



PRESIDENT'S OFFICE
TANZANIA INVESTMENT CENTRE

Tanzania Investment Webinar: An Overview of Investment Opportunities In Tanzania

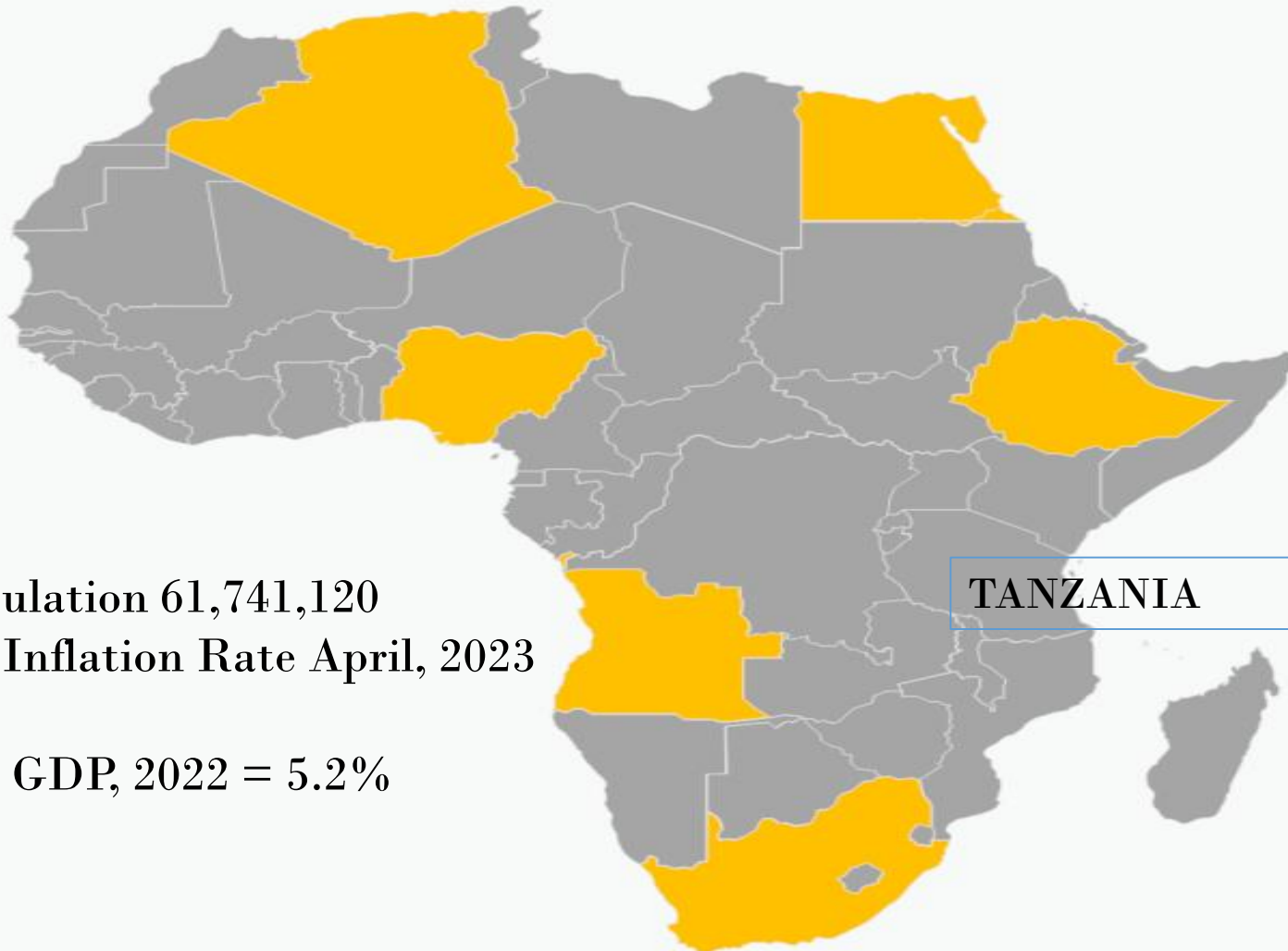
18th May, 2023



AGENDA

-  Africa Map
-  Tanzania Vision
-  Tanzania Investments Centre
-  Why Invest in Tanzania
-  Investment categories & Investment Incentives
-  Investment Opportunities & TIC Registered projects with Japanese's interest
-  Conclusion

Africa Map



- Total Population 61,741,120
- Tanzania Inflation Rate April, 2023 = 4.3 %
- Quarter 3 GDP, 2022 = 5.2%

TANZANIA VISION



Tanzania aims to become an industrialized economy and logistics hub for Africa.



To be a semi-industrialized country by 2025



TIC is mandated by the Government to champion the industrialization vision of the country by facilitating Investors to establish manufacturing projects.



