

TANZANIA

INVEST
MENT
GUIDE
2013





TANZANIA

INVEST
MENT
GUIDE
2013

Written & produced by:



Tanzania Investment Centre (TIC)
Shaaban Robert Street
Plot No: 9A & B,
P.O. Box: 938
Dar es Salaam, Tanzania

Email: information@tic.co.tz

Table of Contents

1. Reasons to invest in Tanzania

2. Executive Summary

3. About Tanzania

- 3.1. Geography and Climate
- 3.2. People and Culture
- 3.3. Political System and Governance
- 3.4. The Economy

4. Investment Opportunities

- 4.1. Why Invest in Tanzania?

5. Priority Areas of Investment

- 5.1. Agricultural & Livestock Development
 - 5.1.1. Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
 - 5.1.2. Sugarcane Cultivation
 - 5.1.3. Rice Crop Growing
 - 5.1.4. Livestock Sector
 - 5.1.5. Horticulture Sector
- 5.2. Natural Resources
 - 5.2.1. Fisheries
 - 5.2.2. Forestry
 - 5.2.3. Beekeeping
- 5.3. Tourism
- 5.4. Manufacturing
 - 5.4.1. Export Processing and Special Economic Zones (EPZ)
- 5.5. Oil and Gas Exploration and Production
- 5.6. Mining
 - 5.6.1. Reasons to Invest in Tanzania Mining Sector
 - 5.6.2. Mineral Endowments
 - 5.6.3. Competitive advantages of the Mining Sector:
- 5.7. Real estate
- 5.8. Transportation
- 5.8.1. Investment Opportunities Available in Roads
- 5.8.2. Investment Opportunities Available in Railways
- 5.8.3. Investment Opportunities Available in Maritime Transport

- 5.8.4. Investment Opportunities Available in Air Transport

- 5.9. Services
- 5.10. Information & Communication Technology
- 5.11. Financial Institutions
- 5.12. Telecommunication
- 5.13. Energy
- 5.14. Broadcasting

6. Other Areas of Investment

- 6.1. Education Sector
- 6.2. Health Sector
- 6.3. Insurance Services
- 6.4. Security Services
- 6.5. Construction Industry
- 6.6. Water and Sanitation
- 6.7. Integrated Waste Management

7. Investment Incentives

- 7.1. Investment Tax Incentives
- 7.2. Zero Rated VAT on Exports
 - 7.2.1. Import Duty Drawback
 - 7.2.2. Manufacturing Under bond
 - 7.2.3. Economic infrastructure
 - 7.2.4. Mineral sector
 - 7.2.5. Holders of Certificate of Incentives
 - 7.2.6. Agriculture
 - 7.2.7. Tourism
 - 7.2.8. Petroleum and Gas

8. Know Before You Go!

- 8.1. Cost and Types of Visa:
 - 8.1.1. Categories of Visa:
 - 8.1.2. General requirements for a Visa:
 - 8.1.3. Visa Issuing Centers
 - 8.1.4. Visa Fees
- 8.2. Residence Permit Application Process
- 8.2.1. Types of Residence Permits:
- 8.3. Human Resources and Labour Relations
- 8.3.1. Work Permit
- 8.3.2. Social Security
- 8.3.3. Workmen's Compensation Ordinance
- 8.3.4. Working Hours

- 8.3.5. Leave & Holidays
- 8.3.6. Maternity Leave
- 8.3.7. Paternity Leave
- 8.3.8. Other Statutory Benefits
- 8.3.9. Retrenchment and Termination Procedures
- 8.3.10. Severance Pay
- 8.3.11. Laws Regulating Various Professions
- 8.3.12. Settlement of Labour Disputes
- 8.4. Occupational Safety and Health Administration
- 8.5. Medical Insurance and Health Services
 - 8.5.1. Medical Insurance
 - 8.5.2. Hospitals
- 8.6. Emergency Services
- 8.7. Airports in Tanzania
- 8.8. Accommodation Cost
- 8.8.1. Hotel Accommodation
- 8.8.2. Residential Apartments
- 8.8.3. Single Family (Stand Alone) Homes
- 8.8.4. Office Space
- 8.8.5. Warehousing Space
- 8.9. Water and Utility
 - 8.9.1. Water
 - 8.9.2. Electricity
- 8.10. Means of Local Transport
- 8.11. Telecommunication
 - 8.11.1. National ICT Infrastructure Backbone
- 8.12. Opening a Business Bank Account

9. About Tanzania Investment Centre

- 9.1. Organization Description
- 9.2. Functions of the Centre
- 9.3. One Stop Facilitation Centre
- 9.4. Public-Private Partnerships

10. One Stop Facilitation Services

- 10.1. Immigration
- 10.2. Land Acquisition
 - 10.2.1. Right of Occupancy

- 10.2.2. For Urban Land
- 10.2.3. For Farmland
- 10.3. Starting a Business:
 - 10.3.1. Company Registration Procedures
 - 10.3.2. Types of Companies
 - 10.3.3. Patent Registration
 - 10.3.4. Industrial License
 - 10.3.5. Business Licensing
 - 10.3.6. Certificate of Incentives

11. Other Important Processes

- 11.1. Taxation
- 11.2. Registration with Domestic Revenue and Tax Structure and Administration
 - 11.2.1. Value Added Tax (VAT)
 - 11.2.2. VAT Special Relief
 - 11.2.3. VAT Refunds
 - 11.2.4. VAT Schedules
- 11.3. Taxes on International Trade
- 11.3.1. Import Duty
- 11.4. Agreement on Customs Value (ACV)
 - 11.4.1. Excise Duty
 - 11.4.2. Stamp Duty
 - 11.4.3. Motor Vehicle
 - 11.4.4. Double Taxation Agreements
- 11.5. Investment Guarantees
- 11.6. Bilateral Trade and Investment Agreements
- 11.7. Settlements of Commercial Disputes
- 11.8. Fire and Rescue Compliance

12. Appendices

- Appendix A - Tanzania Fact Sheet
- Appendix B - List of Official Public Holidays
- Appendix C - Main Annual Trade Exhibitions
- Appendix D - Sources of Further Information
- Appendix E - Tanzania Missions Abroad
- Appendix F - Foreign Missions in Tanzania
- Appendix G - Tanzania Africa Map

Partnerships
are desirable
and necessary
and have
worked well
for Tanzania.



Remarks by the President at the World Economic Forum on Africa in Cape Town, South Africa held on May 5th 2011

Dr. Jakaya Mrisho Kikwete,
President, the United Republic of Tanzania

His Excellency Dr. Jakaya Mrisho Kikwete is the 4th and current President of the United Republic of Tanzania.

The President is the head of state and head of government. The President leads the executive branch of the government and is the Commander-in-Chief of the Armed Forces.

Prior to his election in 2005, President Kikwete was the Minister of Foreign Affairs for ten years under his predecessor, former President Benjamin Mkapa.

President Kikwete has served as the Chairperson of the African Union in 2008/09 and the Chairman of the Southern African Development Community Troika on Peace, Defense and Security in 2012/13.

The government of Tanzania is committed to engaging in innovative partnerships with investors to ensure development success. President Kikwete has spearheaded several such initiatives such as the Southern Agricultural Growth Corridor (SAGCOT), a public-private initiative to drive growth and productivity in Tanzania's breadbasket region.

...Tanzania
is ready to
do business
with you;



our doors are wide open. Secondly, we have everything that you need to invest in Tanzania; conducive business environment, political and macroeconomic stability, a facilitative government, abundant natural resources, educated labour-force, a sizeable and captive market, unique geographical location...

The Prime Minister's keynote address at the Investment Partnership Promotion meeting held on November 2012 in Dar es Salaam

Honorable Mizengo Pinda
Prime Minister,
the United Republic of Tanzania

Investment promotion and facilitation in Tanzania

Investment promotion and facilitation in Tanzania is driven by the Tanzania Investment Centre (TIC), the Government's investment promotion agency created by an act of Parliament. The development of investment promotion policy and its execution by TIC falls under the overall responsibility of the Prime Minister's Office (PMO) and is supervised by the Minister of State for Investment & Empowerment in the PMO.

Honorable Mizengo Pinda is the current Prime Minister of Tanzania and Member of Parliament for Katavi constituency. As Prime Minister, Mr. Pinda is head of government business.

Strengthening the private sector in the country is one of our priorities...

we appreciate the huge contribution of the sector since the government ceased to participate actively in business...The government has taken various measures towards creating [an] enabling environment for the private sector to prosper. Efficient implementation of the public-private partnerships constitutes one of the avenues for achieving our development goals.



Speaking in July 2013 at a workshop in Dar es Salaam on Public-Private Partnerships (PPPs)



Dr. Mary Michael Nagu,
Minister of State for Investment & Empowerment (Prime Minister's Office)

Dr. Mary Michael Nagu is the current Minister of State for Investment & Empowerment under the Prime Minister's Office; she is also a Member of Parliament for Hanang constituency.



Message from the Executive Director of TIC

It is with great pleasure that I introduce the 2013 Investment Guide to readers. The Tanzania Investment Centre (TIC) has prepared this guide with the intention of providing accurate and relevant information regarding the opportunities and procedures for investing in Tanzania. Importantly, this guide encompasses answers to a range of questions frequently received by TIC such as the reasons for investing in Tanzania; how to start up a business; how to enter the country; where to invest, how to invest and how to obtain business support and incentives.

As this guide reveals, Tanzania offers a positive, peaceful, and stable environment for business and investment in the short, medium, and long term. The conducive investment climate is underpinned by effective political, economic and social policies that favour investors seeking to take advantage of the vast and in many instances, untapped investment opportunities. Tanzania is uniquely endowed with physical attributes comparable to none in the East African region and beyond. These include offshore gas deposits, minerals, accessible harbours, vast tracts of arable land (e.g. the SAGCOT area), water bodies abundant with resources, and national parks with flora and fauna that serve as magnets for investment in tourism and other affiliated sectors. Most importantly, Tanzania's human capital remains eager, friendly, and determined to contribute to efforts to attract and retain investment from both foreign and domestic sources.

The Government of Tanzania through TIC offers predictable, competitive fiscal and non-fiscal teasers to the investment community (domestic and foreign) as we recognize the importance of the private sector as the driver and engine of growth. Amongst other things, Tanzania's investment regime offers free repatriation of capital and the ability to externalise profits, by putting fewer restrictions on capital movements.

As Tanzania gears up to become a middle income country by 2025, the Government Of Tanzania has zoomed in on specific sectors to drive results oriented delivery in the short term. TIC feeds into this process by providing a series of services from our one stop centre including derivative title as security of tenure for land to foreigners as well as project specific incentives for approved strategic investments that are aligned to achieving the country's long term vision. Recent gas finds in Tanzania has propelled unprecedented interest and capital inflows into the country. We welcome these developments and encourage all prospective investors to read the Tanzania Investment Act as it provides clear parameters in terms of the role of TIC on matters related to minerals and energy. We also invite interested parties to refer to our website (www.tic.co.tz) for further information.

I thank all participating ministries and agencies from the Government of Tanzania and other institutions for their contribution to this guide.

Welcome to Tanzania - come grow with us!

Sincerely,

Juliet Rugeiyamu Kairuki

Executive Director, Tanzania Investment Centre



Disclaimer

This guidebook was published to assist potential investors in terms of providing access to essential information regarding investments and investing in Tanzania. This guidebook does not in any way give exhaustive information or detailed practical instructions. The guidebook also points out sources of other information in both private and public sectors. Most or all of information contained in this guidebook was derived from consultation among government ministries, private sector, and other agencies. Materials in this guidebook therefore should only be used for the intended purposes and not to be used for defense in a legal dispute or any matter of that nature. Government ministries and other agencies from which information contained in this guidebook was derived are listed in Appendix D - Sources of Further Information.

Abbreviations & Acronyms

List of Exhibits

- Exhibit 1:**
Mineral Deposits Map
- Exhibit 2:**
Tanzania Trunk Road Map
- Exhibit 3:**
Airline Operators Market Share
- Exhibit 4:**
Subscribers of Voice Telecommunications in Tanzania
- Exhibit 5:**
Subscribers of Fixed Networks in Tanzania
- Exhibit 6:**
Transport Infrastructure Network
- Exhibit 7:**
Investment Facilitation and Service Delivery

AGOA	African Growth and Opportunity Act
ATIA	Africa Trade Insurance Agency
BoT	Bank of Tanzania
BRELA	Business Registration and Licensing Agency
CMSA	Capital Market and Securities Authority
EAC	East African Community
EPZ	Export Processing Zones
EUR	EURO
GBP	British Pound
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IPTL	Independent Power Tanzania Limited
ISD	Insurance Supervisory Department
ISP	Internet Service Provider
MIGA	Multilateral Investment Guarantee Agency
MoF	Ministry of Finance
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
PCCB	Prevention Combating of Corruption Bureau
PPP	Public Private Partnership
SADC	Southern African Development Community
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
TANESCO	Tanzania Electric Supply Limited
TBS	Tanzania Bureau of Standards
TCRA	Tanzania Communications Regulatory Authority
TIC	Tanzania Investment Centre
TIN	Tax Payer Identification Number
TPA	Tanzania Ports Authority
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzania Revenue Authority
TTB	Tanzania Tourist Board
TTCL	Tanzania Telecommunications Company Limited
TZS	Tanzania Shilling
USD	United States Dollar
VRN	VAT Registered Number



1. Reasons to invest in Tanzania

Tanzania creates a strong infrastructure for all investments while providing the strong growth and security needed to proposer.

- ✓ Peace & Political Stability
- ✓ Strategic Location
- ✓ Attractive Investment Regime
- ✓ Investment Incentives
- ✓ Investment Guarantees
- ✓ Plenty of Natural Resources
- ✓ High Growth Potential
- ✓ Memberships of Bilateral Trade Agreements
- ✓ Public Private Partnerships
- ✓ Export Processing & Special Economic Zones
- ✓ Magnificent Business and Leisure Destinations

2. Executive Summary

Tanzania, with its large and growing domestic population, strategic location, abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity.

The country with a population of 44.9 million (national census 2012) is the largest in East Africa and its new middle-class is growing rapidly. Tanzania faces the Indian Ocean; it is the natural trading gateway for the 5 landlocked countries surrounding it, which are: the Democratic Republic of Congo (DRC), Rwanda, Burundi, Uganda and Zambia. The country is further blessed with vast natural riches: minerals in the form of gold, diamonds, copper, coal; more recently

large discoveries of natural gas along its shores and it enjoys vast tracts of beautiful natural scenery including game reserves and sandy beaches.

Democratic principles are firmly engrained in the country; since its independence in 1961, the country has never suffered a civil war and its political leaders have come to power through an electoral process. Free-market principles are also firmly engrained and successive Governments have continued to open up and liberalize Tanzania's economy. As a result, Tanzania has enjoyed over 5 consecutive years of 7% real GDP growth and is a member what the World Bank has dubbed the "7% Club", a group of countries





Dar es Salaam beach



University of Dodoma



Bitila Lodge



forecast to achieve 7% or more real GDP growth for next decade.

Investments in Tanzania are guaranteed against nationalization and expropriation through various agreements of protection and promotion of investments such as the Multilateral Investment Guarantee Agency (MIGA), of which Tanzania is a member.

Tanzania also offers access to major markets of the world, such as America and Europe, through special bilateral trade and investment agreements and arrangements, for instance, the Africa Growth Opportunity Act (AGOA) of which Tanzania is a signatory.

This guide provides prospective investors and interested parties with insightful information about investing in Tanzania, including:

- An overview of the main investment opportunities the country presents
- An summary of the geographical, political and economic characteristics of the country
- An introduction to the primary agency responsible for promoting and facilitating investment into the country, the Tanzania Investment Centre (TIC)

Priority areas of investments are:

- Agriculture and Livestock Development
- Natural Resources
- Tourism
- Manufacturing
- Oil and Gas Exploration
- Mining
- Commercial Building
- Transportation
- Services
- ICT



3. About Tanzania

3.1. GEOGRAPHY AND CLIMATE

Tanzania is a union between mainland of Tanganyika and the Zanzibar islands. The country's total area covers 947,300km², inclusive of land mass and the three large fresh water lakes, namely Victoria, Tanganyika, and Nyasa, which form boundaries with neighbouring countries.

Mount Kilimanjaro, the tallest mountain in Africa, is a dormant volcano, rising to 5,895 metres, and is the only snowcapped mountain in Africa, thus, a major tourist attraction in the north-east of the country.

Mount Meru, 4,565m, is to the west of Kilimanjaro and is also of volcanic origin. The Usambara and Pare mountains are also to the northeast, and, to the west of these

mountains is the eastern arm of the Rift Valley. The narrow coastal belt with tropical beaches on the Indian Ocean gives way to savannah woodlands, forests, and highland areas. The southern western highlands are dominated by the Livingstone Mountains. The climate is tropical in most areas with average temperatures of 25°C - 31°C, and temperate in the highlands with temperatures of 10°C - 20°C. The hottest months are November to

February and the coolest months are May to August.

3.2. PEOPLE AND CULTURE

Tanzania is the largest nation in East Africa with a population of 44.9 million (national census 2012) growing at an annual rate of about 3%. Tanzania is also a very young country with 44% of the population below

Mount Kilimanjaro



PSPF Commercial Towers



Lake Victoria

the age of 15. The people comprise not less than 120 tribes; however they are united by a common language, a common sense of purpose and common sense of nationhood. Most of the people are of Bantu origin and few of Asian descent. The majority of Tanzanians, over 70%, live in their native rural areas, where they adhere to native cultural norms. In the cosmopolitan areas there is a diversity of people from all over the country. Overall, Tanzanians are very warm and hospitable people who often display a positive and pleasant reception to foreigners. Kiswahili is the national language in daily use and English is the official medium of communication in secondary schools, academic institutions, and business settings.

3.3. POLITICAL SYSTEM AND GOVERNANCE

The Government of the United Republic of Tanzania is formed by the union of Tanganyika, called 'Mainland Tanzania', and Zanzibar Islands of Unguja and Pemba. The country operates as one state with two governments, namely the Union Government and the Revolutionary Government of Zanzibar. Tanzania is a democracy with a multi-party electoral system with 17 political parties. The President of Tanzania is the Head of State and Head of Government and is elected every 5 years and mandated to serve a maximum of two terms.

The central government comprises three organs, which are: • President and Cabinet (the 'executive branch') • the Judiciary; • and the Parliament.

Parliamentary elections take place every 5 years and several political parties

participate. The constitution of the United Republic is currently undergoing review by the "Constitutional Review Commission". The current constitution provides for the rule of law, separation of powers, and political pluralism. Since independence in 1961, the country has never suffered a civil war or a period of violent internal strife. It enjoys a high level of political stability that creates an ideal climate for investment.

3.4. THE ECONOMY

Tanzania is a rapidly growing emerging market; it ranks among the 20 fastest growing economies in the world. The country has exhibited a GDP growth rate of around 7% for past 5 years and it is predicted by the IMF and World Bank to continue this rapid growth for the next decade.

Over the past two decades, it has been transformed from a centrally planned economy to a market oriented system through successful implementation free-market orientated reforms. The Government has encouraged private sector led growth through restoration of market forces and less Government intervention in commercial activities.

Overall, the reforms have resulted in positive growth trends and impressive macro-economic indicators with inflation rates falling from 27.4% in 1995 to about 9% in 2012.

The recent discovery of large quantities of natural gas on the east coast, and the interest that investors have shown in this field, is a positive sign of rapid advancement of the economy. Recent reforms are intended to improve infrastructures and private sector growth through Public-Private Partnerships (PPP).

4. Investment Opportunities

4.1. WHY INVEST IN TANZANIA?

Peace & Political Stability

Tanzania is one of the most peaceful and politically stable countries in Africa. Since its independence in 1961, the country has never experienced a civil war or any major internal strife. Tanzanians continue to live in peace and with a sense of a common national identity. Since the resignation of Julius Nyerere, the country's first president, all succeeding presidents have been elected into office in fair and free elections. Presidential terms are limited to two five-year terms. This political stability provides protection to investors

Strategic Location

The country's geography is greatly beneficial. It is connected directly to the Indian Ocean giving it trade links to Asia and sits in between the ocean and 6 landlocked countries (Uganda, DRC, Rwanda, Burundi, Zambia and Malawi) that rely on Tanzania for passage of goods. The country has 3 deep water ports (Dar es Salaam, Tanga and Mtwara) that are servicing the neighbouring countries. Furthermore, its membership to the SADC Free Trade Area and EAC Common Market, with developed rail and road networks, makes Tanzania a natural transportation gateway for East and Central Africa.





Attractive Investment Fiscal Regime

Tanzania fosters a very stable and predictable Fiscal Investment Regime, which provides a soft landing to all investors. It is the kind of regime that recognizes the fact that investors need to recover their investment expenses prior to paying corporate taxes

Investment Incentives

Tanzania offers a well-balanced and competitive package of fiscal incentives in comparison with other African countries. Aiming at providing competitive fiscal regime on foreign trade, Tanzania has signed double taxation treaties with numerous countries, and still is negotiating with other countries

Investment Guarantee

Investors in Tanzania are guaranteed against nationalization and expropriation. Tanzania is a signatory of several multilateral and bilateral agreements on protection and promotion of investments. Just to mention the few, Tanzania is a member of Multilateral Investment Guarantee Agency (MIGA) and Africa Trade Insurance Agency (ATIA)

Plenty of 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

High Growth Potential

Tanzania is an emerging economy with high growth potential through the unforeseen future. Tanzania was named best investment promoter of African Investment Promotion Agencies, 2004 competition

Membership of Regional Blocs and Bilateral Trade Agreements

Tanzania is a member of regional trading blocs of SADC and the EAC, as well as a beneficiary country under the preferential trade enhancing schemes offered by the AGOA legislation, of which 6,500 products enjoy duty and quota free access to the U.S.A. market. Additionally, Tanzania enjoys benefits set by the European Union Everything But Arms (EBA) and the ACP-EU Cooperation and various bilateral cooperation agreements

Public Private Partnerships

Tanzania embraces a strong and cooperative relationship between the government, the private sector and development partners, and that makes it exceptionally conducive to attracting investments

Export Processing Zones & Special Economic Zones

Benefit from highly advantageous special investment schemes—Export Processing Zones (EPZs) and Special Economic Zones (SEZs)

Magnificent Business and Leisure Destination

The Government of Tanzania is highly determined to deploying whatever necessary measures to lower the costs of doing business and maintain a fair competition business practices. Besides, Tanzania offers an extremely gorgeous leisure opportunities, for instance global 5* Hotels, Exotic Beach Hotels, private jet and helicopter for hire, elegant mansions and apartments for both hire and buy, etc.

5. Priority Areas of Investment

Agriculture & Livestock development

Natural resources

Tourism

Manufacturing

Petroleum and Mining

Commercial Building

Transportation

Services

ICT

Financial Institutions

Telecommunications

EnergyHuman Resources

Economic Infrastructure

Broadcasting

5.1. AGRICULTURAL & LIVESTOCK DEVELOPMENT

Agriculture Sector, with annual growth rate of 6%, accounts for nearly half of national GDP contribution, 70% of rural household income, and absorbs 80% of the entire workforce. Lately, the government introduced a special agricultural revolution initiative, namely “Kilimo Kwanza”, with the aim of commercialising agriculture and improving cultivation methods of peasant farmers to supplement agribusiness and assure the country of self-sufficiency in food supplies. Agricultural and livestock development is the leading economic sector in Tanzania and remains critical for achieving sustained growth, poverty reduction, and rural development.

