

United Republic of Tanzania



INVESTMENT OPPORTUNITIES IN TANZANIA

Transportation

SADC – JAPAN INFRASTRUCTURE, SEMINAR 2012, JAPAN - March 2012

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TANZANIA'S ECONOMY

Tanzania contains a total area of **945,087 sq km**
The economy **depends** on **agriculture**, which accounts for more than 40% of GDP, provides 85% of exports, and employs 80% of the work force.

Population: 41.8 Million
(2010 est.)

Labour Force: 20.38
million (2009 est.)

GDP \$ 22.4 Billion
(2009 Est.)

GDP Per Capita \$ 660
(2010 Est.)

Real GDP Growth Rate
7% (2010 Est.)

Inflation
6.4% (Jan 2011)



Source: NBS/BOT

Labour Force: 20.38
Million (2009 est.)

Annual Budget
(2010/11) :
TShs 4.7 Trillion

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

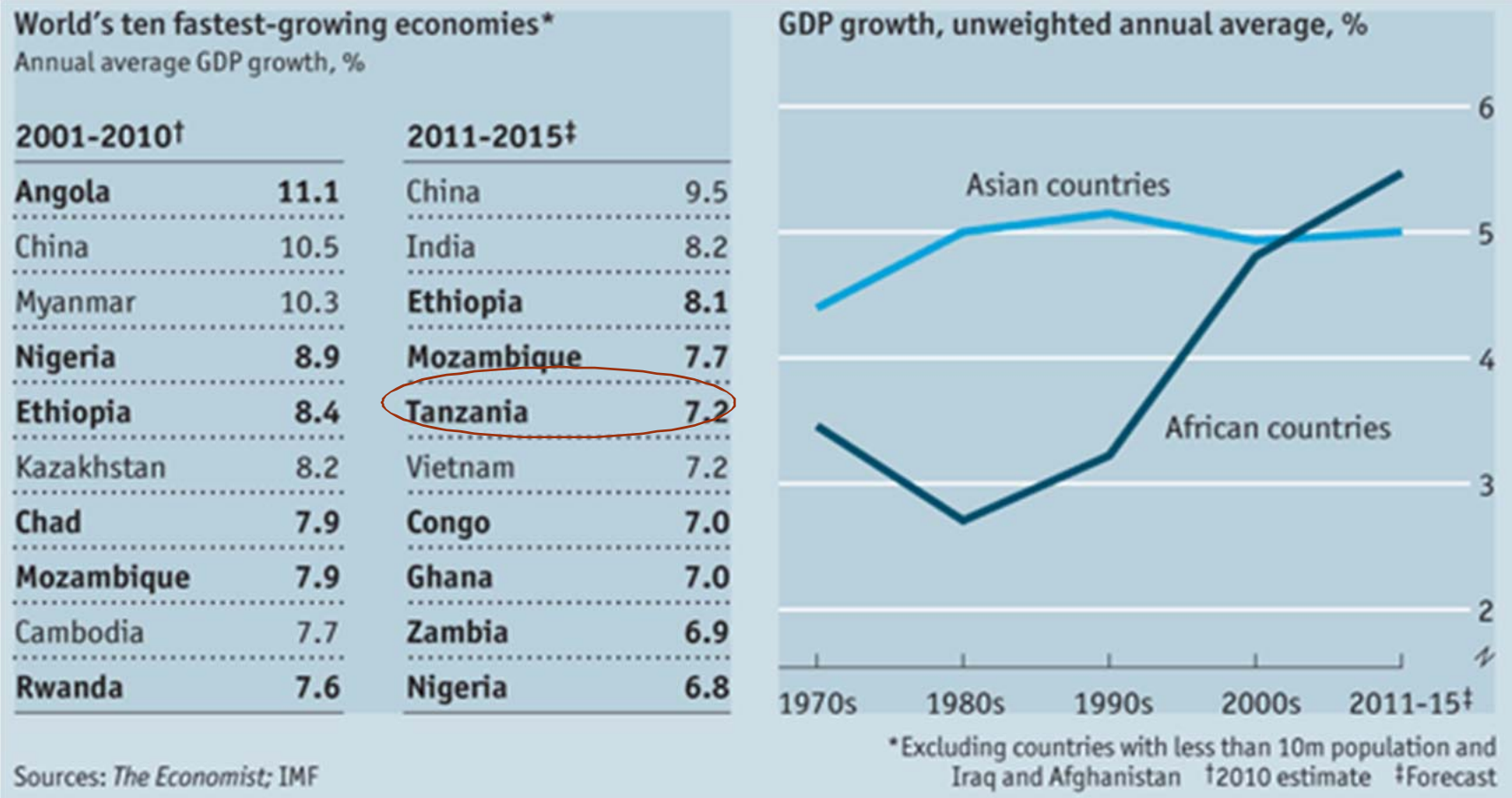
Bank Reserves
(2010/11) :
Tshs 3,551.3Billion