TANZANIA INVESTMENT CENTRE

Coordinating, Promoting and Facilitating

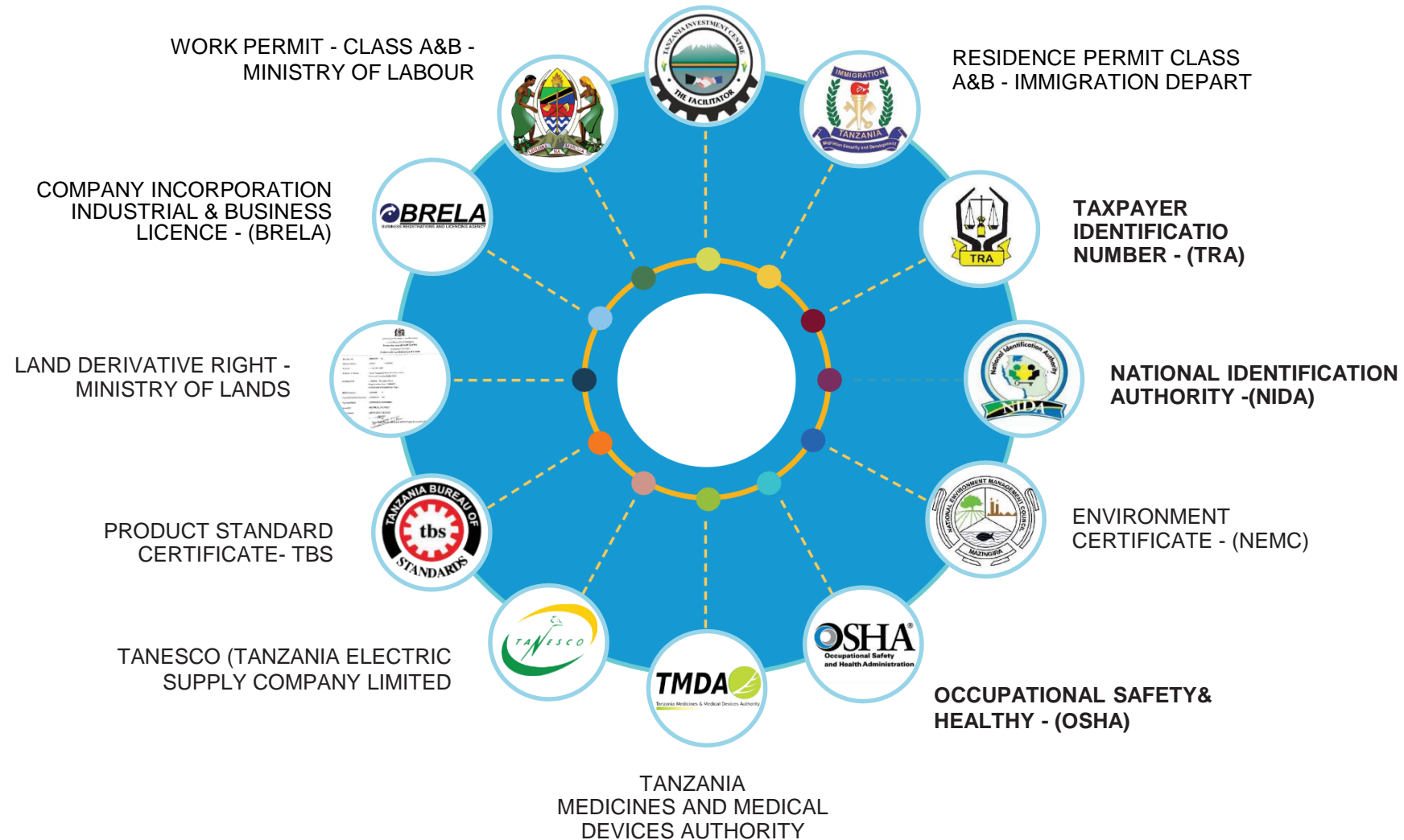
TIC was established under the **Act of Parliament No. 26 of 2022** to replace **Investment Promotion Centre (IPC)** of 1990.

