

A WARMLY WELCOME TO INVEST IN TANZANIA

TANZANIA IN BRIEF

Country profile	Description
Country Background	<ul style="list-style-type: none"> ❖ The United Republic of Tanzania is a sovereign state in 1964 following the union of the Republic of Tanganyika and Zanzibar. ❖ Tanzania is located in Eastern Africa between longitudes 29^o and 41^o East, and latitudes 1^o and 12^o South ❖ Its capital is Dodoma while Dar es Salaam is the most populous city. ❖ Population is approximately 57.6 million; ❖ Annual population growth 3.1% (NBS 2020); ❖ Kiswahili and English are the two official languages of Tanzania. ❖ Tanzania has a long history of stability and has become an important economic gateway to East Africa; ❖ Tanzania is a lower middle income country; ❖ Tanzania (total area) 945.5 ('000 Sq. Km); <ul style="list-style-type: none"> • Inland Water 61.5 ('000 Sq. Km) • Land Area 884.0 ('000 Sq. Km) ❖ Tanzania Mainland 881.3 ('000 Sq. Km) and Tanzania Zanzibar 2.7 ('000 Sq. Km)
Economic data	<ul style="list-style-type: none"> ❖ Nominal GDP (USD billions): 64.75 (NBS 2020) ❖ GDP per capita (USD): 1,157 (NBS 2020) ❖ Inflation rate (% change): 3.3 (NBS 2020) ❖ GDP growth rate at an average of 6.5% (2016 – 2020), 4.8% in 2020 (NBS 2020)
International treaties, memberships, Regional organization, customs unions, and Investment related agreements	<ul style="list-style-type: none"> ❖ African Continental Free Trade Area Agreement ❖ African Development Bank Group ❖ African Union ❖ Commonwealth of Nations ❖ East African Community (“EAC”) ❖ International Monetary Fund ❖ Organisation of African, Caribbean and Pacific States ❖ Southern African Development Community ❖ United Nations ❖ World Bank Group ❖ World Customs Organization ❖ Cotonou Agreement ❖ Multilateral Investment Guarantee Agency (MIGA) ❖ World Trade Organization ❖ Bilateral Investment Treats (BITs)

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Dispute resolution	<ul style="list-style-type: none"> ❖ Convention on the Settlement of Investment Disputes (ICSID Convention) ❖ United Nations Commission on International Trade Law (“UNCITRAL”) ❖ United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Award (New York Convention)
Global risk ratings	<ul style="list-style-type: none"> ❖ World Economic Forum global competitiveness index (2019): 117/141 ❖ World Bank ease of doing business (2020): 141/190 ❖ Corruption perception index (2020): 94/180 ❖ Global Innovation Index (2021): 90/132 ❖ Moody’s rating B2 (2020) ❖ Economic freedom ranked 93rd freest (2021) ❖ Rand Merchant Bank, Where to invest in Africa ranked 10th (2021)

AVAILABLE INVESTMENT OPPORTUNITIES IN TANZANIA

SECTOR OR SUBSECTOR	KEY FACTS	OPPORTUNITIES
PHARMACEUTICALS AND MEDICAL EQUIPMENT	<ul style="list-style-type: none"> ❖ Pharmaceutical & Medical devices Imports: more than 85% ❖ Foreign currency spent Annually: US 1billion ❖ Potential market: <ul style="list-style-type: none"> • local population about 60 million; • EAC Population : 160 mil. (Est. 2018) • SADC Population : 327 mil. (Est. 2019) 	Establishment of pharmaceutical or/and Medical equipment plants
EDIBLE OILS	<ul style="list-style-type: none"> ❖ Imports: US\$83.19 million (2018) ❖ Annual Demand: 570,000 tonnes ❖ Annual Supply: 180,000 tonnes ❖ Demand forecast: 700,000 tonnes (2030) 	<ul style="list-style-type: none"> ❖ Large scale farming of oil seeds to address supply gap. ❖ Establishment of oil seeds processing facilities. ❖ Establishment of refineries.
COTTON AND TEXTILE	<ul style="list-style-type: none"> ❖ Seed cotton yield: 283,600 (five years average). 	<ul style="list-style-type: none"> ❖ Value addition from field to factory