Why Tanzania?



Africa

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



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

Why Tanzania?

1. Peace & Political Stability

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

2. Strategic Location of Tanzania

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

3. Competitive Investment Legal Framework

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

Why Tanzania?

4. Attractive Investment Fiscal Regime

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

5. Predictable Investment Incentives

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

6. Free Repatriation of Funds

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

It has in place one of the best Investment Promotion Agencies in the World.

ONE STOP FACILITATIVE CENTRE

It was awarded the first prize by UNCTAD/WAIPA for facilitating and Providing the aftercare service to all Investors

OTHER TASKS

- Investment Promotion
- Investment Facilitation
- After Care Services to Investors
- Linkage With Other African Economic Blocks e.g: SADC

Market Access

Tanzania enjoys Preferential Market Access with;

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

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

China
Over 4,000 Items

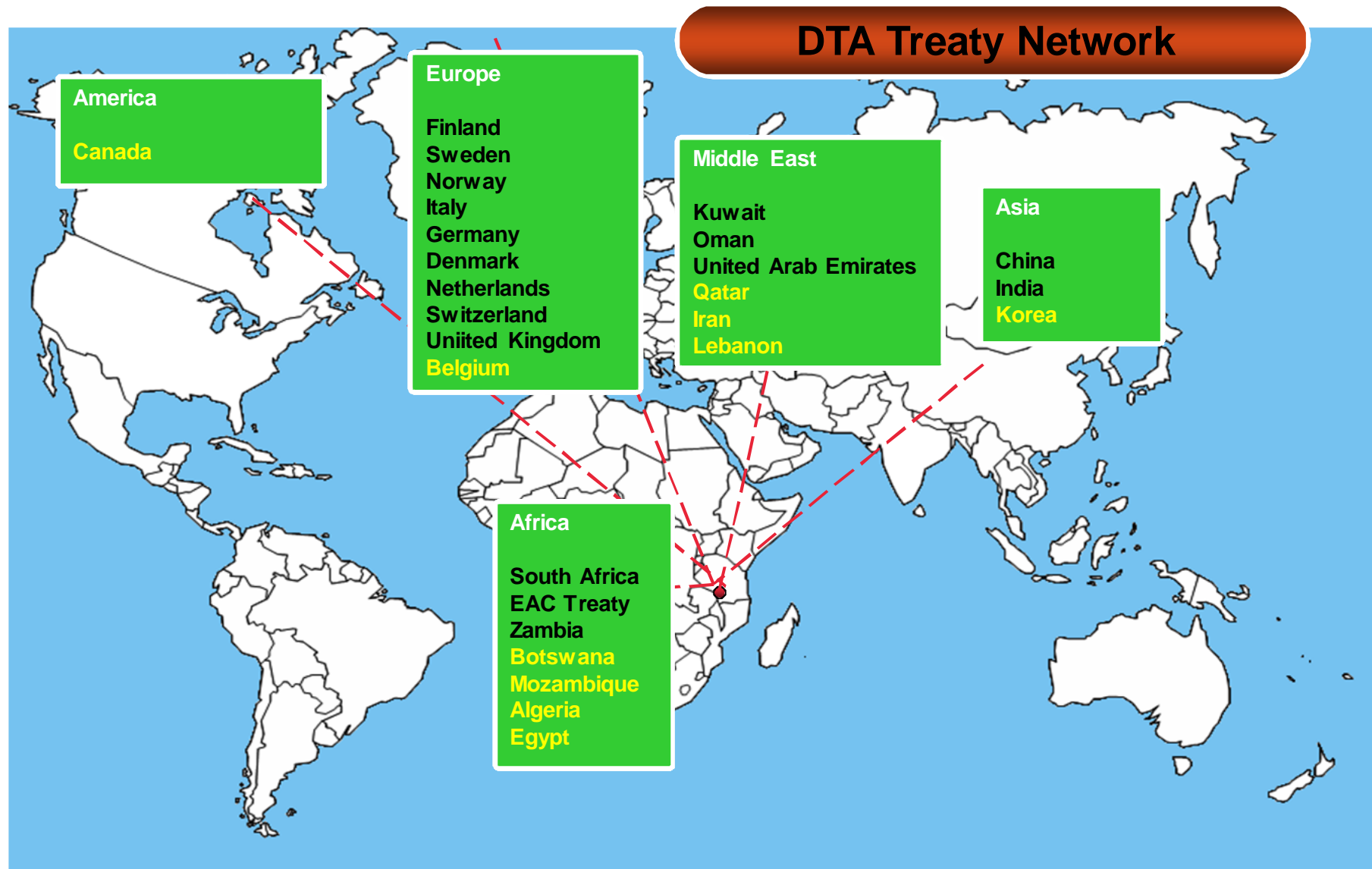


Japan, Canada etc

EAST AFRICA
About 130M People

SADC
300m People

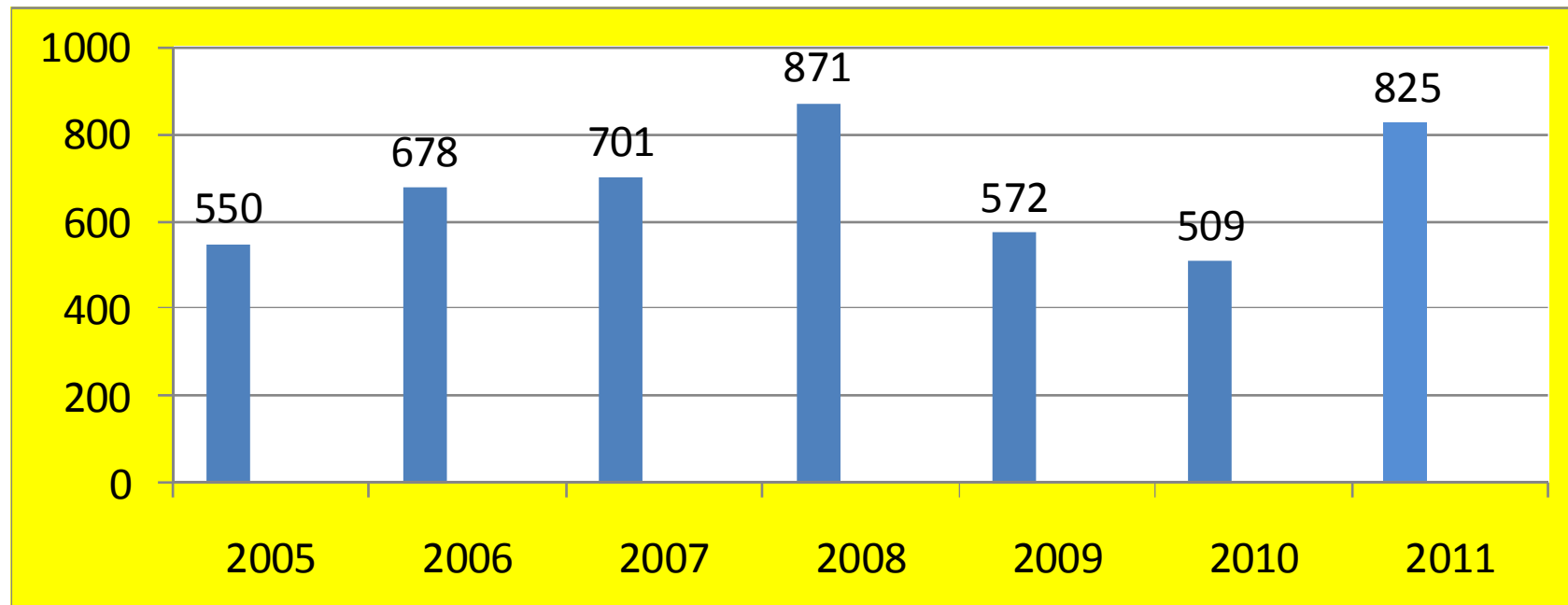
In Order to create Investment Confidence Tanzania has entered into Double Taxation Agreement with several countries.