❖ **TIC is the Primary Agency of Government for:**

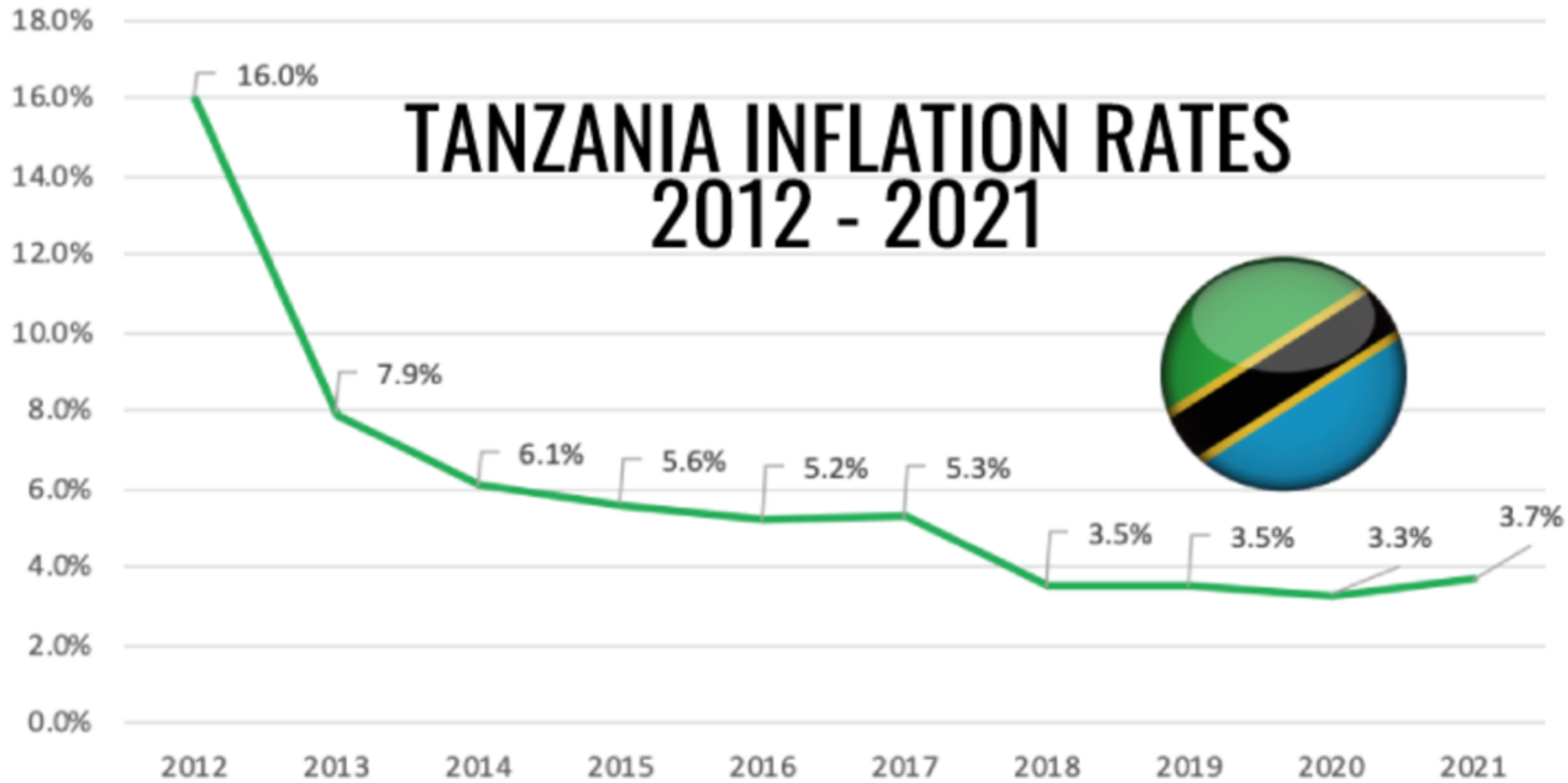
- **Coordinating:** Drive an Agenda, form propositions & create platform
- **Encouraging:** Approach and motivate domestic and foreign investors
- **Promoting:** Brand the country, build country image & unfold opportunities
- Facilitating investment: *Incorporation, licenses, certificates, permits*, etc.

❖ **TIC advises the Government on investment climate and policies**

Why Invest in Tanzania- One Stop Facilitation Centre



Why invest in Tanzania-Tanzania Inflation Rates 2012 - 2021





Why invest in Tanzania -THE MOST FAVOURABLE ECOSYSTEM/ INHERENT ADVANTAGES:



Peace & Political Stability

- ✓ Multiparty Democracy
- ✓ Good governance
- ✓ Stable post-election
- ✓ No civil wars



Economic Stability

High growth
Low inflation
Resilient economy



Rich Natural Resources

Arable Land,
Natural gas,
Extractives,
Tourist Destinations,
Labour force



Investment Guarantees

BIT' s
BTA' s
MIGA
ATIA
ICSID



Strategic Location

*Serves 6 LLC
*3 major Port
*3 International Airports



Access to Markets

EAC: 162 mil.
SADC: 450 mil
AfCFTA 1.39 billion
AGOA: US (6,000 items)
EBA: EU



INVESTMENT CATEGORIES



A Normal Investors

Minimum capital requirement
Foreign investors - **USD 500,000**
Local investors – **USD 50,000**



B Strategic Investors

Minimum capital requirement
Foreign investors - **USD 50,000,000**
Local investors – **USD 20,000,000**



C Special Strategic Investors

300,000,000 Minimum capital requirement - USD



CRITERIA FOR STRATEGIC INVESTMENT

01

The amount of capital to be invested (normally above **US\$ 50 million**)

02

The contribution of the project in terms of creating employment opportunities

03

New and innovative technology to be introduced by the Prospective strategic investment project

04

The extent to which the Project brings capacity to manufacture products for export and the earning of foreign exchange

05

Whether the Investment is in the Special Economic Zone or Geographically disadvantaged regions

FISCAL INCENTIVES



Exemption on Project Capital goods

- ❖ *Zero Import Duty on capital goods.*
- ❖ *Zero Import Duty on raw materials*

Tax Relief on Deemed Capital Goods

- ❖ *Import Duty exempted by 75%*

Manufacturing of pharmaceuticals, Textile or leather products

- ❖ *Reduced corporate tax to 20% for the first 5 consecutive years*

Capital Allowance

1. *Agriculture – 100%*
2. *Mining - 20% (first 5 years)*
3. *Hotels - 50%*
4. *Fish farming – 50%*
5. *Tourist services – 50%*

Depreciation Allowance

- ❖ *37.5% - 5% depending on the class of the depreciable asset*

Assembly of motor vehicles, tractors, fishing boats or out boat engine

- ❖ *Reduced corporate tax to 10% for the First 5 consecutive years*

NON FISCAL INCENTIVES



01

Automatic Immigration Quota

Investment guarantees, and settlement of Disputes.
Investments in Tanzania are guaranteed against Political risks, Nationalization and Expropriation.