Several reforms have been undertaken in this sector, such as review of land laws to allow for long term leases for foreign companies and redefining the role of government and the private sector that allow for the latter to participate in production, processing, and marketing, while the former retain regulatory and public support functions. Tanzania has enormous water resources potential. Water for irrigation can be obtained in flood basins of rivers and lakes as well as from underground sources. Potential irrigable farmland in Tanzania is approximately 29 million hectares, out of which only 280,000 hectares are under irrigation farming. This provides for high agricultural investment opportunities. In addition to the following specific investment opportunities available, this sector offers varying business avenues, such as importing modern-and-efficient farming equipment, for instance tractors and power tillers; providing training of modern farming, for example, how to use appropriate irrigation technology, etc.

5.1.1. Southern Agricultural Growth Corridor of Tanzania (SAGCOT)

Agriculture is the basis of Tanzania’s economy. It is the major source of employment, a significant export earner and an important component of the national GDP. Yields are low, but with improved access to finance,

infrastructure, modern farming inputs and know-how, Tanzania’s smallholder farmers could achieve much higher yields, allowing them to sell into regional and international markets.

Launched at WEF Africa in 2010, SAGCOT is a public-private partnership that aims to boost agricultural productivity in Tanzania and the wider region, and thereby achieve the country’s agricultural strategy. SAGCOT will promote “clusters” of profitable agricultural farming and services businesses, with major benefits for smallholder farmers and local communities. By catalyzing large volumes of responsible private investment, the initiative aims to deliver rapid and sustainable agricultural growth and thereby



Coffee beans

tackle food security, poverty reduction and reduced vulnerability to climate change.

Key features of SAGCOT include:

- SAGCOT Partnership established with members from government, global business, the Tanzanian private sector, farmers, foundations and donor institutions.
- Executive Committee co-chaired by the Minister of Agriculture of Tanzania; and the Executive Vice President (North and Central Africa) of Unilever.
- SAGCOT Centre established as a formal secretariat to advance the initiative.
- An Investment Blueprint outlines the initiative and opportunities.
- A Catalytic Fund will soon be in place

Investment Opportunities

The Investment Blueprint highlights 15 'early win' investment opportunities where rapid progress could be made. These include:

- Mbozi seed farm. A 3,000 hectare nucleus seed estate plus irrigated outgrower scheme for maize, soya, sunflower, sesame and pulses.
- Ruvu cattle ranch. Redevelopment of a 40,000 hectare government-owned ranch, with the introduction of fattening and slaughter facilities for local breeders.
- Smallholder commercialization and agro-dealer program. Providing extension services, inputs, weather insurance and market access to large numbers of smallholder farmers.
- Sao Hill agri-centre. Irrigated vegetable production linked to an agriculture processing centre (including a biomass plant) with storage and processing facilities.

Additionally, SAGCOT has prepared concrete opportunities for promotion to investors:

- **Sugar:** Opportunity to develop modern sugar operations drawing on Tanzania's natural advantages for sugarcane cultivation, and supply the large domestic and regional sugar markets.
- **Rice:** Opportunity to take advantage of the growing gap in rice supply by investing in rice production to serve the rapidly growing market in Tanzania and the region.
- **Livestock:** Opportunities to benefit from exponential growth in demand for livestock products across the region.
- **Horticulture:** Opportunities to establish modern vegetables, fruits, flowers, spices and horticultural seed business operations for domestic, regional and international markets.



5.1.2. Sugarcane Cultivation

Aim:

To develop modern sugar operations drawing on Tanzania's natural advantages for sugarcane cultivation, and supply the large domestic and regional sugar markets.

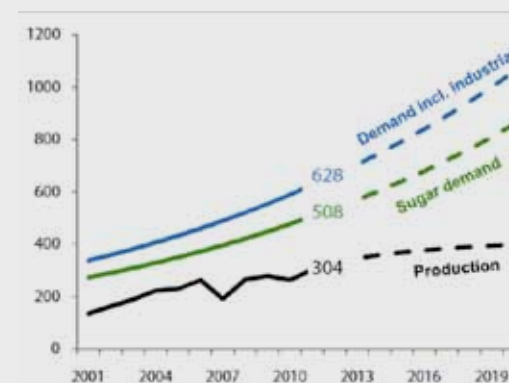
Current situation:

- All 4 existing sugar estates and mills have been rehabilitated by local and international investors and production has increased very fast since privatization in the early 2000's, growing from 135,000 tons in 2001 to 300,000 tons sugar in 2011
- As current estates reach peak production and expansion potential, the government has put a high priority on attracting investors to develop new greenfield sugar projects
- Attesting of the attractiveness of the sector in Tanzania, global sugar industry players already present in Tanzania, Illovo and Tereos, are eager to explore these new opportunities

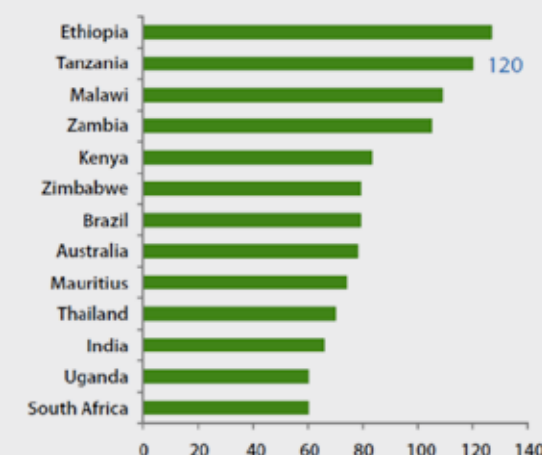
Market Opportunity:

- With rapidly growing population and rising incomes, the Tanzanian sugar market growth is estimated at 6% p.a.
- The current sugar supply gap is approximately 300,000 tons, expected to increase sharply as current estates are limited in their expansion
- An additional 400,000 tons sugar supply gap is observed in the EAC common market

300,000 ton sugar production deficit in Tanzania (metric tons)



Average sugarcane yields - 2010 (tons/ha)



- region, progressing at >10% p.a., presenting a significant import substitution opportunity within a common market protected by a 30% external tariff
- Booming global ethanol market favouring African producers and the local power market offer strong market opportunities for other sugarcane products and by-products

Tanzania's Competitive Advantage:

- With ideal soils and climate for sugar cane production, Tanzania boasts among the highest average cane yields in the World, at 120 tons/ha
- With ample rainfall and generous rivers fed by the high hinterland plateaus, Tanzania has among the best irrigation potential in the sub-region
- Soil and topography in target sugar zones are ideal for industrial sugarcane cultivation, and the government is preparing new sites for greenfield sugar projects
- Under the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), numerous donors (World Bank, USAID, DFID, etc.) are investing in infrastructure and institutional capacity that will benefit investors

5.1.3. Rice Crop Growing

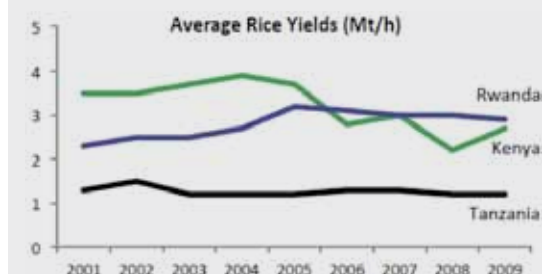
Aim:

To take advantage of the growing gap in rice supply by investing in rice production to serve the rapidly growing market in Tanzania and the region.

Current Situation:

- Around 90% of Tanzania's rice production is done by small-scale farmers, on an average farm size of 1.3 ha
- Current rice yields are low, creating opportunity for investors ready to introduce latest techniques and inputs
- Rice prices in Tanzania are consistently higher than the global rice price

Low yields create opportunity for modern farms



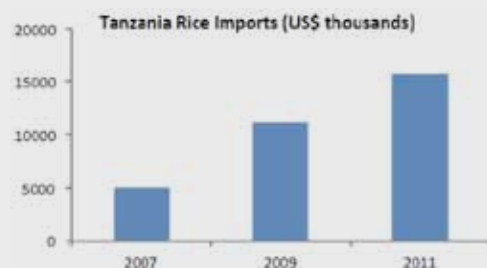
High local market prices



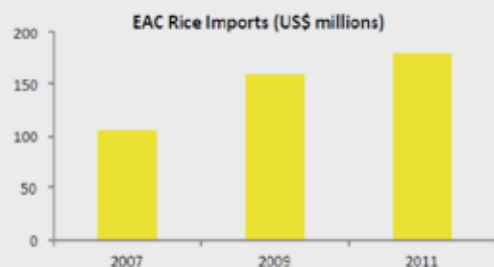
Market Opportunity:

- Tanzania has one of the fastest growing urban populations in East Africa, rising 4.7% per year; the growing middle class prefer rice over other staples: local rice production cannot keep up with demand, driving imports
- Producers in Tanzania also have duty-free access to the rest of the EAC, SADC and COMESA, where demand and imports are also rising

+40% annual growth in rice imports by Tanzania



+20 annual growth in rice imports by EAC



Tanzania's Competitive Advantage

- Tanzania offers ideal conditions for rice cultivation, with tropical temperatures, rich and fertile soil, plenty of sunshine and rainfall, and a number of large river systems ideal for irrigated rice projects
- Key factor costs (labour, land, power) are very competitive - generally lower than in alternate locations
- Several specific sites for large-scale irrigated rice schemes have already been earmarked, and the government and donors are ready to help fund outgrower irrigation systems, training and input supplies
- One major nucleus-outgrower rice venture is already cultivating more than 10,000 hectares, with some outgrowers achieving yields of 8T/ha, proving the success of the model

5.1.4. Livestock Sector

Aim:

To position Tanzania such that it can benefit from the exponential growth in demand for livestock products across the region.

Current Situation:

- Tanzania's livestock population has been increasing by 5% per annum; its 21.3 million large cattle population make it the biggest in Southern Africa
- However 97% of all animals are kept by smallholders who are often faced with poor productivity and yields

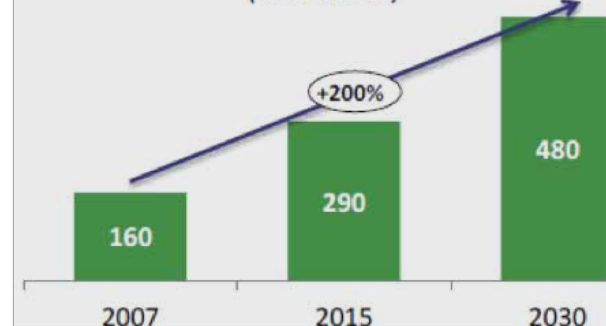


Market Opportunity:

- Increased population sizes, urbanization and income levels across Africa are boosting demand for meat
- Starting from a per capita consumption of 12kg pa, Tanzania's demand for meat is expected to triple by 2030
- Current increases in livestock supply will not be able to meet future demand and large scale investments are needed to provide technical skills and capital to run ranches, feedlots, abattoirs, meat processors and tanneries

200% increase local demand for meat

Tanzania's Demand for Meat ('000 tonnes)



Tanzania's Competitive Advantage:

- Tanzania already exports meat to the middle east & neighboring countries, with significant growth potential
- The National Ranching Company (NARCO) has made 100,000ha of prime ranch land available for investors and supports investments in feedlots, abattoirs, meat processors, rendering plants and tanneries
- The climatic conditions for livestock operations in Tanzania are ideal, with high rainfalls providing the mostly flat grasslands with the necessary water to keep livestock at a stocking rate of 1 animal per 3 hectare or better
- Investors are supported and incentivized through tax holidays, duty free imports of capital assets, favorable loans from the Tanzania Investment Bank (TIB) and administrative support from the Tanzanian Investment Centre

5.1.5. Horticulture Sector

Aim

To establishing modern vegetables, fruits, flowers, spices and horticultural seed business operations for domestic, regional and international markets

Current Situation:

- The horticultural industry in Tanzania is the fastest growing industry within the agricultural sector recording an annual average growth of 9 - 12 per cent in the past five years. Contribution of the



investments in horticultural businesses to total agricultural investments has averaged 17 per cent since 2007

- The sub-sector has been earmarked as one of the potential areas for fast growth in the Tanzania Agriculture and Food Security Investment Plan (TAFSIP) and Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
- A number of investors are already engaged in the production and marketing of horticultural crops mainly for export markets. The crops include vegetables (such as green beans and baby corns), flowers (e.g. roses and cuttings) and fruits (e.g. avocado, mangoes, pineapples and berries)

Market Opportunity:

- There is huge demand for quality horticultural products in both local and export markets. Tanzania's horticultural exports have increased significantly.
- Domestically, there is still inconsistent supply of quality products making the country import fruits, vegetables and spices such as tomatoes, onions, garlic and leeks, fresh apples, grapes, pears and quinces and strawberries accounts
- There is an increased processing of fruits into juice which has led to an increased

demand of the produce in the country. This has contributed to the reduction in supply to the market of some fresh fruits such as mangoes making the prices fairly

- Consistent and attractive.

Tanzania's Competitive Advantage:

- Land availability, wide range of climatic conditions supporting production of a variety of horticultural crops, access to markets through preferential and other regional/multilateral schemes and peace and stability of the country are among the factors that make Tanzania an important investment destination for horticulture
- Cool climate, altitudes of 800m to 200m, low humidity and average rainfall greater than 700mm make production of crops such as flower, cuttings, vegetable/flower seeds, avocados, strawberries, raspberries and spices (cardamom) possible in the SAGCOT area and the northern zone.
- Strategic positioning of the country: Good links to ports and airports: DSM and Tanga ports, Julius Nyerere International Airport in DSM, Songwe International Airport in Mbeya, KIA and Nairobi provides guarantee for sea freighting and airlifting of horticultural products destined for international markets.

5.2. NATURAL RESOURCES

In terms of sector classification, Natural Resources in Tanzania refer to forestry & beekeeping, wildlife, and fisheries. The country has vast untapped natural resources that provide a base for investment in factories, industries and training. The terrestrial area is the grassland savannah rich in wildlife, with equatorial rainforests, miombo woodlands and plateau with amazing natural scenery and beauty. The area houses archaeological sites such as the Olduvai Gorge, Kondoa Rock Arts and other historical sites. The coastal strip and water support a combination of natural systems including coral reefs, estuarine, sea grass beds and extensive mangrove stands. Similar to other sectors, private investments are highly encouraged in the natural resources sector, of which the government plays the role as policy maker, promoter and regulator. This sector presents enormous investment opportunities, some of which are outlined hereafter.

5.2.1. Fisheries

Tanzania is one of the largest fishing nations in Africa, according to FAO; it is ranked in the top 10 countries in terms of total capture fisheries production.

The annual fish production is about 341,065 tons. In addition, the sector contributed about 1.4 percent to the GDP (National Statistics Bureau; 2010) and 10 percent to the national foreign exchange earnings. The sector employs more than 177,527 full time fishermen and about other 4 million people earn their livelihoods from the fisheries sector (Fisheries Statistics, 2011). For the years 2005 - 2010, fish and fishery products exports from Tanzania earned the country US\$ 195.2 million per annum.

Tanzania has a total surface area of 945,037 sq. km. The area of freshwater cover is estimated at 54,337 sq. km., which is about 6.1 percent of the total country's surface area. The country has a Territorial Sea of 64,000 sq. km., an Exclusive Economic Zone (EEZ) covering an area of about 223,000 sq. km. and a stretch of a coastline of about 1,424 km long all in the Indian Ocean, and



Tanzania's Water Bodies Distribution

Water body	Total area (sq. km)	Tanzania territorial claim (%)	Fishery potential (tons)
Lake Victoria	68,000	35,088 (51%)	2,072,360
Lake Tanganyika	32,900	13,489 (41%)	295,000
Lake Nyasa	30,800	5,760 (20%)	168,000
Marine (Territorial sea)	64,000	64,000 (100%)	100,000
EEZ	223,000	223,000 (100%)	N/A
Other (minor water bodies)	5,000	5,000 (100%)	30,000

Source: Ministry of Livestock & Fisheries Development (MLFD, 2010)

other inland water bodies (major and minor lakes, rivers, dams, ponds and wetlands), covering about 5,000 sq. km.

The country shares three major inland lakes: Lake Victoria (shared with Kenya and Uganda), Lake Tanganyika (shared with Burundi, DRC and Zambia) and Lake Nyasa (shared with Malawi and Mozambique).

Investment Opportunities:

The main investment opportunities existing in the fisheries industry are in the following areas: fishing, fish processing, value addition in fish and other fisheries products; cold chain, boat building, construction of a fish harbour, construction of dry docking facility, ecotourism, manufacturing of fishing gear and accessories. Other areas include; prawn/ shrimp farming, mud-crab farming, pearl culture, finfish culture, seaweed farming, hatchery for fingerlings production, fishing and culture of ornamental fish, fish feeds production and live food production.

Fishing in the Exclusive Economic Zone (EEZ)

Fishing in the EEZ targets mainly tuna and tuna-like species which include; Yellow fin, Big eye, Albacore and Skip jack. Other species include; Marlin, Sharks and Swordfish. Although fish potential for this area have not yet been estimated, the existing catch

on the fishery and willingness from long liners and purse seiners buying license from Tanzanian jurisdiction, indicates a potential for investment in this fishery. Fishing in the EEZ is under the jurisdiction of the Deep Sea Fishing Authority (DSFA). Tanzania is within the western Indian Ocean zone which has high productivity and there is strong seasonal migration of tuna with peaks between July and November.

Value Addition in Fish and other Fishery Products

As at December 2011 there were 9 fish processing plants operating around Lake Victoria on the Tanzanian side of the lake. These plants fillet Nile perch mainly for export market. Through this process, good amount of fish by-products such as fish maws, skins, off cuts, chips, frames, chests and silage are realized. Most of these byproducts are semi processed through salting, sun drying and dry smoking. Investment opportunity exist in the purchase of semi processed fish products from fish processing plants and further process them to produce various value added marketable products such as fish meal and cakes for domestic and export markets.

Most of the fish packaging materials are imported from outside the country as such investment opportunities exist in manufacturing of fish packaging materials.

List of Fish Processing Establishments in Tanzania

Plant	Established	Installed capacity (tons/day)	Avg. production (tons/day)
Vicfish Ltd - Mwanza	1992	107	25
Tanperch Ltd - Mwanza	1992	120	20
Mara Fish Packers Ltd	1992	50	-
Tanzania Fish Processors Ltd	1993	120	20
Mwanza Fishing Industry	1994	50	25
Omega Fish Ltd - Mwanza	1997	70	25
Nile Perch Fisheries Ltd - Mwanza	1992	90	30
Chain Food International Ltd - Mwanza	1999	15	-
Prime Catch (Exporter) Ltd - Mara	2000	100	20
Musoma Fish Processors Ltd - Mara	2001	40	20
Kagera Fish Company Ltd	2003	18	-
Vicfish Ltd (BKB) - Kagera	2005	60	18
Tanzania Fisheries Development Company - Mwanza	2008	80	25
Sea Product Ltd - Tanga	1998	50	< 1
Bahari Food Ltd - DSM	2005	10	< 1
Tanpesca Mafia Ltd.	2003	50	2
Royal African Lobster Tropical Ltd - DSM	2003	52	1
Alphakrust Ltd	2003	10	2
Shamez Enterprises Ltd	1998	3	-
Asmara Trading Company	2000	5	-
Siza Cold Storage	2001	3	-
Fruits De La Mer Ltd	1996	10	-

Source: Ministry of Livestock & Fisheries Development (MLFD, 2010)

Other avenues for investment include marketing and distribution of value added fishery products, establishment of fish canning facilities and improvement of fish processing technology.

Construction of Fishing Harbour

Currently, fishing in the EEZ is dominated by foreign fleets (in 2008 35 foreign fleets were given license) which fish and take the

produce without off-loading or undergoing production and export certification in the country. Construction of a fishing harbour will therefore, provide for the EEZ fishing vessels to anchor onshore which will enable the government and the would-be investors to obtain data/information on the catch and appropriate revenues from the fishing vessels in the EEZ.

Construction of Dry Docking Facility

The dry docking facility will serve the fishing vessels as well as merchant ships. Currently, there is no such a facility in Tanzania and as a result, dry docking for most of the fishing and merchant ships operating in the Tanzanian waters are done in Mombasa, Kenya. The need for such a facility in the country therefore, offers a great opportunity for investment.

In summary there are ample potential investment and trade opportunities in the fisheries industry in Tanzania. The Government has taken initiatives in facilitating investment undertakings in various sectors of the economy. Conducive investment policies and regulatory frameworks are in place. The investment policy encourages private investors to proactively get engaged individually, through joint ventures and through Public-Private Partnership (PPP).

5.2.2. Forestry

Forests and woodlands in Tanzania are estimated to cover about 35.5 million hectares, and constitute about 38% of the total area of the country. Of this, 13.5 ha are gazetted as national forests or local government forests and the remaining 25.5 million ha are on village or general land. Tanzania has 600 government forest reserves, covering about 13% of the total land area. The reserved area includes 1.6 million ha that are managed as catchment forests and 80,000 ha of government plantations.

In addition, there are 80,000 ha of private forest plantations. Most of the forest is savannah and intermediate woodland (dominated by brachystegia and isoberlinia species). The principal species of wood in Tanzania are valuable tropical woods, such as cedar, African rosewood, podocarpus and mahogany. There are also plantation forests covering an area of 250,000 - 300,000 ha, consisting of Pinus, Cupressus or Eucalyptus and Wattle. Investment opportunities available in forest industry include:

Establishment of plantation forests

The Government is actively promoting private sector and community involvement in management of governmental industrial plantation. It is seeking to encourage companies and individuals to invest in pulp and saw log growing and processing through mutually Public Private Partnership (PPP) arrangements.

Currently, there are 16 government-managed plantations in Tanzania, classified as forest reserves under the control of Forestry & Beekeeping Division (FBD) of the Ministry of Natural Resources and Tourism (MNRT) encompassing a total of 83,000 ha. Future plans are for a 50,000 ha. expansion.

The major private industrial plantations include TANWAT, Green Resources Limited and Kilombero Valley Teak Company accounting in aggregate for 30,000 ha. there are also numerous small-scale woodlots and medium-sized plantations owned by small-holders, communities, districts, tea companies, faith-based organizations, schools etc. This accounts for between 120,000 - 150,000 ha in aggregate.



