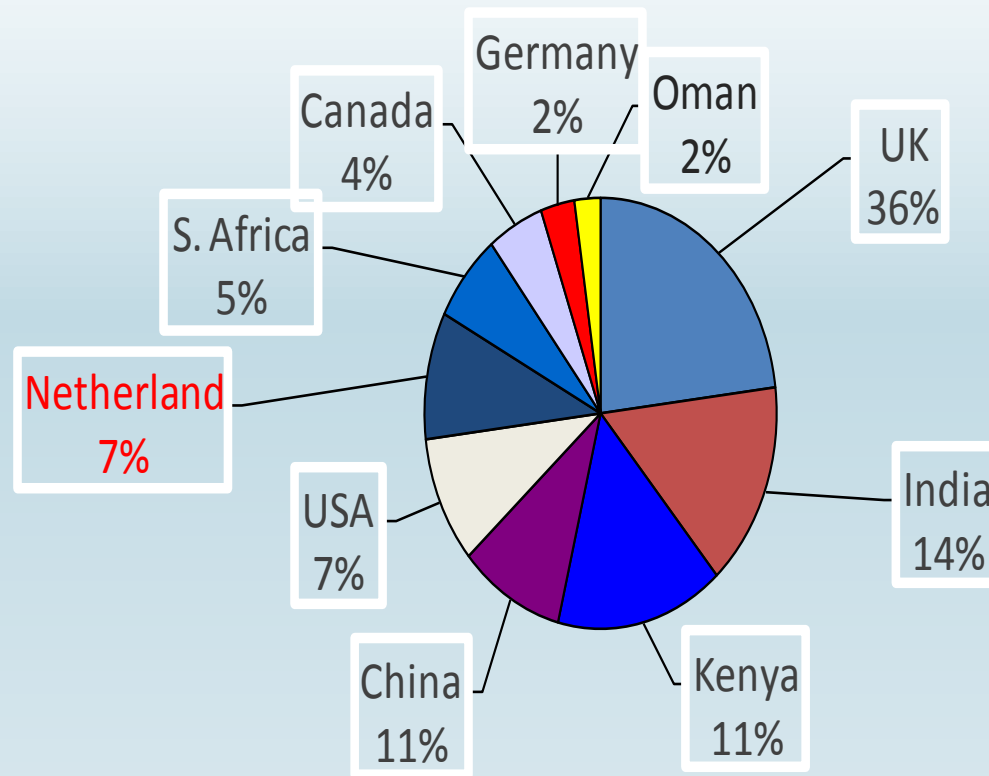
## FDI INFLOWS TO TANZANIA FROM 2007 – 2012 (US\$ Mill)



Source: UNCTAD - World Investment Report – 2013



# TEN LEADING COUNTRIES THAT HAVE INVESTED IN TANZANIA (BY VALUE MILLION US\$ ) 2005 –2013



*Source: TIC 2014.*

# Summary of dutch-investment Projects in Tanzania

## **Dutch Investment Projects in Tanzania:**

**....218 Projects Registered at TIC**

**....\$1272.08 Million in value**

**....14750 Jobs created thus far**

## INVESTMENT PROJECTS WITH DUTCH INTEREST UNTIL DEC. 2013

SN	SECTOR	NO. OF PROJECTS	EMPLOYMENT (NO. OF JOBS)	VALUE (US \$ MILION)
1	Agriculture	35	7,349	71.72
2	Construction	10	101	10.67
3	Economic Infrastructure	1	49	8.67
4	Energy	3	17	2.87
5	Financial	3	355	19.51
6	Human Resources	3	32	4.32
7	Manufacturing	46	2,855	101.72
8	Natural Resources	2	28	2.33
9	Services	12	626	11.99
10	Telecommunication	4	719	932.18
11	Tourism	40	1,443	39.31
12	Transport	11	1,176	66.79
<b>Total</b>		<b>170</b>	<b>14,750</b>	<b>1,272.08</b>

# CONCLUSION

Being the premier and most promising Investment destination in Sub-Saharan Africa, We invite you to invest in Tanzania.

As Investor's One-stop-first point of call, TIC is prepared to take you through sailing across the business environment to ensure your plans to set up an investment project are fully realized!!

**Come and grow with us!!**

Information at your palms, just visit our website:  
[www.tic.co.tz](http://www.tic.co.tz)

The screenshot displays the official website of the Tanzania Investment Centre (TIC). At the top, the header includes the national coat of arms, the TIC logo, and the text "PRIME MINISTER'S OFFICE TANZANIA INVESTMENT CENTRE". A search bar and a "Select Language" dropdown are positioned on the right. Below the header is a navigation menu with links: HOME, WELCOME, PROCEDURES, INVESTMENT GUIDE, WHO WE ARE, and CONTACT US. The main banner features a leopard resting on a rock, with the text "Strategic gateway to east and southern Africa" and a diagonal tagline "eRegulations in the world". A secondary navigation bar lists key services: Starting a business, Paying tax, Land and property, Immigration services, Trading across borders, and Services to investors. Below this is a row of five category buttons: INVESTMENT OPPORTUNITIES, PUBLIC-PRIVATE PARTNERSHIPS, STRATEGIC INVESTORS, BUSINESS LINKAGES, and NEWS & EVENTS. The content area is divided into several sections: a "President's welcome note" with a video thumbnail, a "How does it work?" section with a website interface thumbnail, a "Contact us" section with a keyboard thumbnail, and a "Directories" sidebar with links to Institutions, Forms and administrative documents, and Laws. At the bottom, there are two main content blocks: "Starting a business" and "Services to investors", each with a list of specific services. A green button in the bottom right corner reads "Offline - Leave a message".

PRIME MINISTER'S OFFICE  
TANZANIA INVESTMENT CENTRE

Search

HOME WELCOME PROCEDURES INVESTMENT GUIDE WHO WE ARE CONTACT US

Select Language

Strategic gateway to  
east and southern Africa

eRegulations  
in the world

Starting a business | Paying tax | Land and property | Immigration services | Trading across borders | Services to investors

INVESTMENT OPPORTUNITIES PUBLIC-PRIVATE PARTNERSHIPS STRATEGIC INVESTORS BUSINESS LINKAGES NEWS & EVENTS

President's welcome note

How does it work?

Contact us

Directories

- Institutions
- Forms and administrative documents
- Laws

Starting a business

- Register a local company - Through TIC
- Register a local company - Traditional procedure - Schedule A
- Register a local company - Traditional procedure - Schedule B
- Register a foreign company - Through TIC
- Register a foreign company - Traditional procedure

Services to investors

- Obtain certificate of incentives
- Get tax exemption
- Create a local company
- Register a foreign company
- Obtain land

Offline - Leave a message

# FOR MORE INFORMATION, YOU MAY ALSO VISIT OR CONTACT:



Executive Director  
Tanzania Investment Centre  
Shaaban Robert Street,  
P.O.Box 938  
Dar es Salaam  
Tel: +255 22 2116328-32  
Fax: +255 22 2118253  
Email: [information@tic.co.tz](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)





[www.tic.co.tz](http://www.tic.co.tz)