Access to land for investment

Unconditional (Free Repatriation) Transferability Of Funds

Domestic borrowing ; Major banks like Standard Chartered, ABSA, Barclays, Citibank, Stanbic, Exim etc. have invested in Tanzania.



AGRICULTURE AND AGRO - PROCESSING

Agriculture & Agro - Processing

(Fruits & Vegetable, Tea, Cashew nut, Floriculture, Pulses, Cassava, farming & processing)

Opportunities

- ❖ Rehabilitation and expansion of existing processing Industries.
- ❖ Joint Venture with existing Processors.
- ❖ Construction and operation of New Processing Industries.
- ❖ Construction of Industrial Parks



EDIBLE OIL



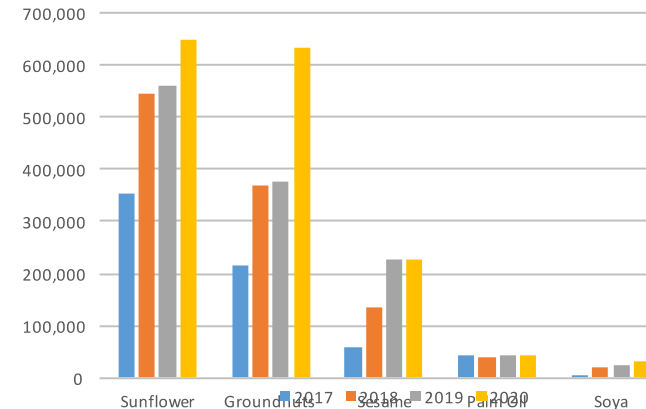
Key facts

- ❖ Imports: US\$83.19 million (2018)
- ❖ Annual Demand: 600,000 tones
- ❖ Annual Supply: 180,000 tones
- ❖ Current Gap: 420,000 tones
- ❖ Demand forecast: 700,000 tones (2030)
- ❖ Imports between 55 and 70 per cent

Opportunities

- Tanzania ranks 10th & 2nd on sunflower production in the world and Africa respectively
- Large scale farming of oil seeds to address supply gap
- Establishment of oil seeds processing facilities
- Establishment of refineries.

**OIL SEEDS PRODUCTION PER SEED TYPES
(TONS) FROM 2017-2020**



Source: Min of Agric.



COTTON AND TEXTILE



Key facts

- ❖ Seed cotton yield: 283,600 (five years average).
- ❖ 80% of produced cotton exported in raw form.
- ❖ Low cost labour.

Opportunities

- Value addition from field to factory
- Ginning, spinning and weaving
- Textile
- Garments





SUGAR PRODUCTION

- ❖ Current Sugar Demand- 655000Mt per year
- ❖ Industrial sugar DD- 165000Mt
- ❖ Total local sugar production - 370000Mt
- ❖ Highest average cane yields in the world, at 120 tons/ha (good soils and climate).
- ❖ Rainfall and generous rivers and best irrigation potential.
- ❖ Suitable Soil and topography.
- ❖ Per capita consumption to increase
- ❖ High increase in demand relative to supply capacity