Investment Opportunities

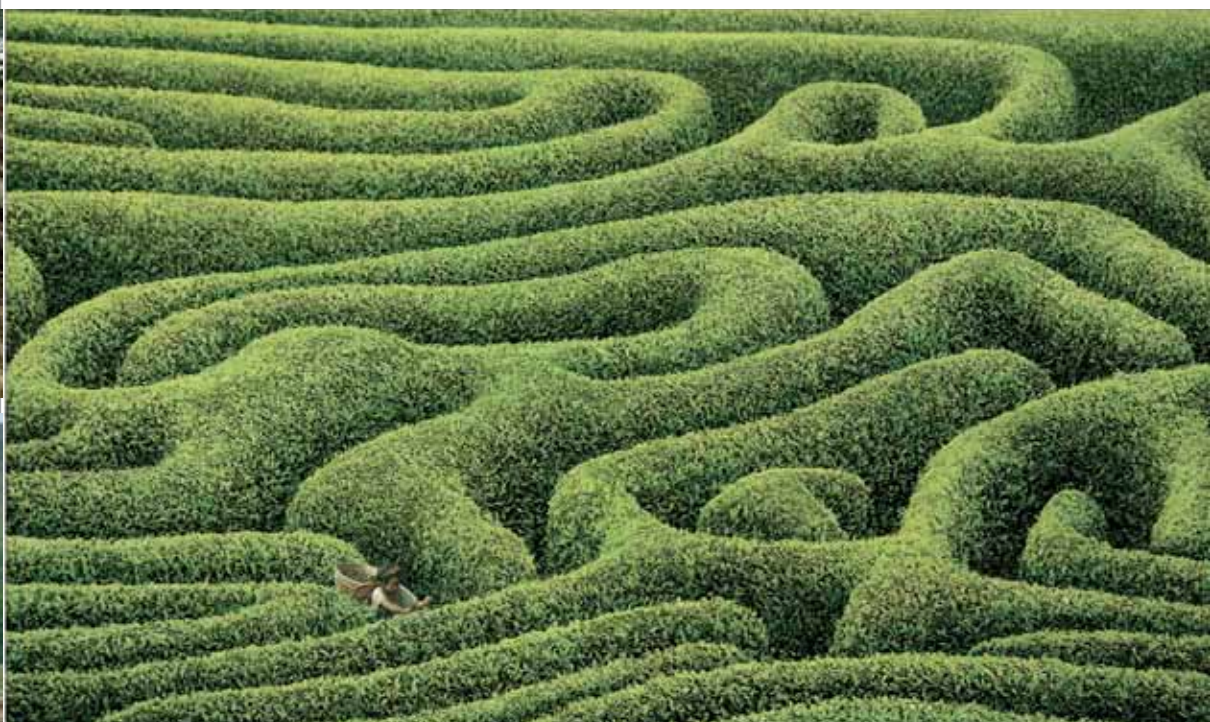
There are multiple commercial opportunities in forestry sector. New large-scale investors such as New Forests Company and Oji Paper have entered the sector and are at initial phases of their large planting programs. Both are acquiring large areas of lands, in magnitude of 30,000 to 40,000 ha each to combine their own large plantation program with the adjacent communities in form of outgrower schemes.

Industrial establishments are needed to utilize forests to produce timber, chipboards, plywood, fiberboard, furniture, poles etc. Investment is needed in terms of transportation network as well as in bringing in new and efficient technology. The state of the privatized industries is insufficient as they still operate using outdated technology. It is currently estimated that only 30 - 40% of the raw material contributes towards the final product and the rest is wasted.

5.2.3. Beekeeping

Tanzania has a large potential for the establishment and management of bee reserves. Beekeeping plays a major role in socio - economic development and environmental conservation. It is a source of food (honey pollen and brood); raw materials for various industries, medicine and income for beekeepers. The sector's contribution to the GDP is 1%. It is a source of employment, provides income to the people, a source of recreation, ecotourism and foreign exchange earner. The estimated potential of bee products is about 138,000 tons of honey and 9,200 tons of beeswax per annum from an estimated potential of 9.2 million honeybee colonies. Reports show that only 4,860 tons of honey and 324 tons beeswax are produced annually, about 3.5 percent of the production potentials of bee products are tapped.

Traditional beekeepers are the main producers of these products. Other non-wood products include tanwin, gum Arabic, wattle and medicinal plants. The beekeeping segment offers numerous areas of investments, such as:





Establishment of bee apiaries

Honeybees are natural components of the ecosystem; they freely go across in public (unreserved) lands, forest reserves, game reserves and national parks. Cultivated plants such as sunflower, legumes, citrus trees, sisal, coffee, bananas, and maize, are also suitable for beekeeping. Apiaries can therefore, be established across a wide range of ecosystems.

Production of beekeeping equipment

Opportunities exist for manufacturing and supply of equipment used in bee-keeping such as e.g. bee hives, protective gears, honey presses, honey extractors etc.

Establishment of Bee products Based Industries

There is potential for investing in industries such as in manufacturing of bees wax candles, shoe polishes, wood polishes, lubricants and pharmaceutical products. Honey packing plants and other industries, which use honey to make honey beer, wine, and confectioneries also qualifies for investment.



5.3. TOURISM

Tanzania has many tourist attractions. More than 44 per cent of the country's land area is covered with game reserves and national parks. There are 16 national parks, 29 game reserves, 40 controlled conservation areas and marine parks. Tanzania is also home to the famous 'Roof of Africa', Mount Kilimanjaro. On 6 January 2012, The New York Times newspaper awarded Tanzania the 7th position among 45 top destinations to visit.

The tourist industry currently supports 27,000 jobs and generates 25% of Tanzania's foreign exchange. Tanzania received over 800,000 tourists in 2011.

Tanzania has six World Heritage Sites. Only three countries in Africa have more: Tunisia (8) and Algeria and Ethiopia (7) and only Morocco has as many sites as Tanzania. The sites in Tanzania comprise two cultural and four natural sites:

1. Ngorongoro Conservation Area
2. Ruins of Kilwa Kisiwani and Ruins of Songo Mnara
3. Serengeti National Park
4. Selous Game Reserve
5. Kilimanjaro National Park
6. Stone Town of Zanzibar.

Tanzania's most well-known tourist attractions are located in north of the country and include Mount Kilimanjaro, Africa's



highest mountain. Serengeti National Park is world famous and has spectacular seasonal migrations of animals. The Ngorongoro Reserve is an extinct volcanic caldera with excellent game viewing from the crater rim. The reserve has large herds of wildebeest and zebra, and lions and the endangered black rhinoceros. Tourism is also focused on the coast, especially the islands of Zanzibar, Pemba and Mafia. Game fishing and diving are the main attractions in these islands. There is also a wide variety of destinations for cultural tourism such as Maasai boma and Bushmen settlements. All these present high value investment opportunities.

Provision of Accommodation and Tourist Services

The development of Tanzania as a multi centre tourism destination offers considerable potential growth prospect and provides ideal opportunities for investment. New accommodation, entertainment

facilities, camping, lodges and guesthouses of international standards are needed in Tanzania. Joint venture opportunities are available in Kilwa, Zanzibar, Mafia, Dar es Salaam, Mwanza, Arusha, Iringa, Kilimanjaro, Selous, Katavi, Saadani, Serengeti, Babati and Bukoba.

Locations ranging from historical, cultural and archaeological sites to unspoiled beaches offer investment opportunities that cannot be matched anywhere in eastern and central Africa. Historical buildings that can be leased to private operators exist in towns such as Bagamoyo, Pangani, Tabora and Kilwa.

Opportunities for man-made tourist attractions like theme parks and gambling resorts are still untapped. Others include establishing amusement parks, deep-sea fishing and sea and lake cruising.

Tourism trends in Tanzania

	2007	2008	2009	2010
Arrivals	719,000	770,000	714,000	782,000
International tourists in hotels	674,000	724,000	665,000	719,000
Earnings in \$ millions	1, 198	1,315	1,159	1,254
Avg. number of days stay	12	12	11	11
Avg. expenditure per tourist per day	217	235	241	282

Source: National Bureau of Statistics



Need for more hotel rooms

There are 174 registered and licensed tourist class hotels, offering 11,568 rooms in Tanzania. Dar es Salaam leads in accommodation facility investments, the large hotels of international standards, including Serena Hotel, Southern Sun, Hyatt Kilimanjaro Hotel, Double Tree Hotel, Sea Cliff Hotel and White Sands Hotel. These have a combined room capacity of about 1,500.

The Hyatt Regency, a five star hotel with 180 rooms and suites, a casino and a ballroom for up to 400 guests.

The northern tourist city of Arusha has been developed with 91 hotel investments, including the leading Impala Chain, which manages Impala Hotel, Naura Springs, and the prestigious Ngurdoto Mountain Lodge on the middle of Mount Kilimanjaro and Mount Meru.

The Kilimanjaro region, famous for Mount Kilimanjaro and home of Tanzania's Arabica coffee, has been developed with 38 high-class tourist hotels and lodges, including Kilemakyo Mountain Lodge, Mountain Inn (Shah Tours), and Nakara Hotels.

The rest of Tanzania, excluding Zanzibar, remains with little or negligible hotel investments. Investment is required for additional hotel capacity in existing tourist locations and new investment in untapped areas.

Tour Operators and Agencies

An increasing number of tourists also provide excellent opportunities in the tour operators and agencies business as well as investment in manmade tourist attractions like theme parks and gambling resorts. Other areas, which provide excellent investment opportunities, include beach tourism, historical sites, developing amusement parks, deep-sea fishing and sea and lake cruising.

5.4. MANUFACTURING

The manufacturing sector is at its infancy stage with few exploited areas whereby unprocessed agricultural commodities have dominated major exports.

The manufacturing sector has shown steady growth over the years, registering 4% annual growth rate and a small contribution of 8% to the GDP. The sector employs around 140,000 workers mainly in the urban areas, making 48% of monthly paid employees. The sector contributes to the Tanzania economy through revenue collection of import and export sales, corporate tax, and income tax, contributing about 20% foreign exchange to the government, third after agriculture, and tourism.

The activities consist of manufacturing simple consumer goods like food, beverages, textiles, tobacco, wood products, rubber products, iron, steel, and fabricated metal products. This sector offers a wide range of opportunities to both potential local and foreign investors. Even though the Government puts emphasis on few manufacturing areas, which are textile, leather, and food processing, there are plenty of manufacturing area that offer attractive returns on investments.

Investors are advised to acquaint themselves with “ Sustainable Industrial Development Policy” that envisages industrialization of Tanzania during the first quarter of 21st century to become a semi industrialized country to the tune of contributing 40% of GDP. The potential for investment in this sector is great. Major players of this industry include Tanga (Holcim), Mbeya (Lafarge), and Portland (Heidelberg) cement companies, Tanzania Breweries Ltd (SABMiller), Tanzania Cigarette Company (JTI) and Kilombero Sugar Company (Illovo), etc.

Some areas of investments involve:

- **Fruit/Vegetable Processing:** Tanzania is richly endowed with a large variety of fruits and vegetables. Less than 10% of fruits and vegetables produced are processed. There is room for large scale production of a range of tropical as well

as temperate fruits and vegetables. The following are possible areas for investment: (1) Processing and canning factories in regions with high potential for production of fruits and vegetables (2) Open fruit and vegetables plantations for domestic and export markets. Potential areas for horticultural crops are Arusha, Kilimanjaro, Tanga, Morogoro, Dar es Salaam, Dodoma, Iringa, Mbeya, Mwanza and Kagera.

- **Cashew nut processing:** Tanzania is Africa's largest cashew nut grower after Nigeria and Ivory Coast, and the world's eighth biggest producer. Tanzania exported about 158,000 tons of cashew nuts in the 2011/2012 season. However, although 90% of the crop was harvested in the country, less than 10% was processed locally. The country is actively seeking to export processed cashew nuts. The total installed cashew nut processing capacities for the large firms in Tanzania in 2012 was about 94,000 tons per season. The Cashew nut Board of Tanzania (CBT) and the

Cashew nut Industry Development Trust Fund (CIDF) has set aside TZS 10 billion (US\$ 6 million) to boost local processing capacity. Opportunities exist for private investors to enter partnerships and joint ventures to boost local processing of cashew nut production.

- **Textile and apparel:** Tanzania is Africa's fourth largest producer of cotton; in 2012 it produced 354,000 tons and had 1.4 million ha. of plantings. The country ranks behind Mali, Burkina Faso and Egypt as Africa's largest grower of cotton, according to the Food and Agricultural Organization (FAO). Tanzania has more than 40 ginning companies, including S.M. Holdings Ltd., Alliance Gineries Ltd., Birchard Oil Mill Ltd., Afrisian Ginning Ltd. and Gaki Investment Co. Tanzania's cotton-planting season begins in October and ends in January, while harvesting takes place from June to December. Opportunities exist in establishing full-integrated textile mills as well as plants for cotton ginning, cutting, making, and trimming.

- **Leather:** Leather sector offers huge investment opportunities for manufacturing. Tanzania produces about 2.6 million pieces of raw hides and skins annually, whereas just 10% are processed locally and a large portion is exported in raw form. Opportunities in this area include putting up modern tanneries and leather finishing production units.

5.4.1. Export Processing and Special Economic Zones (EPZ)

EPZ and SEZ provide for a wide range of investment operations within the zones or within the stand alone industrial park, investors in this category are provided with operators' license and start their business immediately without any need of having another license. An investor might choose to invest but not limited to the following sectors:

1. Agriculture and agricultural products.
2. Metal products, machinery and transport equipment.
3. Electronics and electrical appliances.
4. Chemical, paper and plastics.
5. Light industries.
6. Mining, ceramics and gemstones.



Qualification to invest in SEZ:

Any investor can qualify to invest under Special Economic Zone Scheme provided he fulfills only these simple criteria.

- The investment must be new.
- Annual export turnover should not be less than US\$ 5 million for foreign investors and US\$ 1 million for local investors.
- Adequate environmental protection systems.
- Utilization of modern production process and new machinery.
- Investments must only be located in SEZ industrial parks.

Eligibility criteria for SEZ user licensing:

- New investment
- Minimum capital of US\$ 500,000 and US\$ 100,000 for foreign and local investors respectively
- The investment must be located in the Special Economic Zone

Eligibility criteria for SEZ Export user licensing:

- New investment
- At least 80% of goods produced/processed should be exported
- Minimum annual export turnover of US\$ 500,000 and US\$ 100,000 for foreign and local investors respectively

The EPZ policy places emphasis on products that use local materials, such as textiles and garments, leather goods, agro-processing, and the lapidary industry. The EPZ activities are regulated by the Export Processing Zones Act no.11 of 2002. The Special Economic Zones Act 2006 outlines areas, such as industrial parks, export processing zones, free trade zones, free ports, tourist parks, science and technological parks, etc; as areas that may be regarded as special economic zones. The special economic zones also invite light industry in specific regions, such as Dar es Salaam, Tanga, Kigoma, and Mtwara. The Exemptions under EPZ and SEZ are available under their respective laws.

Multiple incentives for SEZ investors:

1. Exemption from payment of taxes and duties for machinery, equipment, heavy duty vehicles, building and construction materials and any other goods of capital nature to be used for purposes of development of SEZ infrastructure;
2. Exemption from payment of corporate tax for an initial period of ten years and thereafter a corporate tax shall be charged at the rate specified in the Income Tax Act;
3. Exemption from payment of withholding tax on rent, dividends and interest for the first ten years;
4. Exemption from payment of property tax for the first ten years;

5.5. OIL AND GAS EXPLORATION AND PRODUCTION

There have been several gas discoveries on the coastal shore of the Indian Ocean at Songosongo, Mnazi bay and Mkuranga in Coast Region. These discoveries are catalysts of natural gas developments in Tanzania. Currently there are 22 Oil Companies undertaking exploration activities for oil and gas in the country. These companies include: BG Group, Statoil, Petrobas and Ophir Energy. Tanzania is becoming a regional hub after flurry of discoveries, it is said to be blessed with over 41.7 trillion cubic feet of gas reserves at the latest estimates.

There are still numerous deep-sea blocks that are yet to be explored. Tanzania Petroleum Development Corporation (TPDC), the National Oil Company is inviting oil and gas companies and other specialized investors to participate in the exploration of hydrocarbons in Tanzania. Companies may apply for tendered out blocks for available blocks, successful companies will be invited to negotiate a Production Sharing Agreement (PSA).

Currently, an open acreage includes the deep offshore sedimentary basin comprising of 7 blocks, each with average size of 3,000 sq. km, that are located between 2,000 meters to 3,000 meters of water depths from 20° 30'E to 41° 40'E and 7° 30' to 9° 00S and North lake Tanganyika block located offshore on the western arm of the East African Rift



System. The Deep offshore blocks have a good coverage of modern regional 2D seismic data, which can be viewed at the ION GX Technology of Huston, Texas and WesternGeco of UK. Lake Tanganyika is the world's longest (650 km) and second-deepest (1,500 meters). It is covered by sparse 2D seismic data, which were collected in the year 1980s during the African lakes drilling Project.

For those interested in open acreage onshore or who wish to buy deep-sea data, they may contact:

Permanent Secretary

Ministry of Energy and Minerals
P.O. Box 2000
Tel: +255 22 117153/9
Fax: +255 22 116719
E-mail: mem@mem.go.tz

Managing Director

Tanzania Petroleum
Development Corporation
P.O. Box 2774
Tel: +255 222200103/4
Fax: +255 222200113
E-mail: tpdcmd@raha.com





5.6. MINING

The Tanzania Mining industry is highly important due to that it accounts for a significant share of the country's export revenues. The Government's plan is to have this sector contribute 10% of GDP by 2025. Besides a few major companies, such as African Barick Gold, AngloGold Ashanti, Williamson Diamonds Limited (WDL), etc., this sector contains several medium scale companies and a cluster of small-scale mining companies. Key mineral deposits include coal, copper, diamonds, gold, nickel, silver, uranium, and Tanzanite gemstone, which is found nowhere in the world other than Tanzania. Even though the current

discoveries of huge deposits of gas may change the equation, the Government had a long view that coal should become one of the fastest growing areas in Tanzania, mainly because the country planned to deploy coal-fired power to offset the shortage of energy.

This sector presents plenty of investment opportunities, such as:

- Establishment of gold refinery activities
- Establishment of value added activities:
- Gemstone cutting & polishing (lapidary);
- Rock and mineral carvings;
- Jewelry manufacturing utilizing gold and gemstones;

- Mineral processing industry - e.g. smelters (amount of Cu -Concentrates)
- New areas in mineral exploration:
- Industrial minerals beneficiation for local consumption & export - e.g. lime production, soda ash, kaolin, gypsum, coal, iron ore, dimension stones etc.
- Base metals including platinum group metal (PGMs)
- Service industry:
- Supply equipment & materials e.g. explosives, grinding media, mill liners etc. under JVs with Tanzanian entrepreneurs
- Drilling

5.6.1. Reasons to Invest in Tanzania Mining Sector

1. Over 800,000 sq. km of varied geological terrains with potential mineral resources
- Ongoing exploration works, which resulted in discovery of resources in excess of 45 million ounces of gold, 1.5 million tons of nickel and 50 million carats of Tanzanite
- An Achaean shield environment with a number of classical Canadian-and-Australian-type greenstone gold lode deposits, many capped by tropically weathered enrichment zones
- An extensive Proterozoic terrain containing lode and near-surface gold deposit types, now attracting exploration attention in South America, West Africa and elsewhere
- Potential for epithermal gold deposits in the faulted younger rocks on the coastal plain
- A world-class diamondiferous kimberlite at Mwadui and more than 200 other kimberlites, many of which are yet to be thoroughly evaluated
- Scores of occurrences of high-value coloured gemstones, such as emerald, ruby, tsavorite, sapphire, tanzanite, and alexandrite

5.6.2. Mineral Endowments

Tanzania has over 800,000 sq. km of various geological terrains with potential mineral resources:

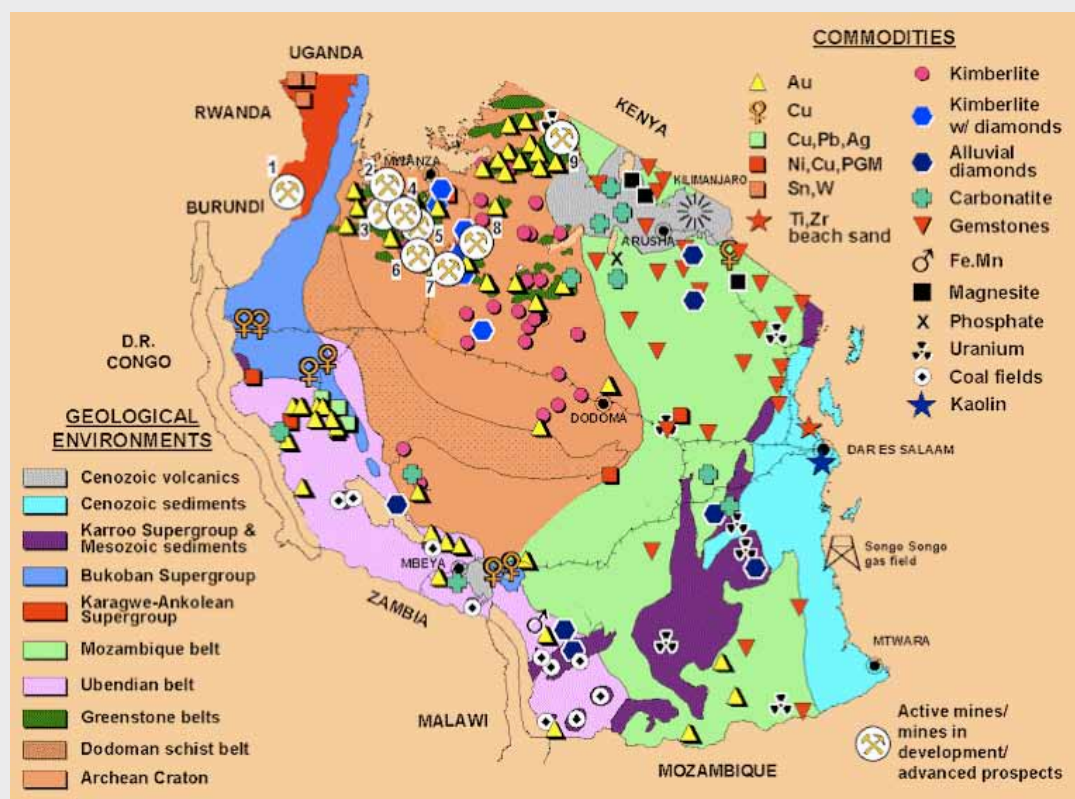
- Gold in Archaean greenstone belts - south and east of Lake Victoria
- Gold and base metals in Proterozoic rocks in southwestern, southern and eastern parts of the country
- Kimberlite pipes in central and southern portion of the Archaean craton and in proterozoic south and east of the Craton
- Gemstones such as tanzanite, ruby, sapphire, spinel, tourmaline, topaz, scapolite, aquamarine, emeralds, amethyst, garnets (tsavorite, rhodolite, hessonite, almandine, pyrope, etc.) in Proterozoic rocks east, west and south of the Archaean Craton

- Nickel, copper and cobalt associated with ultramafic rocks Western part of the country
- Tin and tungsten in Proterozoic rocks North western part of the country
- Iron ore in Proterozoic rocks southern part of the country
- Coal in Karoo System southern part of the country
- Evaporates such as gypsum, salts in the rift valley and along the coastal belt
- Industrial minerals such as limestone, kaolin, diatomite, phosphates, graphite in different parts of the country.

5.6.3. Competitive advantages of the Mining Sector:

- Considerable unexploited mineral potentials;
- Good investment climate through policy, legal, institutional reform;
- Attractive fiscal package;
- Social and political stability;
- Accessible geological data and information; and
- Transparent process of granting mineral rights
- For more information regarding this sector, please refer to the publication known as “opportunities for mineral resource development” prepared by and available at the Ministry of Energy and Minerals.

Exhibit 1: Mineral Deposits Map



5.7. REAL ESTATE

It is projected that half of Tanzania's 45 million population will have moved to urban centres in the next 20 years, more has to be done in terms of offering more housing loans and constructing homes to meet the ever-growing housing needs.