■ Countries whose negotiations are at final stages

TREND OF PROJECTS REGISTERED WITH TIC FROM 2005 TO 2011

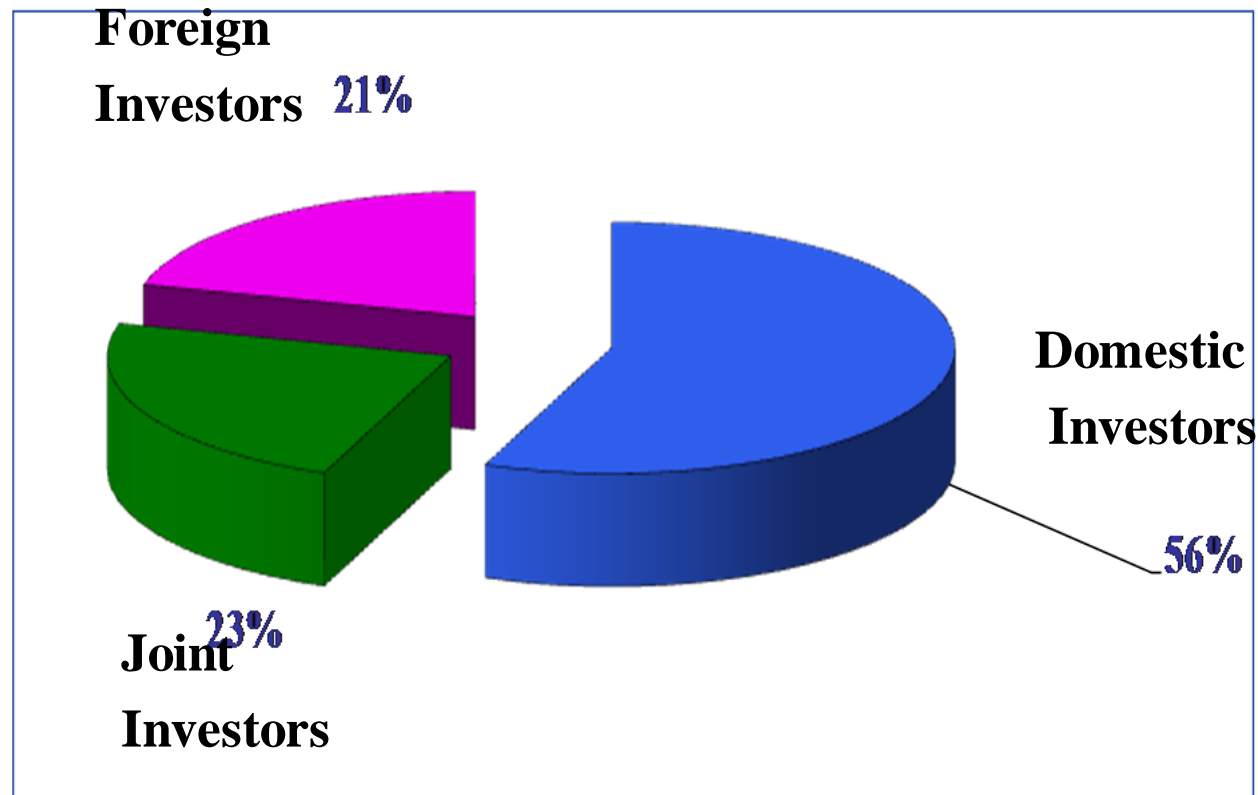
Number of Projects



Source: TIC data

The Centre registered a total of **825 projects** in 2011. This is the highest peak reached in term of projects since 2008. The value of projects registered in 2011 increased by **35 per cent** compared to 2010. The decline from 2008 – 2010 is due to Financial Crisis. But as predicted. The U-Scenario shows the pick of investments from 2010-2011 on wards