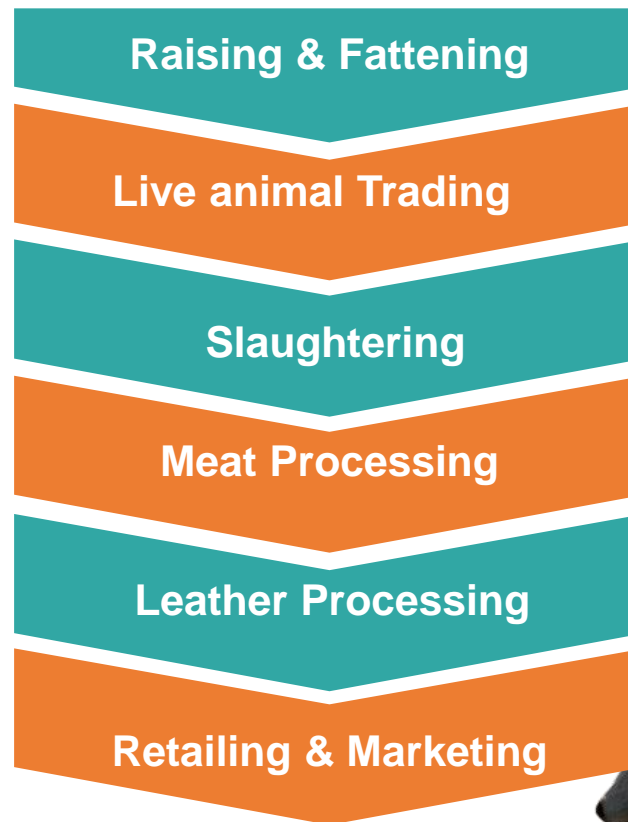
LIVESTOCK AND LEATHER INDUSTRY

Key Facts

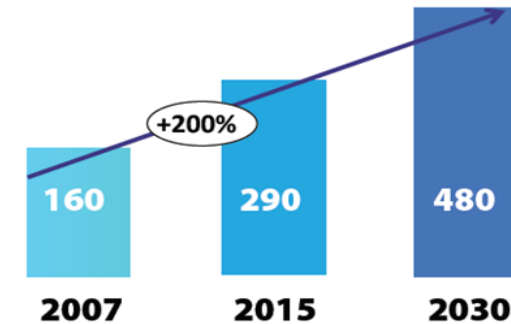
- ❖ 2nd largest livestock in Africa (2020)
- ❖ Potential for 4.0Mil hides and 6.1Mil skins, annually.

LIVESTOCK	PROJECTED BASELINE POPULATION (Mil.in 2020)
Cattle	33.9
Goats	24.1
Sheep	8.5
Pig	3.2
Poultry	87.7

Opportunities



Projected Demand for Local Meat (,000Tons)



FISHING AND AQUACULTURE

Key facts

- ❖ Freshwater coverage: 54,337sq.km (6.1 % of surface area)
- ❖ Territorial Sea: 64,000 sq.km.
- ❖ Exclusive Economic Zone (EEZ): 242,000sq.km
- ❖ Coastline: 1,424 km along Indian Ocean.

Investment Opportunities

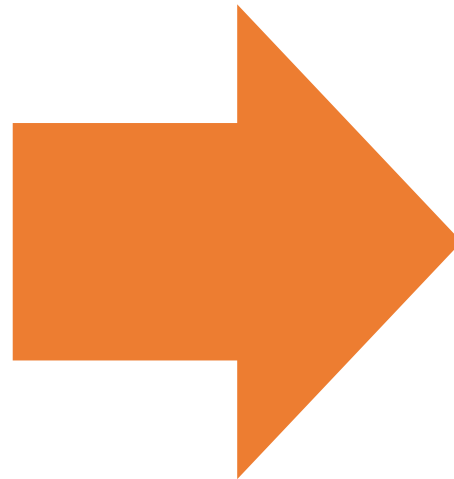
- ❖ Fishing ports and fishing in the EEZ.
- ❖ Fish processing and fishing boat building yards.
- ❖ Commercial fish farms in marine and freshwater areas.





ENGINEERED WOOD PRODUCTS

- ❖ Laminated Veneer Lumber (LVL) ...
- ❖ Laminated Strand Lumber (LSL) ...
- ❖ Oriented strand board (OSB) ...
- ❖ Plywood. ...
- ❖ Medium density fiberboard (MDF) ...
- ❖ Composite board. ...
- ❖ Cross-laminated timber (CLT)