Dar es Salaam, Tanzania As evidence, the major urban areas, namely Dar es Salaam, Mwanza, Tanga, Arusha and Mbeya, continue to experience a rapid population growth, as do dozens of smaller towns and townships. For over three decades, the urban population has been growing faster than the supply of descent living homes for the urban dwellers.

Accommodation in Dar es Salaam and other cosmopolitan areas is in acute shortage due to, among other reasons, the rapid growth of economic projects, which have attracted a huge population of persons (international and local) with the need of residence. Investors may form a synergy with National Housing Corporation (NHC) or Tanzania Building Agency (TBA), or other private firms

and provide commercial building solutions for residential and commercial purposes. Some specific opportunities in this sector include:

- Development and management of housing estates
- Erection and management of residential apartments
- Development and management of office buildings
- Building and management of conference and banquet facilities
- Creation and management of shopping malls
- Setting up and managing movie theatres and entertainment facilities
- Development and management of hotels
- Establishment and management of mixed use real estate properties
- Provision of home financing, etc.





5.8. TRANSPORTATION

There has been a sustained effort on the part of Government to create essential transport infrastructure and services to improve access to jobs, education and health facilities and also to facilitate domestic and international trade as well as strengthen regional integration and attract foreign investment

Transport services grew by 6.0% in 2009 compared to 6.9% in 2008, based on latest figures available. However, the subsector's contribution to GDP grew from 4.2% in 2008 to 5.2% in 2009.

Institutional Sector Reforms

The Ministry of Infrastructure Development oversees the development of the transport sector in the country. It has instituted several reforms aimed at improving transport infrastructure development and management. Among the reforms is the transforming into semi-autonomous agencies whose functions are of operational or service delivery nature. Operational Agencies are Tanzania National Roads Agency (TANROADS), Tanzania Airports Authority (TAA), Tanzania Meteorological Agency (TMA), Tanzania Government Flight Agency (TGFA), and Tanzania Electrical, Mechanical and Electronic Services Agency (TEMESA). Reforms have also resulted into the establishment of transport regulatory authorities that include Surface and Marine Transport Regulatory Authority (SUMATRA) and the Tanzania Civil Aviation Authority (TCAA).

The reforms include increasing private sector participation in the transport sector through management contracts and/or outright sale of parastatal.

Government's 5 Year Development Plan:

The Government has set various specific goals towards achieving the Vision 2025 and the Five Year Development Plan. Such goals include:

1. Maintaining and upgrading existing railway lines in order to increase the current tonnage of cargo that is transported within and through Tanzania to neighbouring countries. The specific goal is to strive to reach the 2.3 million tons by 2018 and then increasing that tonnage to 4.0 million per annum by 2023
2. Expanding cargo volume handling capacity at sea ports and lake ports from the present 10.0 million tons handled annually to 20.0 million by 2020
3. Development of effective modal interfaces on the sea and inland water ports, and inland cargo and passenger terminals to promote inter-modal transport thereby reducing tariff and travel and delivery times for upcountry and transit traffic
4. Expanding Tanzania's air cargo and passenger freight handling capacities and specifically developing Julius Nyerere International Airport into a hub by 2020
5. Developing and strengthening institutions to implement strategic PPPs in transport infrastructure

Exhibit 2: Tanzania Trunk Road Map



5.8.1. Investment Opportunities Available in Roads

- Building road related infrastructure through Build Operate and Transfer
- Partnership among private operators to create medium-size commercial fleet operators
- Establishment of the commuter city bus transportation companies
- Provision of infrastructure facilities in major cities like Dar es Salaam. These facilities may include Parking, Bus Bays and Shelters
- In an endeavor to promote PPPs in infrastructure investment, Tanzania is about to enact a legislation which will provide the necessary legislative framework for toll roads, which covers the following areas:
 - Grant of concession to the private sector and the right to levy and collect user charges
 - Specification of highway functions that need to be exercised by the concessionaire
 - Toll setting and revision mechanism

5.8.2. Investment Opportunities Available in Railways

The railways system has a total track length of 3,676 km, which are operated by two railway systems: the Tanzania Railway Limited (TRL)-2,706km and Tanzania-Zambia Railway Authority (TAZARA)-970 km. The two systems interface at Kidatu and at Dar es Salaam port. Together, the railways serve 14 of the 21 regions of Mainland Tanzania. They also serve neighbouring countries of Zambia, DRC, Burundi, Rwanda, Uganda and Malawi.

The system is requires investment, particularly the TRL network, to upgrade the network and improve operations in order to meet demand and to compete against road transportation. Tanzania Railways Limited carried a total of 237,000 tons of cargo in 2009 and a total of 285,000 passengers were transported in 2009.

- Develop inland container depots and inter-modal container operations
- Specialized railway maintenance and construction
- Expand railway network through various schemes including Build Operate and Transfer (BOT), Build Own Operate Transfer (BOOT) etc.
- Possible areas for expansion are Isaka-Kigali, Arusha - Musoma, Uvinza - Kasulu - Magamo (Burundi), and Mbamba Bay - Mtwara
- Own Locomotives and rolling stock for on account usage
- Develop Inland Container Depots (ICD) and International Container Operations (ICO) at Mwanza, Kigoma, Tabora, Morogoro, Arusha, Tanga, Shinyanga, Dodoma and Mpanda
- The major area for investment includes, the construction of a railway line to link TAZARA railway and the mining sites of Mchuchuma coal and Liganga iron fields so as to export mines via Dar es Salaam port or Mtwara port. This project is under the Mtwara Development Corridor

5.8.3. Investment Opportunities Available in Maritime Transport

Both sea and inland waterways ports in Tanzania are managed and operated by the

Tanzania Ports Authority (TPA). The port of Dar es Salaam is one of the key entry points into the East Africa region with an annual throughput of 7 million tons handling about 93% of Tanzania's port traffic.

Maritime transport vessel in Dar es Salaam It is also an important outlet for neighboring land-locked countries. In 2009 it had a rated capacity of 4.1 million (dead weight tonnage) dry cargo and 6.0 million (dead weight tonnage) bulk liquid cargo. Cargo volumes handled at the port have expanded by 15% per year since 2004.

- Supplying of provisions to ships such as fresh water, brokers and slop chest for ships
- Providing ships docking facility - Synchro Lift/engraved Dock. Possible areas for investing are Tanga, Dar es Salaam, Mtwara ports; and Mwanza on Lake Victoria, Kigoma and Kasanga ports on Lake Tanganyika and Itungi on Lake Nyasa
- Private operator's participation in providing marine services over Lake Victoria, Tanganyika and Nyasa
- Provide dry docking service to ports
- Build a car freight station and freight village which will offer an opportunity for consolidating cargo handling activities in the port, rail and road in a designated area

5.8.4. Investment Opportunities Available in Air Transport

There are 126 airports in Tanzania including airstrips serving domestic and international traffic. 62 of the airports and airstrips are owned and managed by the government. Tanzania has 4 international airports located in Dar es Salaam (JNIA), Zanzibar (ZIA), Kilimanjaro (KIA), and Mwanza (MWZ).

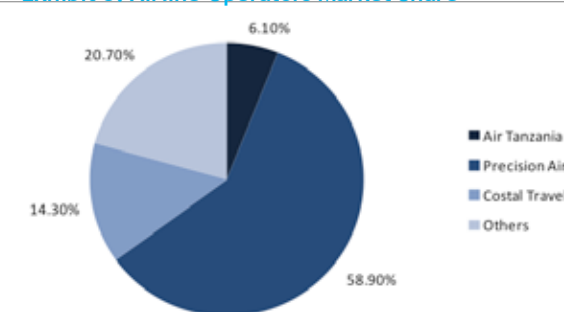
The government through the Tanzania Airports Authority (TAA) and Tanzania Civil Aviation Authority (TCAA) has implemented a number of development projects which are designed to further modernize the airports, particularly: JNIA, KIA and ZIA.

In 2009 there were 63 aviation industry providers and about 1 million international travelers.

- Establish a new airline to compete with existing service providers
- Building of hotels at an Airport-Mwalimu Nyerere International Airport, Mwanza and Arusha;
- Building Warehousing facilities including cold storages at Mwalimu Nyerere International Airport, Mwanza and Kigoma
- Building a shopping complex at Mwalimu Nyerere International Airport and Mwanza Airport
- Building of hanger facilities at Mwalimu Nyerere International Airport, Mwanza and Arusha Airports
- Extension of Terminal Building at Mwalimu Nyerere International Airport
- Development of EPZ at Mwalimu Nyerere International Airport, KIA, Mtwara, Kigoma and Mwanza Airports
- Construction of first and business class lounges at Mwalimu Nyerere International Airport
- Lease of the entire lake Manyara, Shinyanga and Moshi Airports for development of aviation related activities

Please refer to the next exhibit for more details regarding key airline operators and market share.

Exhibit 3: Airline Operators Market Share





5.9. SERVICES

Tanzania's service sector has increased in the last few years relative to other sectors. Tourism, real estate and business services helped the broader service sector grow to an estimated 43.8 percent of Tanzania's GDP in 2007. A worth noting point is how important the Public Private Partnership concept in terms of bridging the gap between the need and supply of high quality services that

require substantial amount of initial capital investment. Some of these services include transport and communications, which are essential public utilities, but which, in a developing economy, are too expensive for the Government alone or the private sector to execute, but which, due to the essential nature require close coordination between public and private partnership.

Similarly, utilities like electricity and water are essential services which the public needs, but which also, in developing economies, may be too expensive for either the Government or the private sector to individually execute. These services therefore require some sort of concerted efforts between the government and partners in the form of Public -Private Partnership (PPP). The Services Sector is thus one vast area where PPP Partnerships seem to offer appropriate solutions in implementation for the public good, and where investments can be planned and accomplished in coordination between the Government and the private sector.

5.10. INFORMATION & COMMUNICATION TECHNOLOGY

Tanzania has made remarkable progress in deploying Information and Communication Technology ICT. This progress has been well received by the citizens and service providers who are striving to address unmet demand and competition in newly opened markets. Development of science, technology and innovation capabilities are critical in bolstering the country's competitiveness. The goals and targets discussed in Vision 2025 that are especially relevant to competitiveness are promotion of science and technology; education; and promotion of ICTs. The fact unquestionable by many is that productivity growth is driven by the adoption of technology.

Utilizing latest technology in new media ICT will play a crucial role in the transformation process from a resource-based to a skill-based and technology-based economy in order to transform the country's production structure. The ICT sector in Tanzania offers plenty of investment opportunities. Some of the opportunities include:



- E-Business
- Provision of media services
- Supply of digitization equipment
- Software development
- Business process outsourcing
- Rural communication (internet villages)



- Data storage area networks
- Hardware assembling
- Call centres
- Integrated solution planning
- Financing of the National ICT Infrastructure Backbone
- Multimedia development
- Establishment of ICT village hubs
- Hardware assembly and repairs, etc.

5.11. FINANCIAL INSTITUTIONS

The banking system in Tanzania (which dominates the financial system) is liquid and resilient to most of the shocks. Despite some indications of progress resulting from the reforms, the system falls short of what is needed to support economic growth. This results in high interest rates on loans, currently 12% to 20%, while the interest rates on deposits are at 2%.

The banking sector in Tanzania has been booming, growing in assets and in profits. Because of this, new merchant banks, commercial banks, bureau de change, insurance companies, a stock exchange and related financial units, have entered the market. There are four categories of banks, oriented towards different markets and clientele operating in Tanzania: local private banks, regional banks, international banks and multinational banks. Overall, the outlook for the banking industry in Tanzania is very positive and there are appealing opportunities for newcomers to the sector.

Tanzania's higher-than-average economic growth rate is fuelling the emergence of an educated middle class that aspires to



Over the last two decades, the financial landscape in Sub Saharan Africa has changed enormously. Hand in hand with the various reform programs that have been adopted by many countries in Africa, the banking system across the continent has grown significantly, keeping pace with the remarkable economic growth witnessed in many African countries. The banking

The system has not only increased in scale, but now offers a wider range of services across a much wider geographic coverage than it did a decade ago



Prof. Benno Ndulu

Governor, Bank of Tanzania (2012)



achieve a more affluent lifestyle in which traditional depository, credit, insurance, and investment products play an important role. The expansion of this middle class is expanding national demand for financial services from established providers and could represent a new opportunity for financial services companies looking for growth.

Currently, there is a positive trend in lending to SMEs that is producing greater confidence in their growth potential among financial institutions and, more generally, in the economy as well, which is generating a positive spiral. In addition, the government is also introducing new laws that are expected to enhance lending activities.



5.12. TELECOMMUNICATION

The Communication Act of 1993 paved the way for advancement of the telecommunication sector, while the National Telecommunication Policy (NTP) of 1997 provided the framework for further reforms and private-sector engagement in the sector. A milestone in telecom sector was achieved by the establishment of the Tanzania Communications Regulatory Authority (TCRA) in 2003, as an independent agency for the regulating and licensing of postal, broadcast, and communication, industries. The TCRA is mandated to promote competition and economic efficiency, protect consumer interests, grant licenses and enforce license conditions, regulate tariffs, and monitor performance. Please refer to the next exhibit regarding subscribers of voice telecommunication in Tanzania.

Communication activities continue to grow at a rate of 20% annually due to increase in mobile phone activities. Major providers of mobile services include Vodacom, Airtel, Tigo, TTCL, and Zantel. Tanzania is now connected to the fiber optic cable to global networks through India and Europe. This

Exhibit 11: Subscribers of Voice Telecommunications in Tanzania

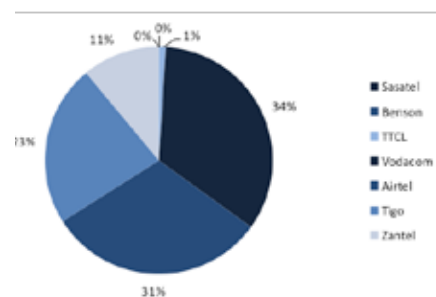
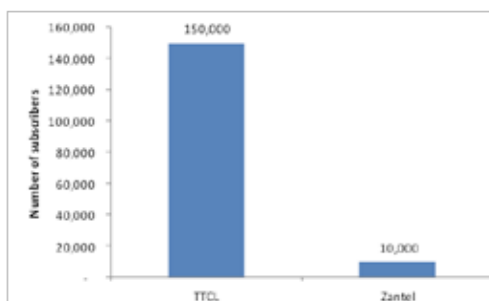


Exhibit 5: Subscribers of Fixed Networks in Tanzania



Source: Tanzania Communication Regulatory Authority (TRCA)

development has resulted in increased investments by internet service providers (ISP). As indicated by TCRA, the number of internet users was 4.9 million (2010 estimates), which implied that only 20% percent of people in Tanzania had access to internet services. During the same year 2010, the tele-density of telecommunication sector grew by 50% percent. Please refer to figure below for more information regarding subscribers of fixed networks in Tanzania.

The TCRA has also approved a Converged Licensing Framework (CLF), which allows operators to offer any type of services with the technology of their choice with one single license. The licenses are technology-neutral and service-neutral. Following such convergence in licensing, Tanzania's telecommunication sector has become more appealing to both Foreign Direct Investment (FDI) and domestic capital, and is becoming one of the country's fastest growing sectors. Telecommunication market potential indicated positive signs, such as penetration rate of 61% percent; 24,345,279,292 minutes

of national traffic; 201,827,164 minutes of traffic to international; and 253,811,569 minutes of traffic from international. This sector offers numerous investment opportunities, such as:

- Provision and operation of Private Network Links employing cables, radio communications, or satellite, within Tanzania
- Provision and operation of Public Mobile Communications (Cellular Mobile telephony, Paging, and Trunked Radio)
- Provision and operation of Community Telecommunication (Rural and Urban)
- Provision and operation of Value Added Network/Data Services (Internet, Voice Mail, Electronic Mail services)
- Sales and installation of Terminal Equipment
- Repair and maintenance of telecommunication facilities, and
- Cabling (e.g. Telephone-external and internal wiring for residential, office etc.).

5.13. ENERGY

Tanzania is endowed with diverse energy sources including biomass, natural gas, hydro, coal, geothermal, solar and wind power and uranium, much of which is untapped. Commercial energy sources i.e., petroleum and electricity, account for about 8% and 1.2%, respectively, of the primary energy used. Coal, solar and wind account for less than 1%.

Tanzania has per capita electricity consumption of 46/KWh per annum, which is growing at the rate of 11 - 13 per cent. Hence the government is encouraging investment to expand generating capacity, distribution system and developing indigenous sources of energy.

At present, 21% of the population with about 7.4 percent in the rural areas has access to electricity. Considerable scope exists for accelerating the production of electricity to meet the growing demand especially in the rural areas through off-grid solutions.

The Tanzania power sector is dominated by a single vertically integrated national utility, Tanzania Electricity Supply Company Ltd (TANESCO). The total grid installed generation capacity of both TANESCO's power plants and private producers is currently at 1,438.24 MW, whereby 561 MW is generated from TANESCO owned hydro power stations and thermal 658 MW. National electricity connectivity is about 14%. The contribution of non-hydro renewable energy for power generation is less than 5%. The following investment opportunities exist in the energy sector:

- Generation, transportation and distribution of energy from various sources
- Power infrastructure development, rehabilitation and expansion
- Extraction of biofuels - Ethanol from sugar; Biodiesel from palm oil and jatropha
- Construction of Petroleum pipeline and Petroleum products offloading terminals development of upcountry storage and distribution facilities
- Geothermal exploration and development
- Rural Electrification
- Development of new and renewable energy resources, and
- Promotion of energy efficiency and conservation initiatives

Tanzania is a participating member to Southern African Power Pool and Eastern Africa Power Pool. Tanzania plans to join various regional interconnectors to countries like Zambia, Mozambique, Kenya, Ethiopia, Uganda, and Rwanda. These interconnectors provide opportunities for power trading in the region.

Wood-fuel accounts for up to 90% of total national energy consumption, with about 2% from electricity and 8% from petroleum products. Whereas Tanzania has plentiful natural gas, coal, hydropower, solar and biomass resource potential; it has one of the world's lowest levels of electricity consumption per capita. Considerable scope exists for accelerating electrification to meet the growing demand, especially in the rural areas through off-grid solutions.



5.14. BROADCASTING

Broadcasting sector constitutes few players who own multiple TV stations and or radio channels. IPP Media, for instance, owns three TV channels, namely ITV, EATV, and Capital. Africa Media Group owns four TV channels, known as DTV, Channel 10, CTN and C2C, whereas Tanzania Broadcasting Corporation owns two TV channels, TBC1 and TBC2. Most current information available from TCRA indicated that, there are now 29 television stations and 47 radio stations nationwide. With regards to radio broadcasting, FM radio stations dominate the airwaves, most of them focusing on musical entertainment. As of December 2012, TCRA managed to perform a digital broadcast switch, which entails the end of analogue broadcast as most broadcasting is now digital, the fact that improved the signal quality and increased the coverage area.

Given the amount of broadcasting players in addition to the nature of products, this sector offers an attractive environment for further investments. Some specific areas of investment are mentioned in the next bullet paragraph. Radio broadcast media also

presents lucrative areas of investing, thanks to TCRA's digital switchover initiative. The broadcasting sector [both TV and radio] presents plenty of investment opportunities, such as:

- Establishment of television production companies
- Creating mainstream television programs for international market
- Provision of local content television channels for local market
- Management of the programs data stream
- Service of program guide
- Channel capacity and reconfiguration management
- Transmission path redundancy and fail-safe systems
- News systems [for gathering and processing news]
- Digital audio equipment (for production and processing)
- Archiving (for the storage of audio and text)
- Automation (for scheduling & control), etc.



6. Other Areas of Investment

Education Sector
Health Sector
Insurance Services
Security Services
Construction Industry
Water and Sanitation
Integrated Waste Management

6.1. EDUCATION SECTOR

The demand for investment in educational services is also enormous. The government endures the most of providing education to most of schooling population. Lately, the private sector has been involved to a certain extent, but the fact remains that, the capacity of educational institutions—from

elementary to college levels—can hardly accommodate just a proportion of the huge supply of prospective students. Despite the achievements made in this sector, in order to meet the demand for skilled labor by 2015/16, institutions of higher education need at least 80,000 skilled graduates each year, which implies almost two times of the current enrollment.

In addition, Vocational Training schools shall need to produce approximately 635,000 compared to current 116,000. These educational goals are in line with the Government's objective to have 26,000 physical scientists; 88,000 architects and engineers; 22,000 life scientists; 64,000 medical, dental, and veterinary scientists; 30,000 economists; 63,000 accountants; etc. So as to cope with globalization and local skill needs in knowledge based economy, the education sector plays a huge role hence opportunities to establish "centres of excellence" in the hospitality industry, agriculture, trade, manufacturing, financial services, engineering and information technology, to produce high skilled manpower. In summary, investment opportunities in the education sector may be explained by referring to the government objectives [as laid down in 2011-16 development plan], which involves:

- Improve availability of skilled labour
- Train diploma and grade A teachers in Teachers' colleges
- Improve learning and teaching environment for Folk Development Centres/Colleges
- Provision of scholarships for targeted skills (development of natural gas, uranium, iron and steel and petroleum)
- Improve and increase the number of training centres and programmes as suggested in the strategic interventions and/or activities/projects of each of the core priority sector
- Improve accessibility and equity at all levels of education
- Improve quality at all levels of education
- Increase student enrollment in science and engineering, education, agriculture and health profession.





6.2. HEALTH SECTOR

Tanzania Government in association with several stakeholders has continued to pursue improvements on availability along with the standards of health services. Reproductive and child health services are among key priority areas with an intention to reduce maternal and child mortality rate. As of 2010, there were 6,321 health facilities in the country with a total number of 45,241 beds. The health care continues to show some improvements, in particular by looking at health indicators. The achievements in health care were mostly due to some specific Government interventions.

Besides the achievements made, there are still some areas that need further improvements, such as the number of health care facilities and skilled health care workforce. As evidence, only 35% of required skilled health care personnel were active in rural areas (2009 estimates). For those who wish to invest or give a hand into the health care sector, there are numerous opportunities, especially as demonstrated in Tanzania's Five Year Development Plan (2011-2016) with emphasis on improving health services and strengthen the management of health care system.

By the end of 2016, the government intends to reduce the burden of Malaria by 80%, In-



crease and strengthen services for the care and treatment of those with HIV/AIDS down to 800,000, reduce prevalence and death rates associated with tuberculosis by 50%, increase the percentage of deliveries attended by skilled health care workers from 46% in 2004 to 80%. Obviously, these government objectives infer opportunities in establishing more private health centres and dispensaries, additional medical training facilities, modern diagnosis and health service equipment, extra ambulances and other life-saving items, plus other amenities that will enhance government capacity in its objective to improve the accessibility and quality of health services. Some specific investment areas involve:

- Creating mechanisms and methods for care and rehabilitative treatment services at all levels
- Providing resources to facilitate the construction and rehabilitation of health facilities at all levels
- Offering housing and other incentives for public health workers
- Providing training for health personnel (medical doctors, nurses and paramedical graduates, laboratory technicians)
- Offering health tools and equipment at all levels
- Establishing pharmaceuticals and offering drugs for curative and preventive measures
- Providing health information systems to facilitate efficient health planning and programs

6.3. INSURANCE SERVICES

Both present and future market environment offers enormous opportunities for growth of the insurance industry. Data obtained from the Insurance Supervisory Department (ISD) indicated that, insurance market size (with respect to premiums) increased by 33.6% to TZS 154 billion in 2007. The projected average annual growth rate was 15% for subsequent five years. According to the ISD, there was a growing demand for insurance. The growing demand was due to several factors, such as regained public confidence in insurance services and government's efforts to create wealth.