Structure of ownership of projects registered by TIC in 2011

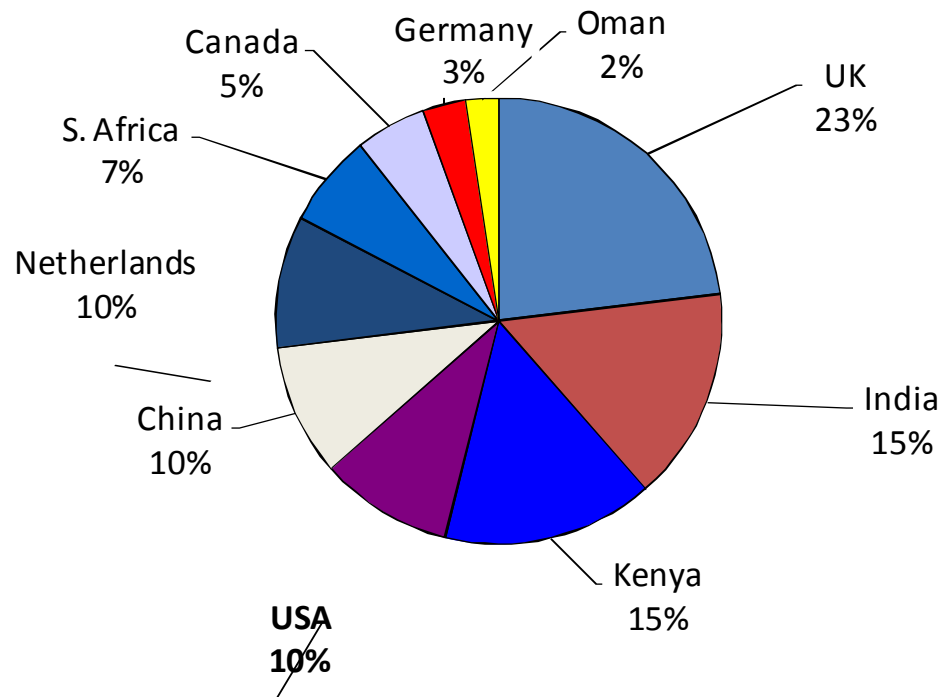


Foreign = 172, Joint Venture = 191 and Local = 462

Source: TIC Database

Ten leading countries that have invested in Tanzania

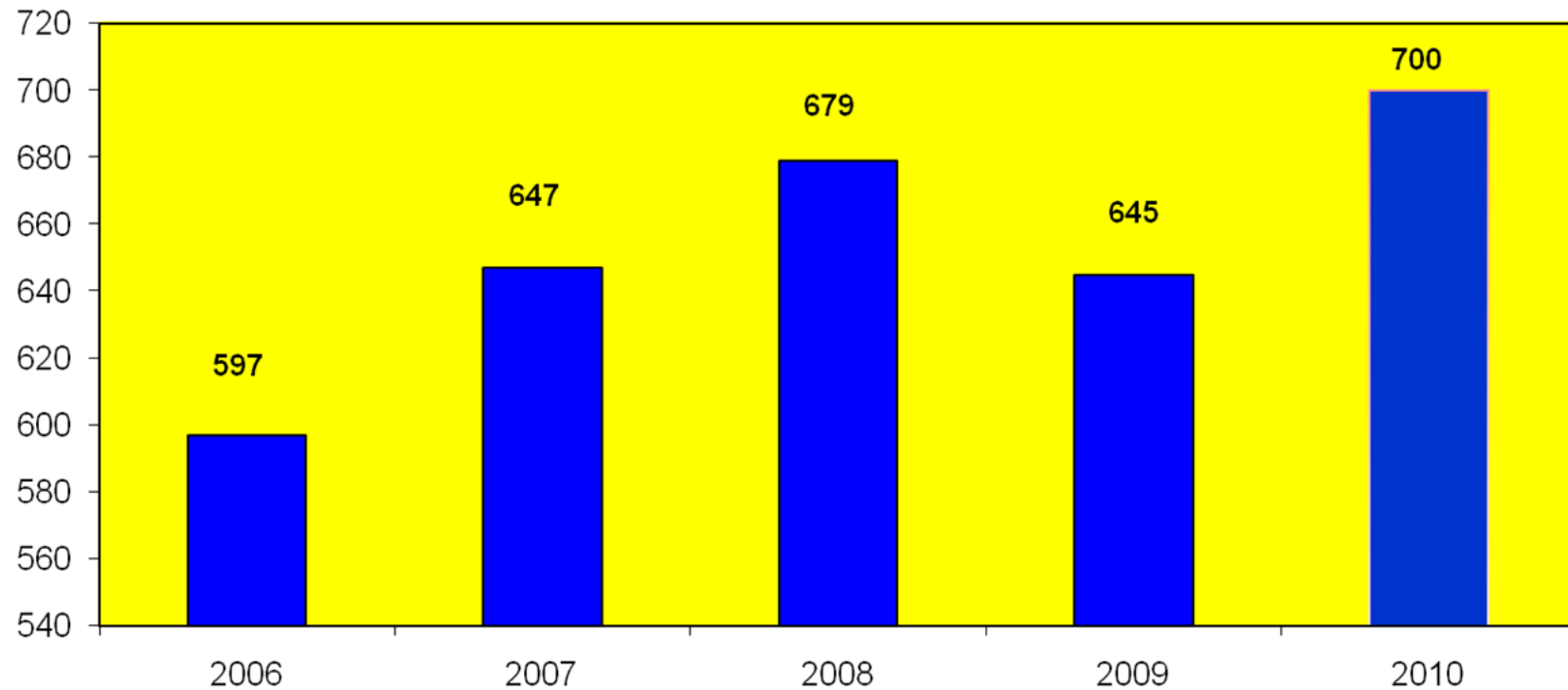
(by Value Million US\$) 1990 –2011



Source: TIC Database

FDI inflows to Tanzania from 2005 - 2010

US\$ Million



Source: UNCTAD - World Investment Report - 2011



TANZANIA TRADE WITH JAPAN GROWING...

USD million

	2004	2005	2006	2007	2008	2009 ^p
Exports	64.3	69.1	69.3	56.1	136.7	165.5
Imports (c.i.f)	180.6	201.2	262.4	257.0	342.4	415.7
Trade Balance	(116.30)	(132.1)	(193.1)	(200.9)	(205.7)	(250.2)

Source: Bank of Tanzania

Investment Opportunities in Tanzania

TANZANIA DEVELOPMENT VISION 2025

Aims at taking Tanzania in an unprecedented economic transformation and development to achieve middle income status (*with a Per Capital income of USD 3,000 by 2025*) characterized by high levels of Industrialization, Competitiveness, Quality livelihood

5 YEAR DEVELOPMENT PLAN

The plan is built on the following underlying prerequisites :

- 1.To sustain Macro - economic stability and Growth (GDP Growth, Employment, Trade and Investments Growth, etc)
- 2.Ensuring availability and accessibility of land for productive and settlement purposes
- 3.Enhancing good governance underpinned by Rule of Law.

The Government aims at **enhancing** the investment environment, **remove** all barriers to trade and investment, **remove** red tape and **assist investors** to get better services in their establishment registration and licensing processes.