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	<ul style="list-style-type: none"> ❖ 80% of produced cotton exported in raw form. ❖ Low cost labour. 	<ul style="list-style-type: none"> ❖ Ginning, spinning and weaving ❖ Textile ❖ Garments 												
REAL ESTATE	<ul style="list-style-type: none"> ❖ Population: 60 million at a growth rate of 2.7% pa; ❖ Government Head Quarter and functions moved from Dar es Salaam to Dodoma the Capital; ❖ High demand for resident houses, Hotels and offices accommodation in Dodoma; ❖ Demand of modern housing is increasing across the country. 	<ul style="list-style-type: none"> ❖ Housing estates ❖ Residential apartments ❖ Office buildings ❖ Conference and banquet facilities ❖ Shopping malls ❖ Movie theatres and entertainment facilities ❖ Real estate properties 												
LIVESTOCK AND LEATHER INDUSTRY	<ul style="list-style-type: none"> ❖ 2nd largest livestock in Africa ❖ Potential for 4.0Mil hides and 6.1Mil skins, annually. ❖ Local Meat demand is projected to increase by 166% from 290 million Tons to 480 Million Tons in 2030 <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr style="background-color: #808080; color: white;"> <th style="padding: 5px;"><i>Livestock Species</i></th> <th style="padding: 5px;"><i>Baseline Population (Mil.In 2016)</i></th> <th style="padding: 5px;"><i>Annual Population Growth Rate (%)</i></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"><i>Cattle</i></td> <td style="padding: 5px; text-align: center;">28.4</td> <td style="padding: 5px; text-align: center;">4.7</td> </tr> <tr> <td style="padding: 5px;"><i>Goats</i></td> <td style="padding: 5px; text-align: center;">16.7</td> <td style="padding: 5px; text-align: center;">2.8</td> </tr> <tr> <td style="padding: 5px;"><i>Sheep</i></td> <td style="padding: 5px; text-align: center;">5.0</td> <td style="padding: 5px; text-align: center;">3.5</td> </tr> </tbody> </table>	<i>Livestock Species</i>	<i>Baseline Population (Mil.In 2016)</i>	<i>Annual Population Growth Rate (%)</i>	<i>Cattle</i>	28.4	4.7	<i>Goats</i>	16.7	2.8	<i>Sheep</i>	5.0	3.5	<ul style="list-style-type: none"> ❖ Raising & Fattening ❖ Live animal Trading ❖ Slaughtering ❖ Meat Processing ❖ Leather Processing ❖ Retailing & Marketing
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CANE SUGAR PRODUCTION	<ul style="list-style-type: none"> ❖ Current production is 320,000 tons (full capacity). ❖ More than 300,000 tons sugar deficit in Tanzania ❖ Highest average cane yields in the world, at 120 tons/ha (good soils and climate). ❖ Rainfall and generous rivers and best irrigation potential. ❖ Suitable Soil and topography. ❖ Per capita consumption to increase. 	<ul style="list-style-type: none"> ❖ Establish sugar production factories; ❖ Establish sugarcane plantations and sugarcane processing plants. 												