Regulatory environment creates great opportunity for success to industry, for example, section 111 of insurance act of 1996 and insurance regulation 33 that requires all insurances for locally based risks must be placed within Tanzanian insurers in order to boost the market. An increasing number of individuals and institutions who need insurance services is a clear indicator of the potential insurance market. Currently, there is a huge population of individuals, groups, and institutions, which is not covered by any insurance plan. This untapped segment may offer a significant potential market if appropriate strategies are carried out to reach them. Insurance sector in Tanzania offers plenty of assurance, reinsurance, and reinsurance, business opportunities. To be specific, some

areas of investment available in the business of providing insurance services include:

- Accident
- Sickness
- Land vehicles
- Railway rolling
- Aircraft
- Ships
- Goods in transit
- Fire and natural forces
- Damage of property
- Motor vehicle liability
- Aircraft liability
- Liability for ships
- General liability
- Credit
- Suretyship
- Miscellaneous
- Legal expenses
- Assistance
- Life insurance
- Pension
- Permanent health





6.4. SECURITY SERVICES

There are few security firms operating in Tanzania relative to the market potential. Factors such as rapid gains in economic activity, rising personal incomes, foreign direct investment activities, and the increasing belief that public safety forces are overburdened or unable to provide sufficient protection, are positive signs in this sector. High increase of banks imply more opportunity to provide cash-in-transit security, high speed construction of office facilities indicates more room for security providers, and the influx of more firms engaged in exploration and extraction of gas, oil, and other minerals, is a clear indicator of promising security services market.

The demand for security services in Tanzania is increasing due to the drivers of demand for security services, such as urbanization, real and perceived risks of crime and terrorism, belief that public safety measures are not efficient, and most importantly, the growth of the middle class, with assets to protect

and the means to pay for supplementary services. The intensity of security service use (measured against indicators such as GDP and urban population) in Tanzania is relatively low, indicating significant growth potential now and towards the unforeseen future. Furthermore, increasing regulation and a trend toward greater professionalism improves public trust in security service businesses, thereby driving the market size.

6.5. CONSTRUCTION INDUSTRY

With Tanzanians' intent to improve roads, the demand for constructing roads is very high. Good trunk roads are needed not only to connect regions but also the demand is increasing in also connecting district headquarters.

New skyscraper construction in Dar es Salaam. The demand therefore is huge in investment in road construction even if to facilitate transport of produce from rural to district markets, and to facilitate economic activities. While the Government reserves a substantial amount of its budget for road construction each year, there is also a room for those construction companies that source funds in special arrangements from their native countries. Civil construction is also booming for both commercial and residential buildings to accommodate for the high demand of office premises as well as residential houses. Some specific investment areas in the construction sector involve to:

- Construct tarmac and non-tarmac roads to connect districts, regions, and other nations
- Build housing estates

- Construct residential apartments
- Build office buildings
- Construct conference and banquet facilities
- Build shopping malls
- Construct movie theatres and entertainment facilities
- Build hotels
- Construct mixed use real estate properties
- Offer construction support services, such as financing and provision of construction materials.

6.6. WATER AND SANITATION

Water is one of the country's most important natural resources. Tanzania is not only endowed with some of the world's largest lakes, it is also covered with a myriad of rivers and basins. Many of the country's sectors rely on water as a major input of production, but two sectors stand out as being particularly reliant on water: the agriculture and the energy sectors. As revealed by the government budget speech, just about 1 percent of the 29 million hectares available for cultivation in the country are irrigated. Increasing the water supply to those fields through irrigation would positively affect the growth rate of the sector and the productivity in crop production as a whole. In addition, around 59 percent of the country's electricity is

produced by hydro-energy, making it by far the first source of energy production. A close monitoring of the dams and plants and the water flow reaching those facilities will be crucial in order to stabilize the electricity supply in the coming years.

Provision of safe water and good quality sanitation facilities is of primary importance to ensure the well-being of the people. At present, the share of population with access to safe drinking water stands at 57.8 % in rural areas and 86 % in urban areas. Based on the World Bank WDI data, Tanzania has a long way to go with regard to its performance in the provision of safe water services. Particularly, in parts of the Central Region, women and children still commute long distances every day to fetch water. Around 11 percent of the rural population has no access to sanitation facilities, compared to 1.5 percent in the urban areas.

Knowing the need to significantly increase investments in water supply and resources infrastructure in the nation, the Government set numerous operational objectives designed to improve water and sanitation sector, such as expansion of irrigation land, ensure reliable water supply to key production sectors and services (agriculture and industry), stabilization of hydro power generation, ensure reliable water sources for domestic use as one of the indirect production factors towards economic development. Specific opportunities in this sector, based on Government intervention initiatives, are prevalent in terms of:

- Strengthen water resources management to cater for social-economic activities (irrigation, hydropower generation, industrial, domestic use and for ecosystem)
- Scale-up rural water supply services
- Improve water supply services in Dar es Salaam
- Enhance water supply services in district and small towns
- Increase water supply services in regional centres
- Improve sanitation facilities in urban and rural areas
- Advance water pollution control and monitoring

6.7. INTEGRATED WASTE MANAGEMENT

The avenue of providing solutions for solid waste management in the country presents enormous opportunities, especially in Dar es Salaam and other major cities like Mwanza and Arusha. Dar es Salaam city produces a substantial amount of metric tonnes of solid waste per day. Management of this waste

through recycling will reduce environmental pollution and offer employment opportunities through commercial ventures. Investors are highly welcome to invest in solid waste management. Recycling of waste can be undertaken through various forms, such as Public Private Partnerships (PPPs) or a private sector initiative, and may be extended to other cities and towns in the country. Specific areas of investment interests include:

- Waste disaggregation
- Sanitary landfills
- Recycling
- Sewerage systems maintenance
- Cleaning of the polluted rivers and other areas
- Modern waste management equipment, such as self-loading trucks, mixers, sorters etc.
- Establishment and maintenance of public parks along the selected river banks



7. Investment Incentives

With an investment climate supported by a sound regulatory framework, improved infrastructure, high quality telecommunications, and a reasonably professional workforce, the Tanzania's economy is dynamic and offers substantial tax and other incentives that are designed to encourage investment projects.

7.1. INVESTMENT TAX INCENTIVES

Tanzania recognizes the importance of investment in stimulating economic growth and development in the country and creating a potential for sustainable future revenue generations. A number of tax incentives are granted to both local and foreign investors in a variety of sectors in order to encourage investment.

An Investment policy was put in place in 1990 when the Government enacted the National Investment Promotion and Protection Act (NIPPA) 1990, which granted tax incentives to investors in the form of tax holidays for a specific period of time. The NIPPA 1990 was repealed and replaced by the Tanzania Investment Act, 1997 that is now operational.

The Tanzania Investment Act (TIA) 1997, transferred all the tax incentives to Income Tax, 2004, East African Community Customs

Management Act, 2004, Value Added Tax Act, 1997 as revised in 2006. The main objective of this incentive was to make the tax structure more transparent and less complicated to taxpayers. Since then income tax holidays were abolished and tax incentives are now granted to investors in the form of enhanced Capital deductions and allowances.

Investment Laws abolished Income Tax holidays and tax incentives are now granted in the form of enhanced capital deductions and allowances. 100% capital expenditure to Mining & Agricultural sectors. The Income Tax Laws allow 50% Capital allowances in the first year of use for Plant and Machinery used in manufacturing processes and fixed in a factory, fish farming; or providing services to tourists and in a hotel. Indefinitely carry forward of losses against future profits. However Companies with perpetual tax loss for 3 consecutive years as a result of tax incentives on investments are charged 0.3% of annual turnover.

Corporate Tax - 30% and newly listed company to DSE with at least 30% of its shares issued to the public for three consecutive years from the date of listing - 25%

Withholding Tax on: dividends (10%) and (10%) on loan interest, on Rental Income (10%).



The investors who are in lead and priority sectors, they are allowed Import Duty and VAT exemptions on their Capital/ Deemed Capital Goods; these sectors are; agriculture including livestock, Air Aviation, Commercial buildings, Commercial, development and microfinance Banks, export oriented projects, Geographical Special development areas, Human resources development, manufacturing, Natural Resources including fisheries, timber and beekeeping, rehabilitation and expansion, tourism and tour operations, Radio and television broadcasting, Transportation (Cargo and marine) and Economic Infrastructure.

Import Duty and VAT exemption on Deemed Capital Goods. These include; building materials, utility vehicles, equipment etc.

According to the 2013/14 budgetary changes the import Duty exemption granted to

Deemed Capital Goods is now 75% whereby the investor shall pay 25% of import Duty due.

Import duty (0%) on imported 4WDs designed and built for tourist purposes, subject to satisfying criteria set by East African Community Secretariat.

Import duty (0%) on hotel equipment, which where engraved, printed, or marked with hotel logo imported by licensed hotel for its use

VAT Special Relief on Project Capital Goods (i.e. Capital Goods by Generic Description). These include: plant, machinery, forklifts, crane, boilers, furnace, crushers, graders, caterpillars, excavators, bulldozers, angle dozers, lifts/ escalators etc.

VAT Exemption on pesticides, fertilizers, health supplies, livestock, unprocessed agricultural products, agricultural implements, books and newspapers, educational services, financial services, petroleum products, aircrafts, aircrafts engines, aircrafts parts, computers, wind generators and liquid elevators, photovoltaic and solar thermal. Heat insulated milk cooling tanks and aluminum jerry cans used for storage and collection of milk in diary industry. Farm services of land preparation, cultivation, planting and harvesting.

7.2. ZERO RATED VAT ON EXPORTS

7.2.1. Import Duty Drawback

Import duty charged on imported inputs used for producing goods for export and goods sold to foreign institutions like the United Nations in Tanzania, is refundable.

7.2.2. Manufacturing Under bond

All factories registered to manufacture goods under bond for export purpose are exempted from import duty and other taxes on inputs used to manufacture such goods.

7.2.3. Economic infrastructure

Road, railways, air and sea transport, port facilities, telecommunication, banking & insurance.



Item	Duty	VAT
All capital goods	0%	Relieved
Corporate tax	30%	
Listed Company to DSE	25%	
Withholding tax on dividends	10%	
Withholding tax on interest	10%	

Losses carried forward. Companies with perpetual unrelieved losses for 3 consecutive years are charged 0.3% of the annual turnover.

7.2.4. Mineral sector

Item	Duty	VAT
All capital goods	0%	Relieved
Fuel	0%	Relieved
Corporate tax	30%	
Capital allowance	100%	

- Royalty of 4% is charged on gold and other metallic minerals
- Royalty of 5% on diamond, uranium and gemstone
- Royalty of 1% on gem (cut and polished)
- Royalty of 3% for other minerals (e.g. coal, industrial minerals and building minerals)

7.2.5. Holders of Certificate of Incentives

Item	Duty	VAT
All capital goods	0%	Relieved
Corporate tax	30%	
Listed Company to DSE	25%	
Withholding tax on dividends	10%	
Withholding tax on interest	10%	

Losses carried forward. Companies with perpetual unrelieved losses for 3 consecutive years are charged 0.3% of annual turnover.

7.2.6. Agriculture

Item	Duty	VAT
All capital goods	0%	Relieved
Agricultural machinery/ equipment	0%	Exempt
Fertilizers & pesticides	0%	Exempt
Farm implements & inputs	0%	Exempt
Corporate tax	30%	
Capital allowance	100%	
Withholding tax on interest	10%	
Withholding tax on dividends	10%	

Losses carried forward. Companies with perpetual unrelieved losses for 3 consecutive years are charged 0.3% of annual turnover.

7.2.7. Tourism

Item	Duty	VAT
All capital goods	0%	Relieved
Corporate tax	30%	
Capital allowance	50%	
Withholding tax on interest	10%	
Withholding tax on dividends	10%	
Losses carried forward indefinitely		

- Exempt import duty on imported 4WDs designed and built for tourist purposes, subject to satisfying criteria set by East African Community Secretariat
- Exempt import duty on hotel equipment, which where engraved or printed or marked with hotel logo imported by licensed hotel for its use

7.2.8. Petroleum and Gas

- Tax exemption on equipment & material used for exploration
- Negotiated levels of cost oil or gas split after the discovery of oil or gas for the purposes of recovering costs for exploration, development, and production
- Negotiated levels of profit oil or profit gas split
- Importation by or supply to a registered licensed exploration, prospecting, mineral assaying, drilling or mining company, of goods which if imported will be eligible for duty under customs law, and service for exclusive use in exploration, prospecting, drilling or mining activities.



8. Know Before You Go!

TIC provides assistance with immigration matters to prospective investors.

8.1. COST AND TYPES OF VISA:

8.1.1. Categories of Visa:

There are 5 categories of visas which may be granted to foreigners, other than prohibited immigrants, who seek to enter the United Republic of Tanzania:

Category	Description
Ordinary	This is a visa granted to foreigners, other than prohibited immigrants, seeking to enter the United Republic of Tanzania upon application for the purpose of visit, leisure, holiday, business, health treatment, studies, or any other activity legally recognized by the Laws of the United Republic for validity not exceeding three months for a single entry only.
Transit	This is a visa granted to foreigners, other than prohibited immigrants, intending to pass through the United Republic of Tanzania to other destinations for a period not exceeding fourteen days, provided that such persons should have onward tickets, sufficient fund for subsistence, while in the United Republic of Tanzania, and an entry Visa to the country of destination (where applicable), or any other proof to satisfy that such a person will be allowed entry to that other country.

Category	Description
Multiple Entry	This is a visa granted to persons who are nationals of countries that require a visa to enter the United Republic of Tanzania and who, by nature of their businesses, or circumstances require making frequent visits to the United Republic of Tanzania. Multiple visas may be issued for a period of three, six or twelve months, to permit the holder to enter and re-enter, subject to the validity of the visa, provided that a single stay of the holder should not exceed three months.
Gratis	<p>This is a visa granted to holders of Diplomatic or Official/Service Passports when travelling on official missions to the United Republic of Tanzania, and it is granted free of charge. In some cases, Gratis visa may be granted to holders of Ordinary Passports where an exemption has been given by the Issuing Authority.</p> <p>Note: Holders of Diplomatic and Service/Official passports when travelling on private visits into the United Republic of Tanzania are required to apply for a visa like holders of ordinary passport.</p>
Referral	This is a visa granted to nationals of countries that require a special clearance and approval from the Principal Commissioner of Immigration Services, or the Commissioner of Immigration Services (Zanzibar), prior to the issuance of visa. These are 27 countries including: Afghanistan, Bangladesh, Chad, Djibouti, Mali, Lebanon, Somalia, Morocco, Sri Lanka, Sierra Leone, Turkmenistan, refugees and individuals who are deemed stateless



8.1.2. General requirements for a Visa:

An application of visa for United Republic of Tanzania should be accompanied with:

- Application form duly filled in
- Security Bond duly filled in (for multiple visa)
- Five passport size photographs (if required)
- Copy of the Applicant's valid passport
- Copy of the valid Passport or any other identity of the person to be visited (applicant's host if required)
- Documents of the Company or Business to be visited; (for multiple visa)
- Any other evidence to prove that the applicant is bound to travel frequently into the United Republic of Tanzania (for multiple visas).

8.1.3. Visa Issuing Centers

A visa may be obtained at any United Republic of Tanzania Mission abroad or Consulate, and also on arrival at all designated Entry Points. In case of Referral and Multiple entry visas, applicants are required to submit their applications to the office of the Principal Commissioner of Immigration Services, Dar Es Salaam, or at the office of the Commissioner of Immigration Services Zanzibar. To avoid unnecessary delays, foreigners are encouraged to apply for a visa through Tanzanian embassies and consulates in their nearest location.

8.1.4. Visa Fees

The standard fee rate for

- Ordinary visa is US\$ 50
- Multiple entry visa is US\$100
- Transit visa is US\$ 30

Note that these rates can change at any time without prior notice. Visa fees are payable at Issuing Centers and an Exchequer Receipt should be provided for the payment made.

Additional and up to date information can be found on the website of the Immigration Services Department at the Ministry of Home Affairs (www.immigration.go.tz)

8.2. RESIDENCE PERMIT APPLICATION PROCESS

Any foreigner intending to reside in the United Republic of Tanzania for investment, business, employment or any other legal activity may be issued with a Residence Permit. The issuance of Residence Permit is governed by the Immigration Act. No.7 of 1995 and its Regulations of 1997.

8.2.1.Types of Residence Permits:

TIC offers two types of Residence Permits, which are:

1. Residence Permit Class A
2. Residence Permit Class B
3. Residence Permit Class C

Note that applications for Residence Permit Class B and C should be submitted while applicants are outside the country. Holders of Residence Permits Class A, B and C are required to obtain the Re-entry passes after their applications have been approved.

Residence Permit Class A

Residence Permit Class A may be granted to a person other than a prohibited immigrant, who intends to enter or remain in Tanzania and engage in trade, business, profession, agriculture, animal husbandry, prospecting of minerals, or manufacturing.

Application for Residence Permit Class A may be lodged at Immigration Department's Headquarters or the Tanzania Investment Centre (TIC) or Zanzibar Investment Promotion Authority (ZIPA) for Zanzibar (depending on whether the business or project has been registered with either TIC or ZIPA).

Exhibit 1: Fees for Residence Permits Class A

Category	Sector	Eligibility	Reason	Fees in US\$
1	Prospecting and Mining	Persons intending to engage in prospecting for minerals or mining.	First issued renewal and Re-entry	3,050+10%
2	Large Scale trade and business	Persons intending to engage in a specific trade	First issue and renewal	3,050+10%
3	Prescribed profession and consultancy services	Members of prescribed profession in possession of prescribed qualifications intending to practice such profession and consultancy services.	First issue, renewal and Re-entry	2,550+10%
4	Large Scale Manufacturing and processing	Persons intending to engage into large scale manufacturing and processing.	First issue, renewal and Re-entry.	2,050+10%
5	Large scale agriculture and animal husbandry	Persons intending to engage in agriculture or animal husbandry	First issue, renewal and Re-entry	2,050+10%
6	Artisans	Persons intending to engage in activities like tailoring, goldsmiths	First issue, renewal & Re-entry	2,050+10%

Residence Permit Class B

Residence Permit Class B is issued to a foreigner other than a prohibited immigrant who has obtained specified employment in Tanzania and the Principal Commissioner of Immigration Services is satisfied that he possesses qualifications or skills necessary for that employment and that his employment will be of benefit to Tanzania.

Applications for Residence Permit Class B should be lodged at the Office of the Director of Employment, Ministry of Labor and Employment or the Tanzania Investment Center.

Fees for Residence Permit Class 'B':

1. Resident Permit: US\$ 2,000
2. Re-entry pass: US\$50
3. Dependents (specifically spouse and

children under 18 years) should pay re-entry pass US\$ 50 each if they have to be included in the permit

4. Administration fee 10% of the above total amount

If dependents are children under 18 years and intend to attend schools or colleges in Tanzania, they should apply for class 'C' permit.

Residence Permit Class C

Residence Permit Class C may be issued to foreigners intending to enter and reside in Tanzania for purposes other than those specified for the grant of Residence Permit Class A or B. These include; students, researchers, volunteers, persons attending cases in Court of Laws, persons who have formerly been residents and are about to leave the country (i.e. winding up affairs),

and persons attending medical treatment in hospitals. Requirements for Residence Permit Class C differs depending on the categories of activities that a foreigner intends to engage in.

8.3. HUMAN RESOURCES AND LABOUR RELATIONS

Tanzania has an extensive supply of competent human capital and welcomes talents from around the world. Tanzania invests highly in education relative to other Sub-Saharan countries. In addition, Tanzania has implemented progressive immigration policies and invites skilled people from around the world to make Tanzania their home and contribute to its economic growth.

Legislation and guidelines that set Labour Standards include:

- Employment and Labour Relations Act (No. 6 of 2004)
- Labour Institutions Act (No. 7 of 2004)
- National Social Security Fund, Cap. 50 RE 2002
- Workmen's Compensation Ordinance, Cap. 263 R.E 2002
- Occupation Health and Safety Act (No.5 of 2003)

8.3.1. Work Permit

Any foreigner who wants to work in Tanzania must obtain a Work Permit. The work permit application should be lodged by the employer to the Labour Commissioner, P.O. Box 9014, Dar Es Salaam. The application should be copied to the Principal Commissioner of Immigration through the TIC Executive Director.

An investor who is applying for a Work Permit through TIC is allowed to bring 5 qualified expatriates whom the company intends to employ. For any extra person who is to be employed, the employer shall justify why he needs him/her. Investors are encouraged to generate employment for Tanzanians in the quest to make an investment a "win-win" proposition.

On receipt of the Work Permit application, the Labour Commissioner may, within 14 days, grant work permit or reject (with reasons). The work permit granted is issued for a maximum period of two years, after which the employer (investor) will be required to apply for renewal.

The investor must have a succession plan (training of local employees), which should be submitted to the Labour Commissioner.

Work Permit is governed by the National Employment Promotion Service Act, 9/1999 and Tanzania Investment Act 26/1997.

Note: In case an investor wants to employ an expatriate who was working in Tanzania in another Company, he/she must submit a letter of no objection from a previous employer.

8.3.2. Social Security

Tanzanians cannot be exempted from the National Social Security Scheme, but foreign employees can be exempted if they can prove to be involved in another scheme.

8.3.3. Workmen's Compensation Ordinance

Employers are required to purchase workmen's compensation insurance for their employees.

8.3.4. Working Hours

The standard working time is 45 hours a week (International Labour Organisation standard). Over 45 working hours per week may be allowed in the event of overtime work, but not exceeding 12 hours. The standard overtime pay is 1.5 times the employee's standard pay for normal working days and 2 times for Sunday and Public Holidays.

8.3.5. Leave & Holidays

The law provides for an annual leave of 28 calendar days. At the end of every second year; a leave allowance shall be paid.



8.3.6. Maternity Leave

Female employees are entitled to paid-maternity leave of 84 calendar days once in every 3 years for one child, and 100 days for two or more children.

8.3.7. Paternity Leave

Male employees are entitled to a paternity leave of three calendar days upon delivery by their spouse.

8.3.8. Other Statutory Benefits

Employers may provide fringe benefits to their employees, e.g. rent allowances, transport allowance, etc. Employers should pay the skills development levy which is 6% of the gross wage bill.

8.3.9. Retrenchment and Termination Procedures

Firms must first meet with the Trade Union leaders. After reaching an agreement, it must be discussed with the Labour I Court.

8.3.10. Severance Pay

This refers to the payments which an employer is supposed to pay an employee on termination of employment. This payment however is only for those who have completed 12 months of continuous service with an employer and have not been terminated on grounds of misconduct, capacity compatibility, or operational requirements of the employer. The computation of the severance pay as per the Employment and Labour Relations Act No 6 of 2004 ("ELR") is an amount at least equal to seven days' basic wage for each completed year of continuous service with that employer up to a maximum of ten years.

8.3.11. Laws Regulating Various Professions

A number of professionals such as dentists, doctors, accountants, auditors, engineers, procurement and suppliers, advocates and notaries, etc., are required to be licensed by the appropriate Licensing or Regulatory Authority. Tour guides are for locals only.