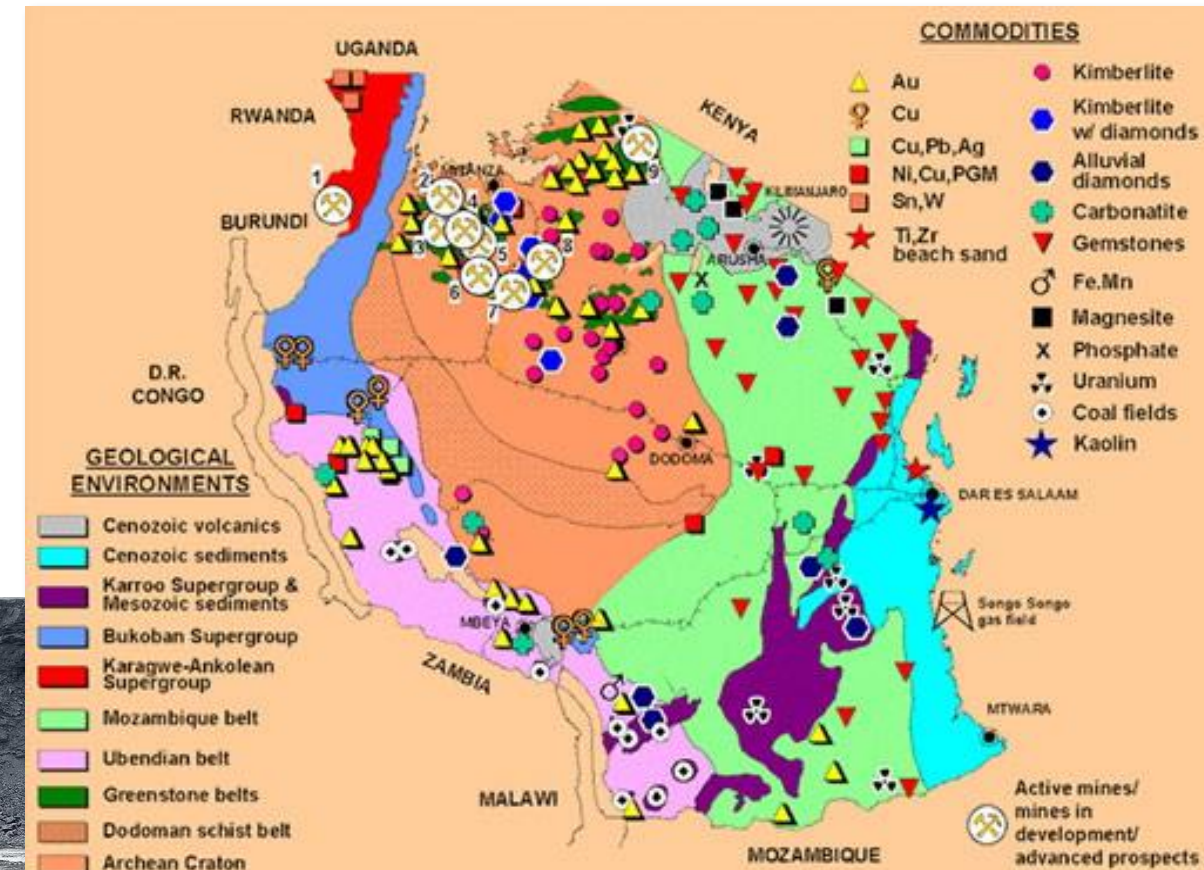
MINING AND METALS

Key facts and Figures

- ❖ Sector growth rate: 12.2% in 3rd qtr 2021 (growth was mainly due to an increase in production of gold, coal and gypsum)
- ❖ Gold production attributed to the growth rate that increased to 14,915 kg in the third quarter in 2021 from 13,698 kg in the corresponding quarter in 2020.

Source : National Bureau of statistics.