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	<ul style="list-style-type: none"> ❖ High increase in demand relative to supply capacity. ❖ Current production could peak to 500,000 tons by 2020. 	
FISHING AND AQUACULTURE	<ul style="list-style-type: none"> ❖ Freshwater coverage: 54,337sq.km (6.1 % of surface area) which include Lake Victoria the largest lake in Africa and Lake Tanganyika the second deepest lake in the world and second largest in Africa; ❖ Territorial Sea: 64,000 sq.km. ❖ Exclusive Economic Zone (EEZ): 223,000sq.km ❖ Coastline: 1,424 km along Indian Ocean. 	<ul style="list-style-type: none"> ❖ Fishing ports and fishing in the EEZ. ❖ Fish processing and fishing boat building yards. ❖ Commercial fish farms in marine and freshwater areas.
MINING AND METALS	<ul style="list-style-type: none"> ❖ Contribute to exports for 21.7 ❖ Gold exports: 94% of all mineral exports. ❖ Sector growth rate: 6.9% ❖ Sector share to GDP: 4.7% ❖ Exports in raw form. 	Establish
OIL & GAS	<ul style="list-style-type: none"> ❖ Gas discoveries in Tanzania are catapulting the region into a major player in the global energy, ❖ Expected to bring billions in investment that could transform the entire economy. ❖ East Africa's coastal region, stretching out to Seychelles holds 441.1 trillion cubic feet of natural gas, (US Geological Survey), Tanzania alone, over 54 trillion cubic feet. 	<ul style="list-style-type: none"> ❖ Downstream oil & gas investment projects such as transportation & storage facilities. ❖ Distribution of Gas to households for domestic use
TOURISM AND LEISURE INDUSTRY	<ul style="list-style-type: none"> ❖ Average length of stay: 10-11 days ❖ Average Expenditure per tourist: US\$355 (package tours) and US\$247 (non-package tours) ❖ 22 National Parks, ❖ 1 Conservation Area ❖ 32 Game Reserves, ❖ 44 Game Controlled Areas, ❖ 4 Ramsar/Wetland Sites, 	<ul style="list-style-type: none"> ❖ Tourist Hotels, Lodges, Tented Camps, ❖ Beach tourism, cultural and historical sites ❖ Golf courses and eco-tourism facilities

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	<ul style="list-style-type: none"> ❖ 33 Wildlife Management Areas, ❖ 6 Nature Reserves ❖ Tourism icons: <ul style="list-style-type: none"> • Kilimanjaro Mountain – 5,895 Meters High - is the highest free standing mountain in the World and highest in Africa • Ngorongoro Crater is among the World Heritage Sites • Serengeti National Park with Animal Migration – the leading National Park in Africa in 2019, 2020 and 2021. 	<ul style="list-style-type: none"> ❖ Leisure parks ❖ Conference tourism facilities ❖ Air/ground transport ❖ Tour operations and trophy hunting.

INVESTMENT INCENTIVES

Category of Incentives	Incentives
Fiscal Incentives	<ul style="list-style-type: none"> ❖ Exemption on Project Capital goods <ul style="list-style-type: none"> • Zero Import Duty on capital goods. • Zero Import Duty on raw material ❖ Tax Relief on Deemed Capital Goods - Import Duty exempted by 75% ❖ Reduced corporate tax to 20% for the first 5 consecutive years on Manufacturing of pharmaceuticals, Textile or leather products ❖ Capital Allowance on Agriculture (100%), Mining - first 5 years (20%), Hotels (50%), Fish farming (50%), Tourist services (50%); ❖ Reduced corporate tax to 10% for the First 5 consecutive year on Assembly of motor vehicles, tractors, fishing boats or out boat engine; ❖ Depreciation Allowance (37.5% - 5%)
Non-fiscal incentives	<ul style="list-style-type: none"> ❖ Automatic Immigration Quota: Initially 10 expatriates during project implementation. Additional, one expatriate for every 10 jobs created; ❖ Unconditional (Free repatriation) transferability of funds of any currency of: <ul style="list-style-type: none"> • Net profits, • Repayment of foreign loans, • Royalties, Fees charges in respect of foreign technology, • Remittance of proceeds; and

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Category of Incentives	Incentives
	<ul style="list-style-type: none"> • Payment of emoluments, etc.

INVESTMENT CATEGORIES

Category of Investment	Minimum capital requirement
A. Normal Investors	<ul style="list-style-type: none"> ❖ Foreign investors - USD 500,000 ❖ Local investors – USD 100,000
B. Strategic Investors	<ul style="list-style-type: none"> ❖ Foreign investors - USD 50,000,000 ❖ Local investors – USD 20,000,000

NB: Apart from normal incentives offered to all categories of investments, Strategic Investors are eligible to apply for additional incentives that may deem necessary to facilitate the investment.

For more information please, scan the QR code provided and do not hesitate to contact Tanzania Investment Centre through the following address:

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