8.3.12. Settlement of Labour Disputes

Disputes under the Employment and Labour Relations Act, 2004 are resolved by:

- Mediation
- Arbitration
- Adjudication

There is a council established to exclusively deal with labour matters to avoid court proceedings that may take very long and hamper business operations. Investors are encouraged to utilize this avenue.

Mediation

The mediator is under obligation to resolve the dispute within 30 days of the referral or

any longer period to which the parties agree in writing.

Arbitration

It is conducted in the manner that the arbitrator considers appropriate in order to resolve the dispute fairly and quickly. The arbitrator shall deal with the merits of the disputes with minimum legal formalities.

Adjudication

The labour court has exclusive jurisdiction over the application, interpretation, and implementation, of the provision of Employment and Labour Relations Act and to decide on:

- Appeals from the decision of the registrar made under this part
- Reviews and revisions of (i) arbitrators award made under this Part (ii) decision of the essentials services committee under Part (vii)
- Reviews of decisions, codes guidelines or regulations made by the minister under this Act
- Complaints other than those that are to be decided by arbitration under the provisions of this Act
- Any dispute reserved for decision by the labour court under this Act and
- Applications including:
- A declaration in respect of any provision of this Act, or
- An injunction

8.4. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

The Occupational Health and Safety Authority (OSHA) was established under Executive Agencies Act No. 30 of 1997, and is the custodian of Occupational Health and Safety Act No.5 of 2003.

The primary objective of Occupational Safety and Health Authority (OSHA) is to ensure the creation and maintenance of ideal work environments that are free of occupational hazards that may cause injuries or illness to all employees in the work environment. This will be achieved by promoting occupational health and safety (OHS) practices in order to reduce accidents and occupational diseases, and ultimately achieve better productivity.

The main role of OSHA is to promote a good, sound and healthy working environment and thereby to create a conducive environment for enterprises as well as workers. By the provision of a healthy working environment, both workers, enterprises, and the society will benefit and save precious resources. Ultimately, this will lead to enhanced productivity and economic growth.

8.5. MEDICAL INSURANCE AND HEALTH SERVICES

8.5.1. Medical Insurance

Due to high competition among insurance companies and efficient regulatory environment put forth by the Insurance Supervisory Department (ISD), the availability and standards of health insurance services in Tanzania are considered as fine and still advancing. Whereas National Health Insurance Fund (NHIF) provides health insurance for government employees only, several private sector companies offer private insurance services. Please refer to the next list of private sector insurance companies for reference.

Name	Telephone number	E-mail
Strategis Insurance (T) Ltd.	+255 22 2136579	insurance@strategistz.com
Jubilee Insurance Co. (T) Ltd	+255 22 2135121	jictz@jubileetanzania.com
Prosperity Life Care Insurance	+255 22 2139970	info@yahooprosperityhealth.com
AAR Insurance Co Ltd.	+255 22 2701120	info@aar.co.tz
Alliance Insurance Corp (T) Ltd.	+255 22 2139100	alliance@intafrica.com

8.5.2. Hospitals

As of 2010, the number of health facilities was 6,321, whereby the Government owned 97 hospitals, 449 health centres and 3,773 dispensaries; parastatals owned 11 hospitals, 5 health centres and 70 dispensaries; and private and charity organizations owned 128 hospitals, 230 health centres and 1,289 dispensaries. The number of hospital beds in all health centres in the country was 45,241, out of those, 23,523 beds were in government centres, and 2,161 beds in private hospitals.

8.6. EMERGENCY SERVICES

Emergency services are provided by the police forces, fire brigade, and ambulance services. In addition to that, there are several private security companies that offer emergency services for their clients on special pre-agreed arrangements. The emergency telephone number for the police is 112 and 114 for fire and ambulance.

8.7. AIRPORTS IN TANZANIA

Major airports in the country are: Julius Nyerere International Airports (JNIA) in Dar es Salaam, Kilimanjaro International Airport (KIA), Arusha Airport, Mwanza Airport, Zanzibar Airport, and Mbeya International Airport in Songwe.

8.8. ACCOMMODATION COST

8.8.1. Hotel Accommodation

Hotel rates vary according to season, location, class, and, of course, room category. Hotel cost per day may be anywhere from US\$ 20 to US\$ 350.

8.8.2. Residential Apartments

There are studio, two-bedroom, three-bedroom, and a few four-bedroom residential apartments. Some are serviced while others are not and prices depend on multiple factors. For example, in Dar es Salaam, upper class neighbourhoods, such as Masaki, Oysterbay, Regent Estate, and Upanga, the price ranges from US\$ 2,000 to US\$3,000 per month. For middle class neighbourhoods, for instance Mhasani, Ada Estate, Mbezi Beach, and City Centre; prices are negotiable, but



in the range of US\$1,500 to US\$2,000 per month.

8.8.3. Single Family (Stand Alone) Homes

Furnished and unfurnished homes are also available for rent purposes. Prices range as well depending on the nature, size, and location; whereas low end may cost US\$1,500 while high end may cost up to US\$10,000 per month.

8.8.4. Office Space

Rates for office space also vary highly depending on a variety of factors. While in Dar es Salaam, the commercial capital, rates may range from US\$8 to US\$40 per square metre, other regions, for instance, Arusha, Kilimanjaro, and Mwanza, can be expected to have on average lower rates per square metre.



8.8.5. Warehousing Space

There are also numerous warehouses available for rent in Dar es Salaam, and in several parts of other regions. The rates for hiring a warehouse space range from US\$8 to US\$15 per square metre.

8.9. WATER AND UTILITY

8.9.1. Water

In terms of water services, the Government is the primary provider of clean water. Dar es Salaam Water and Sewerage Corporation (DAWASCO), is the state utility company responsible for providing water in the Dar es Salaam region. The cost of tap water is currently TZS 1,119 (US\$ 0.70) per 1,000 litre unit. Aside from using the public water service, an alternative is to dig a borehole, of which cost is mostly negotiable between the service provider and receiver, more likely than not TZS 60,000 (US\$ 37) per metre depth.

8.9.2. Electricity

The Government is the distributor of electricity in Tanzania through the state utility company Tanzania Electric Supply Company Limited (TANESCO). Numerous companies such as Independent Power Tanzania Limited (IPTL), Symbion Power, and Aggreko generate power and dispatch the produced power to TANESCO, which uses its

national grid power lines for countrywide distribution.

Tariff Categories and Rates

There are four tariff categories:

- Domestic low usage tariff (D1): this category covers domestic customers who on average have a consumption pattern for 50 kWh. For consumption of less than 50kwh the current rate is TZS 60.0 (US\$ 0.04) per unit. Under this category, any unit exceeding 50 kWh is charged at a higher rate of TZS 273.0 (US\$ 0.17)
- General usage tariff (T1): This segment is applicable for customers who use power for general purposes: including residential, small commercial and light industrial use, public lighting, and billboards. In this category the average consumption is more 283.4 kWh per meter reading period. Unit cost is TZS 221.0 (US\$ 0.10) plus a monthly service charge of TZS 3,841 (US\$ 2.4)
- Low voltage, maximum demand (MD): Applicable for general use where power is metered at 400V and average consumption is more than 7,500kWh per meter reading period and demand doesn't exceed 500KVA per meter reading period. Monthly service charge of TZS 14,233 (US\$ 8.9) plus demand charge of TZS 16,944 (US\$ 10.6) per KVA and energy charge of TZS 132 (US\$ 0.08) per kWh
- High voltage, maximum demand (MD): Applicable for general use where power is metered at 11KV and above. Monthly service charge of TZS 14,233 (US\$ 8.9) plus demand charge of TZS 14,520 (US\$ 9.0) per KVA and energy charge of TZS 118 (US\$ 0.07) per kWh

8.10. MEANS OF LOCAL TRANSPORT

Road transport is served by taxis, private rental cars, or public commuter buses, some operated by the government and some by portfolio of private companies. Marine transportation is through public and

private ferry boats, while a single state-owned airline and several private airlines provide air transportation. Cost vary by service provider and also depend on season, location/destination. The diagram that follows provides a broad overview of the country's transportation network.

In the large cities such as Dar es Salaam and Arusha, business and tourists travelers can readily rely on taxis to ferry them around. Taxis are safe, identifiable by their emblems and certification and mostly metered.

Exhibit 6: Transport Infrastructure Network



8.11. TELECOMMUNICATION

The main provider of landline (fixed line) telecommunication in Tanzania is Tanzania Telecommunications Company Limited (TTCL). However, there are several registered mobile phone providers, namely Vodacom Tanzania, MIC (Tigo), Bharti (Airtel) Tanzania, Zantel, Benson Online, and Dovetel (Sasatel); most of which provide both data and voice solutions. There are also 13 registered Internet Service Providers (ISP), for example, Africa Online, Cats-Net, Raha, UhuruOne, TTCL, Zan Link, TTCL, SimbaNet,

and DATEL. Detailed information on tariffs and services is available online.

8.11.1. National ICT Infrastructure Backbone

Internet connectivity in Tanzania is available virtually across the entire country. Connections are also reliable, quick and cost-effective.

The national ICT infrastructure backbone services are provided by a special unit under Tanzania Telecommunication Company Ltd (TTCL). All regions are now connected to the



National ICT backbone. In addition, 63 service stations have been constructed in many areas in Tanzania including areas along the borders, such as:

- Rusumo (Rwanda);
- Kabanga (Burundi);
- Namanga (Kenya);
- Kasumulo (Malawi); and
- Tunduma (Zambia).

8.12. OPENING A BUSINESS BANK ACCOUNT

Tanzania is served by international, regional and local banks; these include Standard Chartered and Barclays from the UK, Citibank from the US, Stanbic (Standard Bank) and FNB from South Africa and several others.

The process of opening a corporate bank account depends on the particular bank, but the requirements are almost similar and hassle-free as long as one fulfills the prerequisites. Current accounts require maintaining a minimum balance and can be denominated in Tanzanian shillings, US dollars, Euros and British pounds. Foreign and local banks also offer internet and mobile banking services to their customers as well as linkages with mobile money accounts. Domestically regulated banks adhere to



strict Know Your Customer (KYC) and anti-money laundering (AML) laws.

Customers seeking to open a bank account are asked to provide the following information which is used by banks for customer due diligence and is an integral part of global efforts to combat money laundering, terrorist financing, and fraudulent activities. Common prerequisites for opening a business account include:

- Applicant Particulars
- Type of Company
- Business Activities
- Other Bank Details (If Any)
- Name of Holding/Subsidiary Company in Tanzania or Abroad
- Details of Directors, etc.

Tanzania has no foreign exchange controls, exchange rates are determined by market forces. Resident and non-resident corporations and individuals can hold bank accounts in any currency as stipulated in the Foreign Exchange Act.

Under the Investment Act 1997, investors are guaranteed unconditional transferability through any authorized dealer in freely convertible currency of net profits, foreign loan service, royalties, fees and technology transfer charges, emoluments of foreign personnel and repatriation of capital, after taxes, on sale of the investment. The Tanzanian transmitting banks may, however, request documentation such as agreements, contracts, invoices, resolutions, etc. to support the remittances

9. About Tanzania Investment Centre

9.1. ORGANIZATION DESCRIPTION

Tanzania Investment Centre (TIC) is the primary agency of the Government responsible for coordinating, encouraging, promoting and facilitating investments into Tanzania. It also advises the Government on investment matters and policy. TIC's vision is to become a world-class investment promotion agency promoting Tanzania as Africa's premier investment destination.

TIC has been recognized internationally for successfully fulfilling its function in terms of facilitating investments. TIC has won several international awards, including the African Innovative Management Award (AAPAM) 2008, Best Investment Promotion Agency in the World in 2007 (By WAIPA), Best Country of the Future in 2006 (By Financial Times), and The Best Investment Promotion Agency in Sub Saharan Africa in 2005 (By Africa Investor).

9.2. FUNCTIONS OF THE CENTRE

TIC is charged with the following functions:

- Aggressively market Tanzania's priority investments
- Service investors whereby investors can obtain the necessary licenses, work permits, visas, approvals, land derivative title deeds and other facilities under one roof (One Stop Shop), to set up their business in Tanzania
- Grant certificates of incentives, investment guarantees and register technology agreements for all investments, which are over and above US\$ 300,000 and US\$100,000 for foreign and local investments respectively
- Assist in the establishment of enterprise e.g. incorporation and registration of enterprises

- Create and maintain a positive climate for private sector investment
- Address any administrative barriers confronting both local and foreign investments
- Promote both foreign and local investment activities
- Stimulate and support the growth of entrepreneurship and small and medium size enterprises (SMEs) in Tanzania
- Secure investment sites and assist investors to establish EPZ projects
- Provide and distribute up to date information on existing investment opportunities, benefits or incentives available to investors
- Assist all investors whether or not registered by TIC

9.3. ONE STOP FACILITATION CENTRE

TIC is the first point of call for prospective investors, a one-stop facilitation centre for all investors, which brings relevant government agencies in one location to provide coordinated, streamlined, efficient, and transparent, services to investors. TIC shortens and simplifies administrative procedures for issuing and or facilitating investors to obtain investment certificates, permits, licenses, and company incorporation. That, in large part, removes bottlenecks faced by investors in establishing and running businesses, hence reducing the cost of doing business in Tanzania. TIC has established satellite offices major economic areas across the country such as Moshi, Mwanza, and Mbeya.

Please refer to the following table for information regarding types, time, and cost of services offered by the TIC

Exhibit 7: Investment Facilitation and Service Delivery

Services Provided	Delivery Time Frame	Fee (US\$/TZS)
TIC application form	Immediately	US\$100
Investment Guide	Immediately	Free
Provision of Investment Act	Immediately	Free
Certificates of incentives	7 days	US\$1,000
VAT registration	7 days	Free
Tax clearance	1 day	Free
Tax Identification Number	1 day	Free
Customs approval import list	14 days	Free
Business name search	1 day	Free
Business licensing	3 days	Free
Company registration	3 days	TZS50,000-371,200
Residence permit class A	14 days	US\$3,355
Residence permit class B	14 days	US\$2,255
Special pass for class A & B	1 day	US\$660
Work permit class B-Labour	7 days	Free
Linkages with government institutions	7 days	Free

*10% administration fees paid to TIC towards respective cost for all services

TIC performs a range of activities on behalf of investors, including:

- Assistance to obtain certificate of incentives
- Tax registration
- Land issues
- Business licensing and company registration
- Immigration issues
- Labour issues
- After care services

In order to obtain a TIC certificate of incentives, investors are required to meet a minimum invested capital requirement. After successful registration, TIC grants certificates of incentives, investment guarantees, and registers technology agreements that are worth in excess of US\$300,000 for foreign investors or US\$100,000 for local investors. TIC is also mandated to assist all investors irrespective of whether or not they are registered by TIC.

9.4. PUBLIC-PRIVATE PARTNERSHIPS

The Government of Tanzania recognizes the role of private sector in bringing about socio-economic development through investments. Public-Private Partnership (PPP) frameworks provides important instrument for attracting investments. Indeed, PPP has been identified as a viable means to effectively address constraints of financing, management and maintenance of public goods and services.

Most PPPs implemented in Tanzania are concession arrangements for running existing enterprises with limited provisions for rehabilitation and new investments. It is noteworthy that in the case of services, PPPs have been implemented successfully by Faith Based Organizations (FBOs) in education, health and water sectors for many years

The principal act governing PPPs in Tanzania is the Public Private Partnership Act No. 18 of 2010 (Act). Also applicable are the Public Private Partnership Regulations (Regulations) passed in 2011. The Act aims to promote private sector participation in the provision

of public services. It is hoped that the Act will facilitate the transfer of skills and technology from the private sector to the public sector as well as encourage foreign direct investment.

The Act established a PPP Coordination Unit (Coordination Unit) within the Tanzania Investment Centre to promote and coordinate PPP projects in mainland Tanzania. The Act also established a PPP Unit in the Ministry of Finance tasked with assessing proposed PPP projects that involve public finance.

In addition to setting up the two units, the Act sets out:

- (a) The responsibilities of each of the contracting parties in any given project
- (b) What is to be contained in every PPP Agreement
- (c) Penalties for non-adherence to the Act

There are some notable requirements for all PPP agreements. In particular, they must

- i. Provide for remedies in case of breach by either party
- ii. Provide for the period of execution
- iii. Provide for assistance by the public party to the private party in obtaining licenses and permits necessary for implementation of the project
- iv. Impose financial management duties on the private contracting party in the form of internal financial controls, transparency, reporting and accountability
- v. Contain obligations on the private party to be liable for risks arising from the performance of its functions

The Act further states that all disputes arising out of such agreements shall be resolved by negotiation, mediation or arbitration and those agreements must be reviewed and approved by the Attorney General before they can be signed by the relevant public authority.

All PPPs are to be monitored by the ministry responsible for the provision of the particular service.

10. One Stop Facilitation Services

For purposes of easing the processes and saving time and other resources pertaining to setting up a business in Tanzania, TIC offers numerous services under a one-stop-centre approach. Officials of various Government agencies have permanent workstations at TIC facilities so that they can provide investors with the needed services to facilitate investors' ambition to trade in Tanzania.

The offered services include, but are not limited to immigration, land acquisition, company registration procedures, industrial license, and trademark/service mark registration. Other services include business licensing, certificate of incentives, patent registration, as well as engagement to Export Processing and Special Economic Zones (EPZ and SEZ).

10.1. IMMIGRATION

All foreigners from non-Commonwealth countries are required to have a valid visa unless their countries have agreements with Tanzania under which the visa requirement is

waived. Visas can be obtained from Tanzania Embassy or High Commission in the country of origin and can be acquired upon arrival at international airports of Julius Nyerere International Airport (JNIA) and Kilimanjaro International Airport (KIA).

Investors' application documents should be submitted to TIC offices and addressed to:

Principal Commissioner Immigration Services
P.O. Box: 512, Dar es Salaam.

10.2. LAND ACQUISITION

Under the Land Act, Cap. 113 (R.E. 2002), all land in Tanzania belongs to the state vested in the President as trustee on behalf of all citizens. Public land is categorised as general land, village land, or reserved land. However, land can be owned in three different ways:

1. Government Granted Rights of Occupancy
2. TIC Derivative Rights
3. Subleases created out of Granted Rights of Occupancy by the private sector

Rights of Occupancy and Derivative Rights are granted for a long-term, ranging from 33 to 99 years and the term is renewable.

TIC has stationed officers from the Ministry of Lands, Housing and Human Settlements Development to facilitate land acquisition. This process is provided by TIC free of charge.

10.2.1. Right of Occupancy

Requirements for application and acceptance for Right of Occupancy include:

- A duly completed Land Form no. 19
- 3 passport size photographs
- TZS 80,000 (US\$ 50) application fee
- Declaration of all rights and interests in land in Tanzania, which the applicant has at the time of application
- Consent of a local authority or other body as required by law
- An application by a non-citizen or foreign company should be directed to TIC, accompanied by a certificate of incentives granted by TIC under the Tanzania Investment Act, Cap.38 (R.E. 2002).
- Payment by the applicant of land rent and other land fees as prescribed in the payment invoice issued by the Commissioner for Lands
- Signing by the applicant Acknowledgement of Payments Form
- Signing by applicant a Certificate of Occupancy (Land Form no. 22 and 23 for urban and rural lands respectively)
- Signing Derivative Rights being a lease agreement by the parties i.e. TIC, the lessor and Investor the lessee, (Land Form no. 56)

- TIC undertakes all application Procedures on behalf of Investors.

Fees payable include:

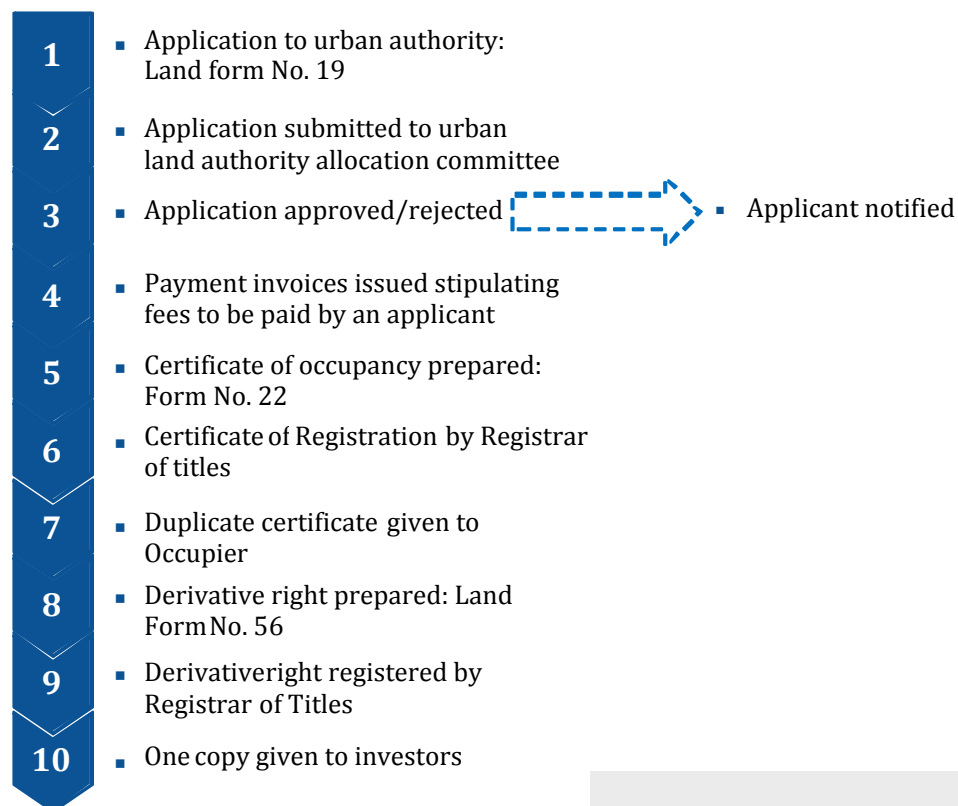
10.2.2. For Urban Land

- Survey Fee - varies
- Registration Fee - varies
- Preparation Fee - varies
- Stamp Duty - varies
- Land Rent charges:
 - Industrial Plots (within urban areas) range between TZS 75-1,500 (US\$ 0.05 - \$0.93) per square metre per year, while for other uses charges vary depending on the market value of the particular land. Please refer to exhibit No. 4 for procedures to acquire urban land.

Under the Land Act, citizens or local investors can acquire land through Granted Right of Occupancy or a Derivative Right or by obtaining a sub-lease from a private land owner.

- Occupation of land by non-citizens is restricted to investment purposes under the Tanzania Investment Act. Under the Land Act, a foreign company may occupy land through
- Derivative Rights under section 20(2) of the Act; Application to the Commissioner for Lands for a grant of Right of Occupancy under section 25(1) (h) and (i) of the Land Act, and section 3 of the Land (Amendment) Act, No. 2 of 2004; sub-leases from private owner; licenses from the Government and Purchase from other holders of granted Rights of Occupancy.