Geological Map of Tanzania





PHARMACEUTICALS AND MEDICAL EQUIPMENT

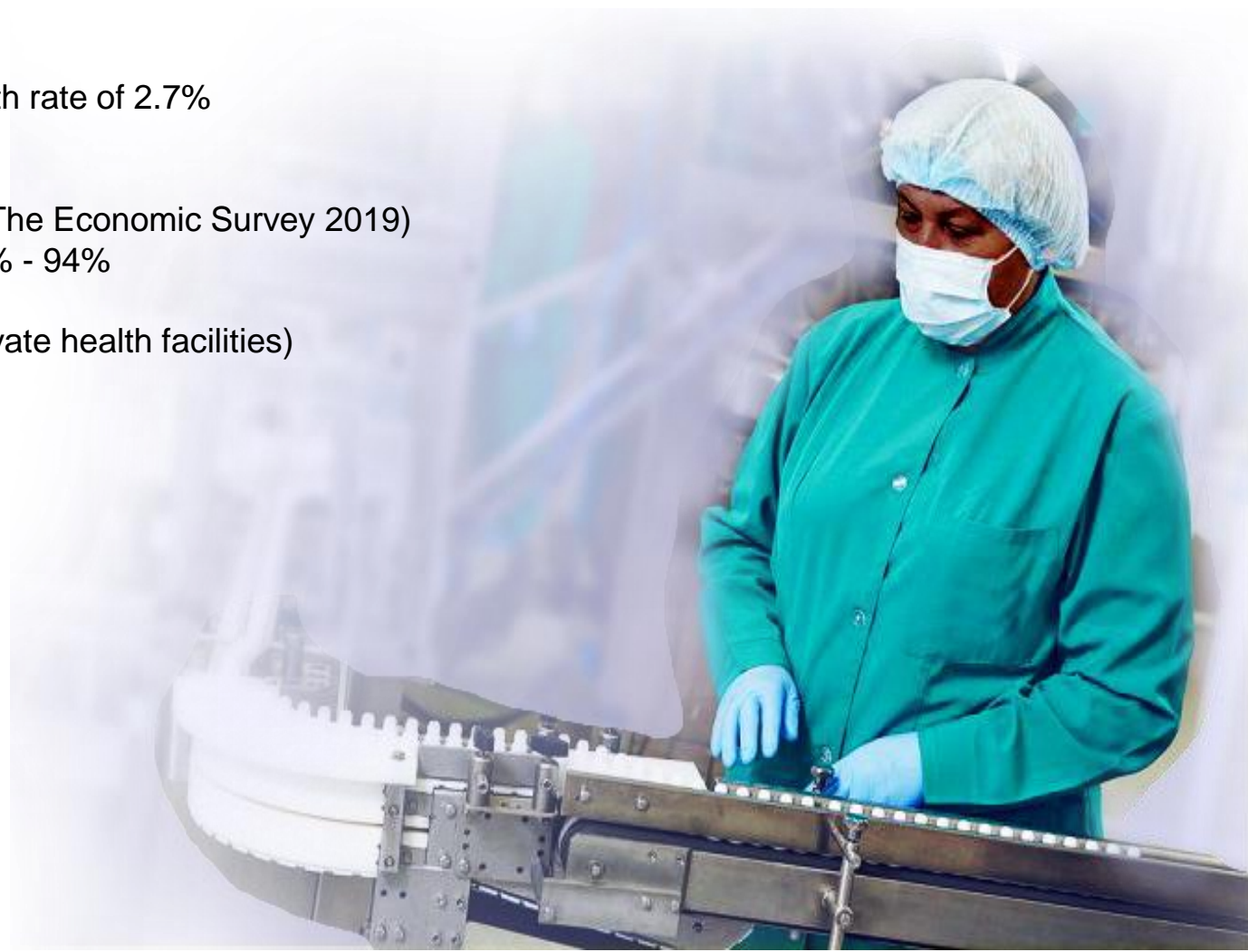


Key facts

- ❖ Population 59,441,988mil. (NBS 2021 Est.) with growth rate of 2.7%
- ❖ 26.3% of the population <15 years
- ❖ 53.2% between 15-64 years old
- ❖ 3.1% of the population is aged 65 years and above. (The Economic Survey 2019)
- ❖ Pharmaceutical & Medical devices Imports: Btwn 85% - 94%
- ❖ Foreign currency spent Annually: US \$0.8bn – 1bn
- ❖ Local Market (Through MSD as well as directly to private health facilities)
- ❖ EAC and SADC market

Investment

- ❖ Manufacturing of medicines, medical supplies, laboratory/supplies
- ❖ Institutions for training industrial pharmacists





REAL ESTATE AND COMMERCIAL BUILDING

Key facts

- ❖ **Population:** 59,441,988mil. (NBS 2021 Est.)
- ❖ Demand for modern housing is increasing
- ❖ Growth rate of 4.6 percent in the third quarter in 2021 (NBS).
- ❖ Growth was attributed due to demand for accommodation especially in urban areas.

Investment Opportunities

- ❖ Housing estates
- ❖ Residential apartments
- ❖ Office buildings
- ❖ Conference and banquet facilities
- ❖ Shopping malls
- ❖ Movie theatres and entertainment facilities
- ❖ Real estate properties
- ❖ Industrial Parks





INFRASTRUCTURE NETWORK

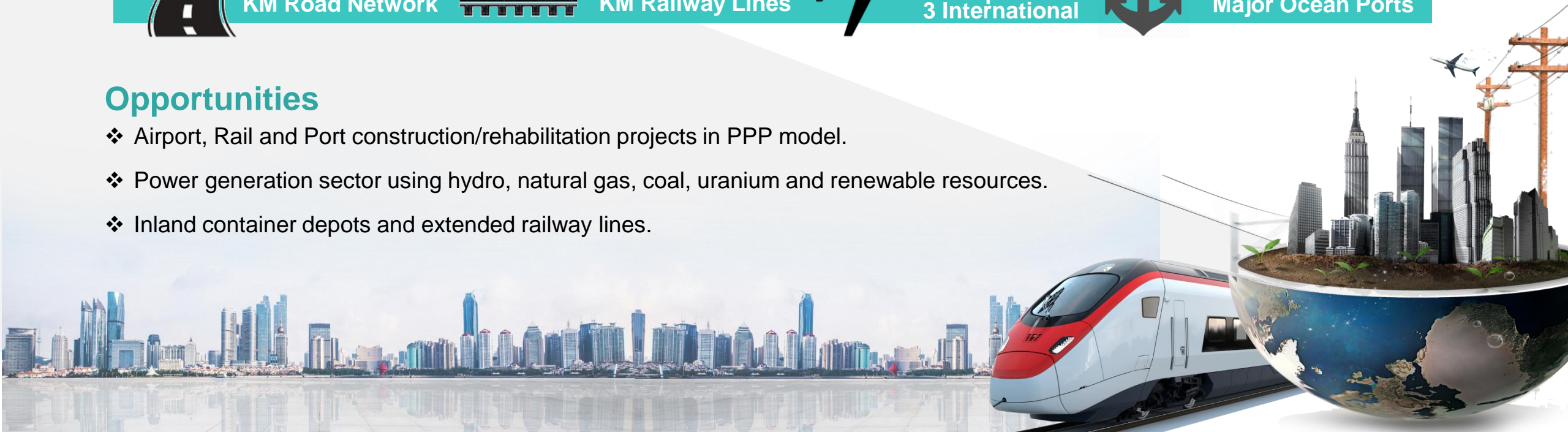
Key Facts

- ❖ Tanzania Railway Limited (TRL) with 2,706km and Tanzania-Zambia Railway Authority (TAZARA) with 970 km.
- ❖ Power generation grows at 10–15% per year, with only 24% coverage and total installed capacity of 1,300 MW.
- ❖ The Government plans to generate more than 10,000 MW in 2025. Medium Target is 5,000MW by 2020.



Opportunities

- ❖ Airport, Rail and Port construction/rehabilitation projects in PPP model.
- ❖ Power generation sector using hydro, natural gas, coal, uranium and renewable resources.
- ❖ Inland container depots and extended railway lines.