Exhibit 4: Procedure to Acquire Urban Land



Fees payable under stage 4 of the urban land acquisition process outlined above

- Survey fee - varies
- Registration fee - varies
- Preparation fee - varies
- Stamp duty - varies
- Land rent charges

10.2.3. For Farmland

- Survey fee - varies
- Registration fee - varies
- Preparation fee - varies
- Stamp duty - variable
- Land rent charges:
 - Farm outside township TZS 5,000 (US\$ 3.11) per acre per year
 - Farm within township TZS 10,000 (US\$ 6.22) per acre per year

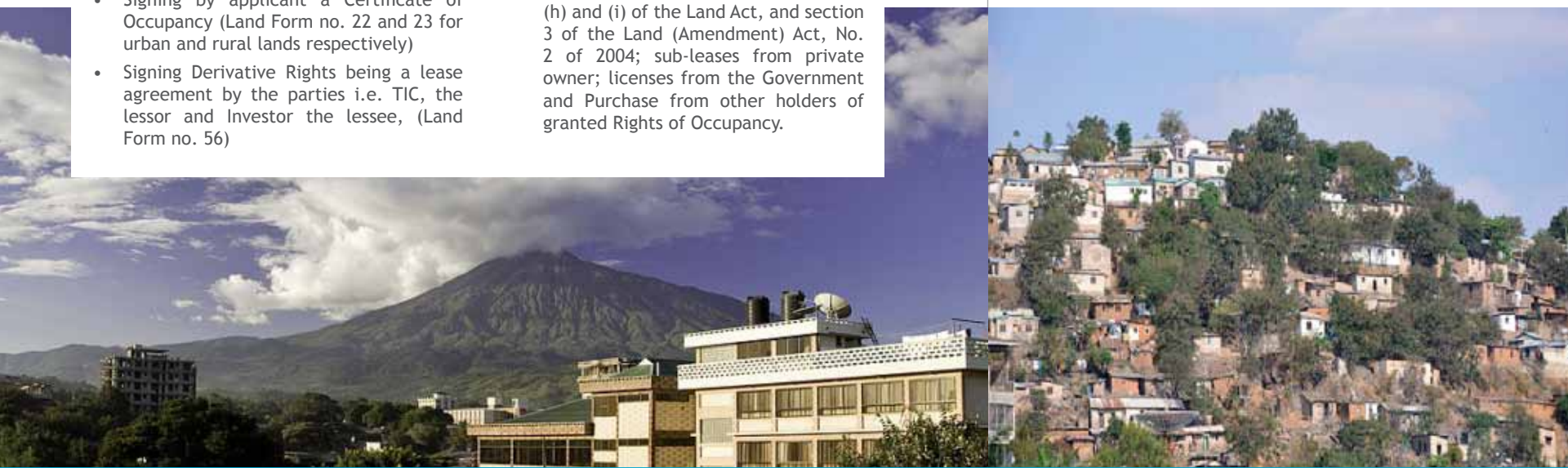
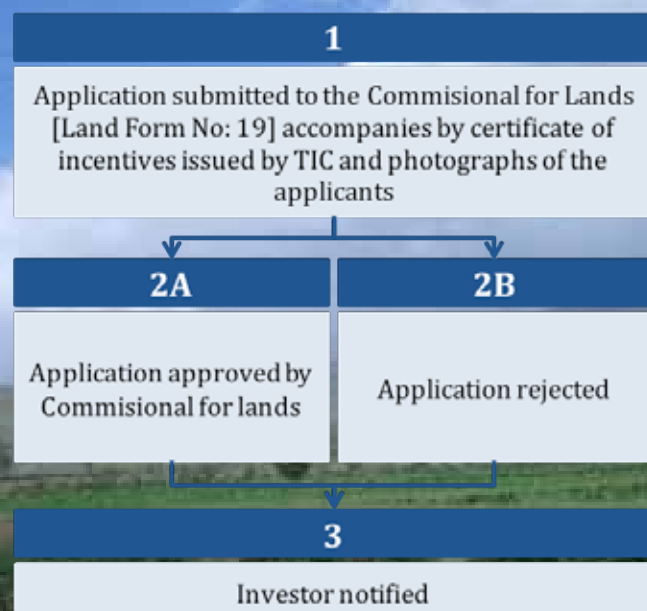


Exhibit 5: Procedure to Acquire Farmland



For further information, investors may contact:

Commissioner for Lands

Ministry of Lands, Housing and
Human Settlements Development
P.O. Box 9230
Dar es Salaam, Tanzania
Tel. 255 22 2117870
Fax: 255 22 2113224

Permanent Secretary

Ministry of Lands, Housing and
Human Settlements Development
P.O. Box 9132
Dar es Salaam, Tanzania
Tel. 255 22 2121241-9
Fax: 255 22 2113224
Email: ps-ardhi@africanonline.co.tz

10.3. STARTING A BUSINESS:

10.3.1. Company Registration Procedures

For investors who pass through TIC facilitation registration will be processed by TIC. All enterprises operating in Tanzania, whatever their legal forms, must register with the Business Registration and Licensing Agency (BRELA) of the Ministry of Industry & Trade. However, other approvals, permits, and licenses, are also required depending on the sector in which the company intends to

operate. Private companies are required to have at least two directors.

10.3.2. Types of Companies

Companies Act Cap.212 introduced four main types of companies as follows:

- Private companies
- Non-private companies (Public)
- Foreign companies (companies incorporated out of Tanzania)
- Parastatal or state owned companies

START UP

Private companies

- Private companies are normally formed by persons with prior relationships other than only business relationship e.g. father and son's and or daughters, friends etc.
- Minimum number of membership for a private company is two and maximum is fifty excluding persons who become member by virtue of being employees of the company.
- The shares of these companies are not freely transmissible. The transferability is subject to strict control and regulations, as such, these types of companies may not list on the stock exchange for purposes of trading in shares.
- These types of companies are supposed to submit annual returns and any other statutory fillable documents to the Registrar (e.g. Changes of particulars of directors, change of company names etc.). Filing fees are also payable and penalty for late filing is also levied.

Foreign companies (companies incorporated out of Tanzania)

- These are companies incorporated outside Tanzania. Their offices in Tanzania are treated as branches of foreign company. Even if all subscribers and our shareholders are nationals of the United Republic of Tanzania, the companies are regarded as foreign. They

are registered under part XII of Cap.212.

- The Registration procedure of this type of companies includes the submission of:
 1. Certified copies of Memorandum and Articles of Association.
 2. Notice of the location of the registered office in the country of domicile.
 3. List of Directors of the company.
 4. Persons resident in the country who are the representatives of the company
 5. Copy of the most recent accounts and related reports of the company
- a. Fees payable are US\$500 towards registration fees and US\$600 for filing
- b. Certificate of companies is issued to applicants after the process

Note: All companies need to submit annual returns which are done in prescribed forms. Audited company accounts form a part of the returns. Foreign companies are required to file only audited balance sheets of their companies.

Registration procedures

1. Applicants submit a letter for name clearance; the registry clears the proposed name after search. The registry search is to establish:
 - a. The availability or non-availability of the applied name
 - b. Desirability of such name
2. Applicants are then advised if the name is available or not after which they prepare Memorandum and Articles of Association and submit the same to the Registrar for registration process
3. Compliance with all requirements relating to the formation of the company is declared in form No: 14b, which is sworn before a Commissioner for oath. Particulars of directors are given through form 14a and notice of the situation of the registered office is also given through the same form 14a, where physical locations and postal addresses must be provided

Fees Payable

There are three types of fees payable by applicants for registration of new companies:

Fee	Details
Registrations Fees	Fees based on nominal share capital of the Company. Minimum share capital range is TZS 20,000 to 500,000 (US\$ 12.45 to 311.24) where corresponding fee is TZS 50,000 (US\$ 31.12). Highest band is share capital in excess of TZS 30,000,000 (US\$ 18,674) where corresponding fee is TZS 300,000 (US\$ 186.74)
Filing fee	TZS 45,000 (US\$ 28) for the whole application, meaning TZS 15,000 (US\$ 9.34) for each document i.e. Memorandum and Articles of Association, Form no.14a and 14b.
Stamp Duty	Each copy of the Memorandum and Articles of Association is charged a stamp duty of TZS 5,000 (US\$ 3.11) and form 14lb is charged a stamp duty of TZS 1,200 (US\$ 0.75).

10.3.3. Patent Registration

What is a Patent?

A patent is an exclusive right granted by the Government to an inventor for a limited amount of time, normally 20 years from the time of filing. However, this right is only valid during the lifetime of the patent. When this time expires, the patent falls in the public domain and it can be used by anyone for commercial or any other purpose.

How is Patent Granted?

An inventor or any person who has a right over an invention files a patent application with the office of the registrar of patents. This application should contain a title of the invention, description of the invention, stating the technical field under which the invention falls. The description should be in clear language to be understood by a person with an average understanding in the field such that they can work on the invention basing on the description. More elaboration such as drawings should be made and should also state what is claimed in the invention.

Kinds of Inventions that can be protected

In order for an invention to be protected, it must be:

- Novel, not obvious that it should be new in the field
- Should be of practical use
- Must contain inventive steps. This excludes scientific theories, mathematical theories, discoveries of methods of medical treatment
- Should be industrially reproducible.

How to register a Trade and/or Service Mark

The application for registration of a trade mark or service mark is made by filing form namely TM/SM2, which can be obtained from the office of the Registrar of Trade/Service Mark or from Trade and Service Mark agents.

10.3.4. Industrial License

The Industrial Licensing Division implements the National Industries Licensing and Registration Act No. 10 of 1967 (as amended by ACT No.13 of 1982). The act makes provision for orderly Promotion and Development of Industries to provide for Registration and Licensing of Industries. There are two methods of issuing out Industrial Licenses to

firms, and it is dependent on whether the requesting firm goes through the Tanzania Investment Centre (TIC) or the Board.

Firms with TIC Approval

These companies are generally those with investments greater than TZS 100 million (US\$ 62,200). These firms start at TIC (seeking exemptions), who scrutinize their documents, and issue a Certificate of Incentive approval. A copy of this certificate is then presented to the Registrar together with the appropriate BRELA forms filled in. The Registrar then issues an Industrial License to the firm.

Types of Certificates

Enterprise whose capital investment cost is lower than TZS 100 million (US \$ 62,200) get a Certificate of Registration. These applications are approved by the registrar of Industries without passing through the board. Enterprise whose capital investment is above TZS 100 million (US \$ 62,200) qualify for Industrial License.

Fees

Enterprise with investment cost of over TZS 100 million pay a fee of US\$ 500 or its equivalent in TZS. For license projects with investment cost less than TZS 100 million pay US\$ 400 or its equivalent in TZS for issuance of certificate of registration.



10.3.5. Business Licensing

The business license desk at TIC processes business licenses from Investors, issues Temporary business licenses for 60 days and Permanent License after Investors obtain all necessary documents. The Ministry of Industry and Trade provides licenses which have International level and Municipal issues license which has national level.

Application Requirements for Business License:

- Photocopy of certificate of incorporation
- Memorandum and articles of association
- Proof of Tanzania citizenship e.g. photocopy of passport or birth certificate. In case of non- citizen, residence permit class A showing that the holder is an Investor in that Company/Business.
- Lease agreement or title deed
- TIN
- In case the shareholders of the company are non-residents but not living in Tanzania, Powers of Attorney to a Citizen/ Resident Permit should be submitted
- Additional Requirements for Specific Business:
- Customs Agency Licenses for a Clearing and Forwarding Company, Customs Agency License (CAL) for those applying for clearing and forwarding licenses.
- Tourism Agency License (TALA) for those applying licenses related to tourist promotions e.g. Tourist Hotels, Travel Agents, Tour Operators, hunting etc.
- Professional Certificates/Authority for all Professional Businesses. E.g. Running Hospitals, Dispensaries, Advocates, Pilots, Ship Captains, etc.
- Certificate to authorize aircraft to fly (Air worthiness) or ship to sail (Sea worthiness)

Note: The recently introduced Business Activities Registration Act 2007 has replaced the Business Licensing Act No. 25 of 1972. Under the new system, each business activity operating in Tanzania shall be registered permanently in the registry. The Business

Activities Registrar can suspend a certain business activity if any of the following happens:

- The business premise ceases to be useful for the intended purposes
- The owner is convicted of any offence
- Bankruptcy, or
- Failure to comply with the conditions of the certificate

Each application shall contain the following:

1. Name of the business
2. Date of commencement
3. Name and nationality of owners
4. Nature and core of activity of the business
5. The number of employees in the business and if the business has more than one branch a number of employees in each sub branch.
6. The physical and postal address of the business
7. Chief executive or anyone in charge in the company
8. In the case of a subsidiary business, the name and location of the head office and TIN.

10.3.6. Certificate of Incentives

TIC issues a formal certificate of incentives. Although investments in the mining and petroleum sector are obliged to follow the Mining Act 1998 and Petroleum (Exploration and Production) Act 1980, TIC helps investors to obtain authorizations required by other laws to set up and operate businesses in Tanzania.

Requirements for the Certificate of Incentives:

- Three copies of the project business plan/feasibility study
- One copy of the memorandum and articles of association
- One copy of certificate of incorporation
- Covering letter and three copies of TIC application forms

- One copy of a company board resolution
- One copy of an evidence of land ownership
- One copy of an evidence of financing

Additional Requirements for Specific Business:

- Customs Agency Licenses for a Clearing and Forwarding Company, Customs Agency License (CAL) for those applying clearing and forwarding licenses.
- Tourism Agency License (TALA) for those applying licenses related to tourist promotions e.g. Tourist Hotels, Travel Agents, Tour Operators, hunting etc.
- Professional Certificates/Authority for all Professional Businesses. E.g. Running Hospitals, Dispensaries, Advocates, Pilots, Ship Captains, etc.
- Certificate to authorize aircraft to fly (Air worthiness) or ship to sail (Sea worthiness)

Note: The recently introduced Business Activities Registration Act 2007 has replaced the Business Licensing Act No. 25 of 1972. Under the new system, each business activity operating in Tanzania shall be registered permanently in the registry. The Business Activities Registrar can suspend a certain business activity if any of the following happens:

- The business premise ceases to be useful for the intended purposes
- The owner is convicted of any offence
- Bankruptcy, or
- Failure to comply with the conditions of the certificate

Each application shall contain the following:

1. Name of the business
2. Date of commencement
3. Name and nationality of owners
4. Nature and core of activity of the business
5. The number of employees in the business and if the business has more than one branch a number of employees in each sub branch.
6. The physical and postal address of the business
7. Chief executive or anyone in charge in the company
8. In the case of a subsidiary business, the name and location of the head office and TIN.

For further information, please contact:

Chief Executive Officer

Business Registration and Licensing Agency (BRELA)
P. O. Box 9393, Dar Es Salaam, Tanzania
Tel: 2180141/2180113
Fax: 255-22-2180371
Email: usajili@cats-net.com
Website: www.brela-tz.org



11. Other Important Processes

11.1. TAXATION

Tanzania has a stable and predictable fiscal regime, providing a soft landing to all investors. The kind of regime that recognizes the need for investors to recover their investment costs before paying corporate tax. The administration of various tax laws is entrusted to the Tanzania Revenue Authority (TRA), a semi-autonomous government agency created by Act No.11 of Parliament in 1995. It is responsible for central government taxes and several non-tax revenues.

Revenue departments under TRA include:

- Domestic Revenue Department
- Customs and Excise Department
- Large Taxpayer Department, and
- Tax Investigations Department

11.2. REGISTRATION WITH DOMESTIC REVENUE AND TAX STRUCTURE AND ADMINISTRATION

Registration which can be undertaken by TIC on behalf of the investor requires the following documents:

- Taxpayer identification number (will be issued to a company & shareholders);
- Certificate of registration or certificate of incorporation

- Memorandum and articles of association
- Certificate of incentives in the case of projects approved by TIC
- Partnership agreement (deed), in the case of a partnership
- Lease agreement (Stamp Duty & Withholding Tax on Rental Income have to be Paid); or Title Deed
- Photographs of directors
- The Shareholders will be required to be taken fingerprints and photograph at TRA Office (Biometric)
- Forms to be filled include:
 - TIN forms
 - Business inquiry forms
 - Provisional Return/Assessment Statement of Estimate Entity forms (ITX202. 01 E)

Taxes under the domestic revenue department include:

- Corporate tax(30% for both resident and nonresident)
- Withholding tax (for dividend payments, pension, insurance premium, royalties, transport and disposal of assets)
- Income tax rates for individuals (the marginal rate ranges from 14 % to 30%)

A Government Agency Leading the Way to High Performance



Since its inception in 1996, Tanzania Revenue Authority (TRA) has evolved from a government agency focusing only on revenue collection, into an organisation which gives special attention to the quality of service for its customers. TRA's success is clearly manifested by an increase in revenue collection from US\$ 1,575 million in 2004/05 to US\$ 3,996.5 million in 2011/12, which in turn raised the ratio of tax revenue contribution to GDP from 11.8% to 15.8% respectively.

On the tax policy front, TRA has carried out reforms to review the tax laws in order to ensure fairness and equity, while on the tax administration side it has ensured convenience of paying taxes. These have included integration of operations to have one-stop centres for all taxes; payment of taxes through commercial banks; electronic filing for both domestic and customs operations; and trade facilitation by streamlining customs processes, hence reducing clearance time at harbours and airports. All reforms are discussed with taxpayers through the stakeholders' forum.

In recognition of the success of the reforms, TRA became the first government agency in Tanzania to implement the Quality Management System based on the ISO 9001:2008 standard for service delivery, and became certified in 2008. TRA also was the first winner of the prestigious Continental Award for Innovative Management in 2010, which is jointly sponsored by African Association for Public Administration and Management (AAPAM) with the Commonwealth Secretariat. TRA, as part of the government machinery, is playing its part diligently to ensure that Tanzania is a preferred investment destination.



Harry M. Kitillya

Commissioner General, Tanzania Revenue Authority (October 2012).

- Income tax rate for non-resident individuals (a flat rate of 20% applies)
- Taxable value of employment benefits (generally all benefits are taxable)
- Capital gains tax (the gain/loss upon sale realization is included in business income and taxed at the general rate)
- Skills and development levy (6% of the total gross emoluments paid by employers to employees)
- Gaming tax (as prescribed in the Pools and Lotteries Act, 1967)

When a loss is incurred, such a loss is treated as an allowable deduction in ascertaining the total income of that person, thus a loss is carried forward indefinitely. However, the companies with perpetual tax losses for three consecutive years because of tax incentives on investments are charged 0.3% of annual turnover.

A number of capital deductions are entitled under the Income Tax Act 2004, including wear and tear granted to a person who owns machinery. The Income Tax Laws allow 100% capital expenditure to Mining



& Agricultural Sectors. The Law also allows a 50% allowance in the first year of use for plant and machinery used in manufacturing processes and fixed in a factory, fish farming, and providing services to tourists and fixed in a hotel. Thereafter, different wear and tear rates apply.

11.2.1. Value Added Tax (VAT)

Value Added Tax is a consumption tax charged by VAT Registered traders on all taxable goods and services at a standard rate of 18%. The VAT is a multi-stage tax levied at each stage of production and distribution up to the retail stage.

VAT registration is compulsory for any business, which has a turnover that exceeds TZS 40 million per annum or TZS 10 million in a period of 3 consecutive months is obliged to apply for registration to the Commissioner for Domestic Revenue. Applicants for VAT registration should complete form No.VAT 101. A taxpayer is required to submit a monthly VAT return along with the payments to the nearest regional VAT office by the last working day of the month following the month of business.



11.2.2. AT Special Relief

Capital goods for investment do not attract VAT upfront as the VAT is relieved to allow investor relief of tax up front. VAT relief on any capital goods is open to all VAT registered and non-registered trader.

11.2.3. AT Refunds

VAT refunds are made within either 30 days or 6 months from the due date depending on the type of taxpayer. Regular repayment traders like exporters can claim their refund within 30 days while other traders can get their refunds after 6 months.

11.2.4. VAT Schedules

There are various goods and services that are either zero rated, such as exports, or,

- VAT exempts/Exempt supplies: such as livestock, animal products, unprocessed dairy products, unprocessed agricultural products, fresh edible vegetable, fruits and nuts, pesticides, fertilizers, computers, oil cakes (mashudu, layers marsh, health supplies and tourist services).
- Special Relief: Such as supplies to, or importation of goods or services by, diplomats or diplomatic missions; supplies or importation of goods or services under technical aid or donor funded agreement; supply of specified goods to the armed forces; and supply



to a registered medical practitioner, optician, dentist, hospital or clinic or to a patient, of equipment designed solely for medical or prosthetic use, including ambulance and mobile health clinics.

- Importation by or supply of capital goods to any person: importation by or supply to a registered water drilling company of goods to be used solely for water drilling; importation by or supply of railway locomotives, rolling stocks, parts, and accessories to a registered railways company, corporation or authority. In addition, importation by or supply to fire fighting vehicles to the government, or its agencies, etc.

11.3. TAXES ON INTERNATIONAL TRADE

The Customs and Excise Department administers all taxes on international trade which are:

- Import duty,
- Excise duty on imports, and
- VAT on imports

11.3.1. Import Duty

The East African Community (EAC) partner states have adopted a Common External Tariff that is applied throughout the region with effect from 1st Jan. 2005. The Process of harmonizing the external tariff has resulted into charges in tariff rates and even tariff



codes in certain areas. The rates applicable with effect from 1st January 2005 are:

- 0% for raw materials, capital goods, agricultural tractors, pure breeds animals, fertilizers and medicines.
- 10%, for semi-finished goods,
- 25% for finished final consumer goods

It is levied at an ad valorem rate on the CIF value of goods imported into the country.

11.4. AGREEMENT ON CUSTOMS VALUE (ACV)

In Tanzania; the Customs and Excise Department has adopted the system of goods valuation known as Agreement on Customs Valuation (ACV). This is part of Tanzania's obligation to implement World Trade Organization (WTO).The system provides for use of price actually paid or payable for the goods and forbids the use of arbitrary or fictitious customs values.

11.4.1. Excise Duty

This is charged on specific or ad valorem tax rate on certain imported and locally

manufactured consumer goods. Currently, there are three ad valorem rates 10%, 15% and 30%. Most of the locally manufactured goods are charged excise duty.

11.4.2. Stamp Duty

Stamp duty is charged on certain legal instruments/ transactions, affidavits, conveyances & lease agreements. The rate applicable is 1% and TZS 500 (US\$ 0.31) for conveyance and agricultural land respectively. The maximum stamp duty rate for registration of property for security or mortgage is TZS 10,000 (US\$ 6.23).

11.4.3. Motor Vehicle

Transfer of motor vehicle costs TZS 50,000 (US\$ 31.13). The motor vehicle registration and annual license fees vary depending on the engine cubic capacity of the car.

11.4.4. Double Taxation Agreements

Double taxation agreements exist with Canada, Denmark, Finland, India, Italy,

Norway, South Africa, Sweden, and Zambia. Bilateral investment treaties exist with Denmark, Egypt, Finland, Germany, Italy, Republic of Korea, Netherlands, Sweden, Switzerland, and the UK.

11.5. INVESTMENT GUARANTEES

Investments in Tanzania are guaranteed against nationalisation and expropriation. Tanzania is a signatory of several multilateral and bilateral agreements on protection and promotion of foreign investment. Among other international agreements and membership, Tanzania is a member of Multilateral Investment Guarantee Agency (MIGA) and International Centre for Settlement of Investment Disputes (ICSID).

11.6. BILATERAL TRADE & INVESTMENT AGREEMENTS

Tanzania is eligible for African Growth and Opportunity Act (AGOA). It also qualifies for textile and apparel benefits. The African Growth and Opportunity Act (AGOA) was signed into law by President Clinton in May 2000 with the objective of expanding U.S. trade and investment with sub-Saharan

Africa, to stimulate economic growth, to encourage economic integration, and to facilitate sub-Saharan Africa's integration into the global economy.

At the centre of AGOA are substantial trade preferences that, along with those under the Generalized System of Preferences (GSP), allow virtually all marketable goods produced in AGOA-eligible countries to enter the U.S. market duty-free.

Trade Agreements: The U.S. signed Trade and Investment Framework Agreements (TIFA) with the East African Community (EAC) in 2008 and with the Common Market for Eastern and Southern Africa (COMESA) in 2001. Tanzania is a member of both regional organizations.

11.7. SETTLEMENTS OF COMMERCIAL DISPUTES

Disputes arising between the Government and investors are settled harmoniously through negotiations. Otherwise, they may be submitted to arbitration based on:

- Arbitration laws of Tanzania for investors
- Rules of procedure for arbitration of the ICSID
- Within the framework of any bilateral or multilateral agreement on investment protection agreed by Tanzania and the government where the investor originates

11.8. FIRE AND RESCUE COMPLIANCE

Premises of all organisations are required by the Fire and Rescue Services Act 1985 to be inspected and certified by the Fire and Rescue Force under the Ministry of Home Affairs. Investors need to be informed of this requirement.



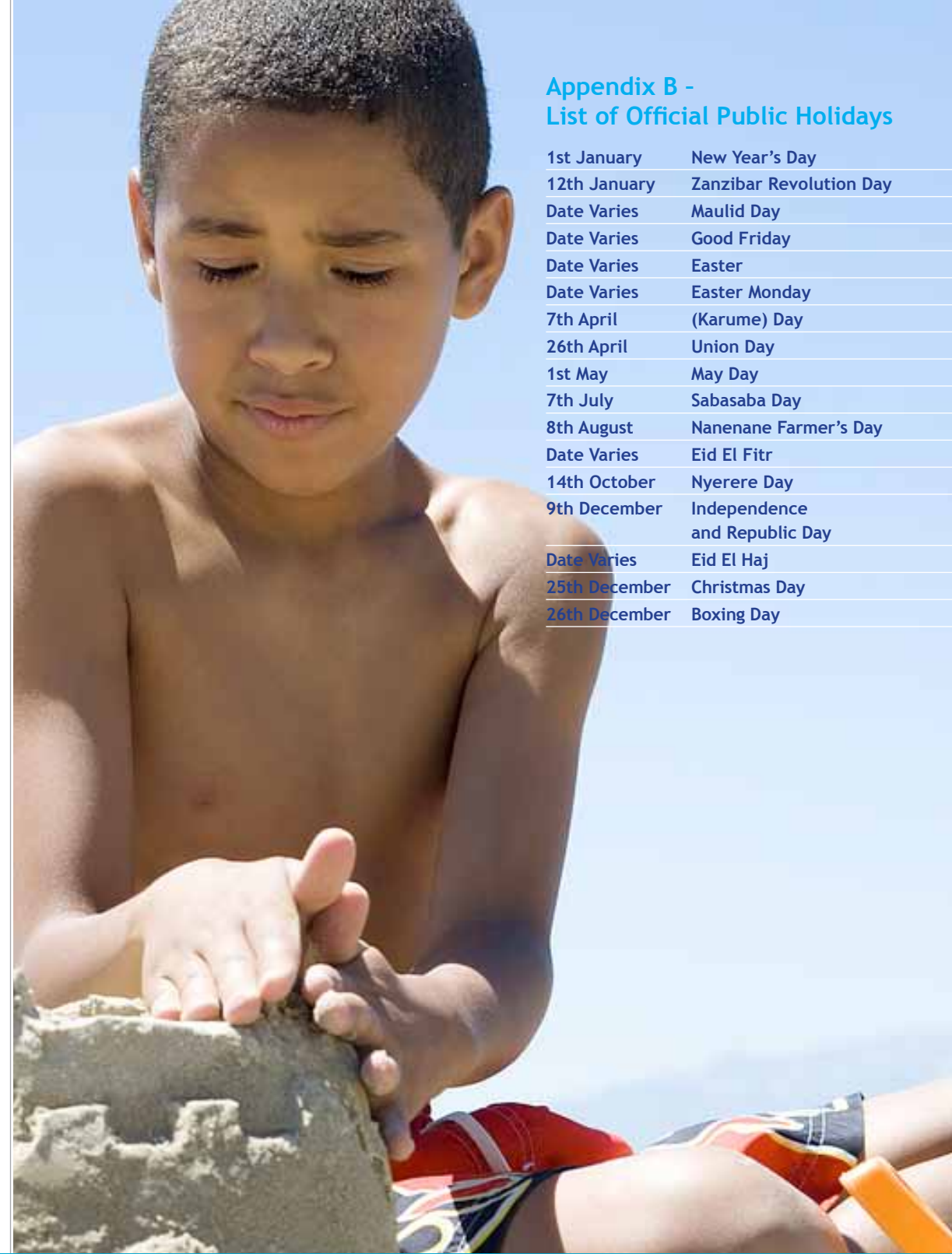
12. Appendices

Appendix A - Tanzania Fact Sheet

Official Name	United Republic of Tanzania
Head of State	Hon. Jakaya Mrisho Kikwete (2005-2015)
Population	44.9 Million. National census (2012)
Geographical Area	947,300 km ² :The world's 31st-largest country
Geographical Location	East Africa: Between latitudes 1° and 12°S, and longitudes 29° and 41°E.
Climatic Condition	Tropical in most areas and temperate in highlands
Currency	Tanzania Shilling
Languages	English & Swahili as two official languages, plus 120+ tribal languages
GDP	USD 28.3 Billion. World Bank 2012 Estimates
Religions	Christians, Muslims, and Indigenous beliefs
Local Time	GMT +3:00
Electrical Voltage	220V
Country Telephone Code	00255
Road Side of Driving	Left
Visa	Required by all natives except Commonwealth and residents whose countries have agreements with Tanzania under which the visa requirement is waived
Bordering Countries	Kenya and Uganda to the north, Rwanda, Burundi, and the Democratic Republic of Congo to the west, and Zambia, Malawi, and Mozambique to the south.
Capital/Political City	Dodoma
Principal Commercial & Administrative City	Dar Es Salaam

Appendix B - List of Official Public Holidays

1st January	New Year's Day
12th January	Zanzibar Revolution Day
Date Varies	Maulid Day
Date Varies	Good Friday
Date Varies	Easter
Date Varies	Easter Monday
7th April	(Karume) Day
26th April	Union Day
1st May	May Day
7th July	Sabasaba Day
8th August	Nanenane Farmer's Day
Date Varies	Eid El Fitr
14th October	Nyerere Day
9th December	Independence and Republic Day
Date Varies	Eid El Haj
25th December	Christmas Day
26th December	Boxing Day





Appendix C - Main Annual Trade Exhibitions

Note: Below is 2012-trade shows calendar. Prospective participants are advised to double-check if interested with attending the same shows for the forthcoming years, as some of these shows happen annually while others happen infrequently.

East African Trade Exhibition Fair

Description: EATE attracts predominantly managing directors, managers, design and production engineers, technical managers, purchasers and sales and marketing directors from all key industry sectors. Important visitor industry sectors include packaging, plastics, printing, food, agriculture, pharmaceutical, medical, I.T., Industries, textiles, paper and consumer. A total of 140 exhibitors from over 30 countries visit the leading exhibition for Multi-Sector Products & Machinery, Printing, Packaging & Plastics products, Food, Hotel & Agricultural products & machinery, Medical Equipment, I.T. & Electronic products as well as consumer products

Date: 24th to 26th May

Location: Dar es Salaam

Karibu Fair

Description: Karibu is the leading travel trade event in East Africa. Originally created to promote Tanzania, it's now a regional event that also features many products and delegates from Kenya, Uganda and Rwanda. Karibu's major function is one of a relationship broker who targets, attracts and matches the needs of buyers and suppliers. Key participants include camping equipment, food suppliers, furniture providers, printing companies, safari gear providers, gemstone suppliers, financial institutions, wine and spirit manufactures ad distributors, vehicle distributors, etc.

Date: 31st May to 2nd June

Location: Arusha

Dar es Salaam International Trade Fair (Saba-Saba)

Description: Agricultural products - Food and Beverages. - Textiles, garments and yarns. - Manufactured products. - Information and Communication Technology. - Construction materials - Automobiles - Electrical goods and appliances - Farm implements - Chemicals and cosmetics. - Timber and furniture - Trade services - Engineering products - Machinery - Computer software - Gift articles and handicrafts - Etc

Date: 1st to 7th July

Location: Dar es Salaam

Farmer's Trade Show

Description: Agribusiness products and services

Date: 1st to 8th August

Location: 7 zones: Northern-Arusha, Eastern-Morogoro, Lake-Mwanza, Highland-Mbeya, Southern-Lindi and Songea, Western-Tabora, and Central-Dodoma

Medipharm Tanzania

Description: Medical, Pharmacy, Surgical & Healthcare Products

Date: 21 September 2012 to 23 September 2012

Location: Dar es Salaam

Tanzania Trade Show

Description: House wares, Home Appliances & Household Consumables

Date: 21 September 2012 to 23 September 2012

Location: Dar es Salaam

Buildint Tanzania

Description: Building Construction Material, Equipment and Sanitary ware

Date: 21 September 2012 to 23 September 2012

Location: Dar es Salaam

Appendix D

Sources of Further Information

Prime Minister's Office

Magogoni Street
P.O. Box 3021, Dar es Salaam
Tel. 255 22 2117249-58
Fax: 255 22 2112850
Website: www.pmo.go.tz

Permanent Secretary

Ministry of Finance
P.O. Box 9111, Dar es Salaam.
Tel. 255 22 2111174-6
Fax: 255 22 2110326
Email: mof@mof.go.tz
Website: www.mof.go.tz

Permanent Secretary

Labour, Employment and Youth Development
Hifadhi House, Azikiwe Street
P.O. Box 1422, Dar es Salaam
Tel. 255 22 2110889/2110877
Fax: 255 22 211 3082
Website: www.kazi.go.tz

Permanent Secretary

Ministry of Foreign Affairs and
International Cooperation
Kivukoni Front
P.O. Box 9000, Dar es Salaam
Tel. 255 22 2111906/12
Fax: 255 22 2116600
Email: nje@foreign.go.tz
Website: www.mfaic.go.tz

Permanent Secretary

Ministry of Infrastructure Development
P.O. Box 9144, Dar es Salaam
Tel: 255 222 122 268
Fax: 255 222 122 079
Email: permsec@infrastructure.go.tz
Website: www.infrastructure.go.tz

Permanent Secretary

Ministry of Industry, Trade and Marketing
NSSF Waterfront Building
P.O. Box 9503, Dar es Salaam
Tel. 255 22 22127871
Fax: 255 22 22125832
Email: mit@mit.go.tz
Website: www.mit.go.tz

Permanent Secretary

Ministry of Lands, Housing and
Human Settlements Development
Kivukoni Front
P.O. Box 9132, Dar es Salaam.
Tel. 255 22 2121241-9
Fax: 255 22 2124576
Website: www.ardhi.go.tz

Permanent Secretary,

Ministry of Planning, Economy and
Empowerment
P.O. Box 9242, Dar es Salaam
Tel: 255 22 2112681/3
Fax: 255 2115519/2116728
Email: ps@plancom.go.tz
Website: www.tanzania.go.tz/planning

Permanent Secretary

Ministry of Justice & Constitutional
Affairs
Kivukoni Front
P.O. Box 9050, Dar es Salaam
Tel. 255 22 2118178
Fax: 255 22 2113236
Email: dag@africaonline

Permanent Secretary

Ministry of Natural Resources and
Tourism
P.O. Box 9352, Dar es Salaam
Tel: 255 22 213 2302
Fax: 255 22 211 3082
Email: info@tourismtanzania.go.tz
Website: www.tourismtanzania.go.tz

Permanent Secretary

Ministry of Energy and Minerals
Mkwepu Street/Sokoine Drive
P.O. Box 2000, Dar es Salaam
Tel. 255 22 2117156-9
Fax: 255 22 2116719

Permanent Secretary

Ministry of Agriculture, Food Security
and Co-operatives
P.O. Box 9192, Dar es Salaam
Tel: 255 22 2862480
Fax: 255 22 2862481
Email: psk@kilimo.go.tz
Website: www.kilimo.go.tz

Permanent Secretary

Ministry of Health and Social Welfare
P.O. Box 9083, Dar es Salaam
Tel: 255 22 2120261/7
Fax: 255 22 2139951
Website: www.moh.go.tz
Email: moh@moh.go.tz

Permanent Secretary

Ministry of Education and Vocational
Training
P. O. Box 9121, Dar es Salaam
Fax: 255 22 2113271
Tel: 255 22 2120403/2120412
Email: psmoevt@moe.go.tz
Website: www.moe.go.tz

Permanent Secretary

Ministry of Livestock Development
P.O. Box 9152, Dar es Salaam
Tel: 255 22 2861910
Fax: 255 22 2861908
Website: www.mifugo.go.tz

Permanent Secretary

Ministry of Water
P.O. Box 9153, Dar es Salaam
Tel: 255 22 2450838/40/41
Fax: 255 22 224514/64
website: www.maji.go.tz
email: psmwld@maji.go.tz

Permanent Secretary

Ministry of East African Cooperation
P.O. Box 9280, Dar-es-Salaam
Tel: 255 22 2126827/2126830
Fax: 255 22 2126651
Website: www.meac.go.tz

Executive Director

Tanzania Investment Centre (TIC)
P.O. Box 938, Dar es Salaam
Tel: 255 22 211 6328-32
Fax: 255 22 211 8253
E-mail: information@tic.co.tz
Website: www.tic.co.tz

Permanent Secretary

Ministry of Home Affairs
P.O. Box 9223, Dar es Salaam
Tel No: 255 22 2119050/2112036
Fax: 255 22 2119050
Website: www.moha.go.tz
E-mail: permsec@moha.go.tz

Chief Executive Officer

Business Registration and Licensing
Agency (BRELA)
Cooperative Bldg, Lumumba Str
P.O. Box 9393, Dar es Salaam
Tel: 255 22 2180141/2180130
Fax: 255 22 218 0371
E-mail: usajili@intafrica.com
Website: www.brela-tz.org

Governor

Bank of Tanzania (BoT)
Mirambo Street
P.O. Box 2939, Dar es Salaam
Tel: 255 22 211 0945-51
Fax: 255 22 211 7342 /211 9345
E-mail: info@hq.bot-tz.org
Website: www.bot-tz.org

Director General

Tanzania Bureau of Standards (TBS)
Morogoro Road, Ubungo
P.O. Box 9524, Dar es Salaam
Tel: 255 22 2450298/2450949
Fax: 255 22 245 0959
Website: <http://www.tbs-tz.org>

Director General

Tanzania Food And Drugs Authority(TFDA)
P.O. Box 77150, Dar es Salaam
Tel: 255 22 2450512, 2450751
Fax: 255 22 2450793
Email: info@tfda.or.tz
Website: www.tfda.or.tz

Director General,

Tanzania Ports Authority (TPA)
P.O. Box 9184,
Bandari road, Kurasini, Dar es Salaam
Tel: 255 22 2110401/9 or 2117816
Fax: 255 22 2113938 or 2113432
Email: prm@tanzaniaports.com
Website: www.tanzaniaports.com

Managing Director

Tanzania Petroleum Development
Corporation (TPDC)
P.O. Box 2774, Dar es Salaam
Tel: 255 22 226452/2118535-6
Fax: 255 22 2129663
Email: tpdcmd@tpdc-tz.com
Website: www.tpdc-tz

Chief Executive Officer

Capital Market and Securities
Authority (CMSA)
PPF Tower, Ohio Street/Garden Ave
P.O. Box 75713, Dar es Salaam
Tel. 255 22 211 3903/211 4959-61
Fax: 255 22 211 3846
E-mail: cap-markets@cats-net.com

Director General

Tanzania Tourist Board (TTB)
P.O. Box 2485, Dar es Salaam
IPS Building,
Azikiwe Street,
Tel: 255 22 211 1244
Fax: 255 22 211 6420.
Website: www.tanzaniatouristboard.com

Director General

Fair Competition Commission
Ubungo Plaza
P.O. Box 7883, Dar es Salaam
Tel: 255 22 2122479
Fax: 255 22 2122449

Director General

TCRA
Mawasiliano Towers, Mandela Road
P.O Box 474 Dar es Salaam
Tel: 255 22 2118947/52;
0744720411
Fax: 255 22 2116664

E-Mail: dg@tcra.go.tz

Website: www.tcra.go.tz

Commissioner of Insurance

Insurance Supervision Department
Ministry of Finance
P.O. Box 9892, Dar es Salaam
Tanzania
Tel: 255 222132537/2116120
Fax: 255 222132539
Email: isd@africaonline.co.tz
Website: www.isd.co.tz

Commissioner General

Tanzania Revenue Authority (TRA)
P.O. Box 11491
Sokoine Drive Dar es Salaam
Tel: 255 22 2119591-4
Fax: 255 22 2126 908
Email: info@tra.go.tz
Website: www.tra.go.tz

Appendix E Tanzania Missions Abroad

Tanzania Consulate in Abuja, Nigeria
Tanzania Consulate in Amsterdam, Netherlands
Tanzania Consulate in Bangkok, Thailand
Tanzania Consulate in Dhaka, Bangladesh
Tanzania Consulate in Dubai, United Arab Emirates
Tanzania Consulate in Istanbul, Turkey
Tanzania Consulate in London, United Kingdom
Tanzania Consulate in Luanda, Angola
Tanzania Consulate in Manila, Philippines
Tanzania Consulate in Melbourne, Australia
Tanzania Consulate in Milan, Italy
Tanzania Consulate in Mombasa, Kenya
Tanzania Consulate in Nairobi, Kenya
Tanzania Consulate in Otterup, Denmark
Tanzania Consulate in Perth, Australia
Tanzania Consulate in Rome, Italy
Tanzania Consulate in Ruwi, Oman
Tanzania Consulate in Seoul, South Korea
Tanzania Embassy in Abu Dhabi, United Arab Emirates
Tanzania Embassy in Addis Ababa, Ethiopia
Tanzania Embassy in Beijing, China
Tanzania Embassy in Berlin, Germany
Tanzania Embassy in Brussels, Belgium
Tanzania Embassy in Cairo, Egypt
Tanzania Embassy in Comoro
Tanzania Embassy in Geneva, Switzerland
Tanzania Embassy in Harare, Zimbabwe
Tanzania Embassy in Kampala, Uganda
Tanzania Embassy in Kigali, Rwanda
Tanzania Embassy in Kinshasa, Congo - Republic of
Tanzania Embassy in Lagos, Nigeria
Tanzania Embassy in Lusaka, Zambia
Tanzania Embassy in Maputo, Mozambique
Tanzania Embassy in Moscow, Russia
Tanzania Embassy in New Delhi, India
Tanzania Embassy in Ottawa, Canada
Tanzania Embassy in Paris, France
Tanzania Embassy in Pretoria, South Africa
Tanzania Embassy in Riyadh, Saudi Arabia
Tanzania Embassy in Rome, Italy
Tanzania Embassy in Stockholm, Sweden
Tanzania Embassy in Tokyo, Japan
Tanzania Embassy in Washington, D.C., United States

Appendix F

Foreign Missions in Tanzania

Algeria

Angola

Australia

Austria

Bangladesh

Belgium

Botswana

Burundi

Cameroon

Canada

China

Cote D'Ivoire

Cuba

Cyprus

Czech Republic

Denmark

Democratic Republic of Congo

Egypt

Eritrea

Ethiopia

Finland

France

Germany

Ghana

Greece

Guyana

Holy See (Vatican)

Hungary

Iceland

India

Indonesia

Iran

Ireland

Israel

Italy

Jamaica

Japan

Kenya

North Korea

South Korea

Lesotho

Liberia

Libya

Malawi

Mali

Mexico

Mongolia

Morocco

Mozambique

Namibia

Nepal

Netherlands

New Zealand

Nicaragua

Niger

Nigeria

Norway

Oman

Palestine

Poland

Portugal

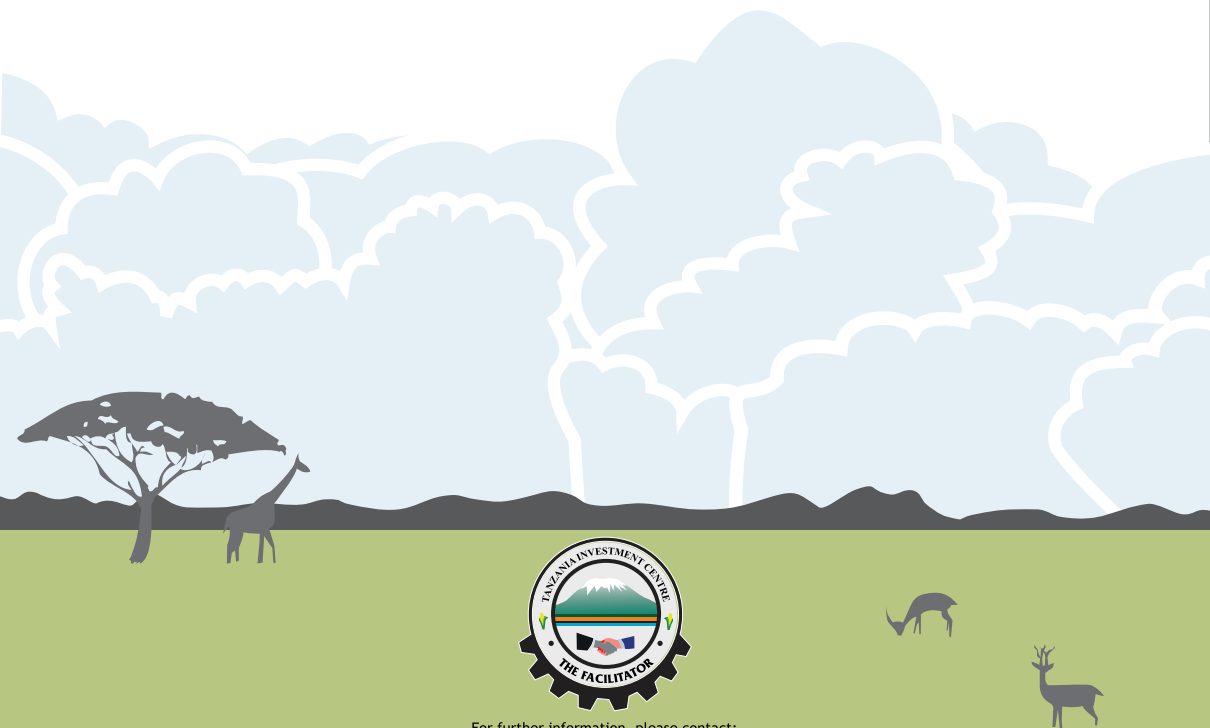
Romania

Russia

Rwanda

Appendix G - Tanzania Africa Map





For further information, please contact:

Tanzania Investment Centre (TIC)

P.O. Box 938, Dar es Salaam, Tanzania, Tel: 255 22 2116328 - 31, Fax: 255 22 2118253, Email: information@tic.co.tz
Website: www.tic.co.tz

Prepared By:



Favorite Writing Services: Infotech Place 2nd Floor South 565 Old Bagamoyo Road - Kawe Beach, P.O. Box: 105300

T: +255 22 2780642 F: +255 22 2780614 E: info@favoritegroup.net W: www.favoritegroup.net