INVESTMENT OPPORTUNITIES IN TANZANIA

Automotive Industry

- ❖ Assembly plants for Motor vehicles, tractors, passenger cars, light commercial vehicles, heavy trucks, buses, vans, and motor cycles.
- ❖ Installation of manufacturing facilities for spare parts.
- ❖ Commercialization of Tanzania Automotive Technology Centre (Nyumbu).
- ❖ Revamping General Tyre Company-Arusha





TOURISM AND LEISURE INDUSTRY

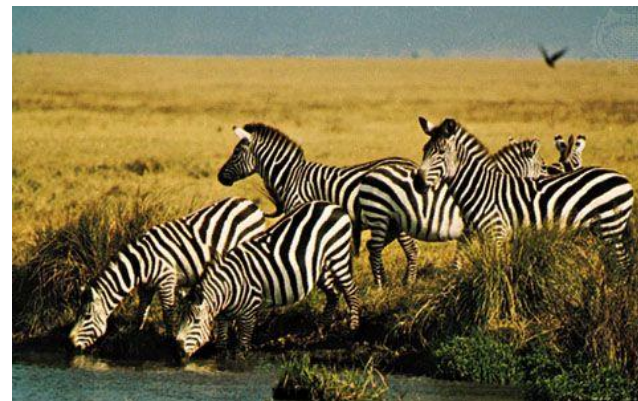
Average length of stay: 10-11 day. Average Expenditure per tourist: US\$355 (package tours) and US\$247 (non package tours)

Key facts

- ❖ 22 National Parks,
- ❖ 32 Game Reserves,
- ❖ 44 Game Controlled Areas,
- ❖ 4 Ramsar/Wetland Sites,
- ❖ 33 Wildlife Management Areas,
- ❖ 20 Nature Reserves

Investment Opportunities

- ❖ Tourist Hotels, Beach tourism, cultural and historical sites
- ❖ Golf courses and eco-tourism facilities
- ❖ Leisure parks
- ❖ Conference tourism facilities
- ❖ Air/ground transport
- ❖ Tour operations
- ❖ Trophy hunting and Photographic



NGORONGORO CRATER



SERENGETI NATIONAL PARK WITH ANIMAL MIGRATION





TANZANIA INVESTMENT CENTRE

SUMMARY OF JAPAN REGISTERED PROJECTS 1997 - APRIL 2023

Sector	No. of Projects	Jobs	Value in	
				Miln US\$
Agriculture	2	14		11.40
Construction	5	695		5.05
Manufacturing	9	292		15.15
Tourism	3	73		4.85
Transport	2	73		2.30
TOTAL	21	1,147		38.75



TOP TEN SOURCE COUNTRIES OF FDI INFLOW FOR 2017

COUNTRY	USD Millions
United Kingdom	227.2
South Africa	211.0
United States of America	178.8
Netherlands	85.3
Oman	35.2
Kenya	30.1
France	27.9
Mauritius	26.3
Japan	26.1
Switzerland	23.4

FDI BY SECTOR ACTIVITY FOR 2017(FDI Inflow and Stock)



2017	(USD Million)	
	INFLOW	STOCK
SECTOR/ ACTIVITY		
Agriculture , forestry and fishing	59.4	501.4
Mining and Quarrying	202.5	5,419.1
Manufacturing	23.7	1,915.6
Electricity and gas	29.6	317.3
Water supply	0.0	0.0
Construction	26.6	132.1
Wholesale and retail trade	64.9	802.4
Transportation and storage	12.0	289.9
Accommodation and food service	247.2	418.9
Information and communication	99.2	1,731.2
Finance and insurance	127.1	1,582.2
Real estate	0.5	164.9
Professional and scientific services	-2.7	25.7
Administrative and support services	1.3	79.5
Public administration	0.0	0.0
Education	3.4	7.2
Human health and social work	46.0	109.8
Art, entertainment and recreation	-3.3	2.0
Other services	0.2	0.2
TOTAL	937.7	13,499.5



TESTIMONIALS

- *TIC has been an important vehicle for our business enabling us quick access to relevant authorities in terms of permits, facilitating easy importation and generally making us comfortable in our investment stage. Additionally, the extension process for our certification was simple. As Miracle Experience, we worked well pre covid, and we are now recovering and looking forward to even more investments in the near future. I highly recommend any new business investor to partner with TIC". - Hasnain Sajjad Sajan, CEO, Miracle Experience Tanzania Limited*
- *“With the rapidly growing national economy, it is imperative that investment opportunities available within the country are seized and maximized. It is with great pride that the TIC has become the focal point of support for various investors across all industries. The TIC has facilitated a platform for our locally owned business to grow on a level at par to international recognition and led to expansion of our scope.” - Imran Karmali, Managing Director, GF Vehicle Assemblers, Coast Region.*



CONCLUSION

JAPANESE INVESTORS

ARE CORDIALLY WELCOME

TO INVEST IN TANZANIA

THANK YOU FOR YOUR ATTENTION!

EXECUTIVE DIRECTOR

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