Private Public Partnership Act, No. 19, 2010

- Tanzania has recently enacted a Public Private Partnership (PPP) Legislation
- The objectives of PPP Act is to promote private sector *participation* in the provision of public services through public-private partnership projects in terms of investment capital, managerial skills and technology.
- All PPP projects will be promoted and coordinated by TIC and the Ministry of Finance will host the finance unit
- Such projects will include major projects of infrastructure, agriculture, energy, service sector, transportation etc

Core Investments (as per Tanzania 5 year Development Plan)

1. **AGRICULTURE**: Development of SAGCOT projects
2. **ENERGY**: 2,780 MW Electricity Generation
3. **PORT**: Expansion of Capacity of Dar es salaam Port
4. **RAILWAYS**: Rehabilitation of Tanzania Railway lines
5. **AIRPORTS**: Expansion of air cargo to 35,500 tonnes
6. **I C T**: Complete the National ICT backbone infrastructure
7. **HUMAN CAPITAL DEVELOPMENT**
8. etc

AGRICULTURE & AGRI-BUSINESS

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



- **Horticulture**
- **Floriculture**
- **Fish And aquaculture**
- **Sugar**
- **Palm Oil and Jatropha**
- **Pyrethrum and Artemisia**
- **Organic Cotton**
- **Coffee**
- **Tea**
- **Wheat**



The Southern Agricultural Growth Corridor of Tanzania

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

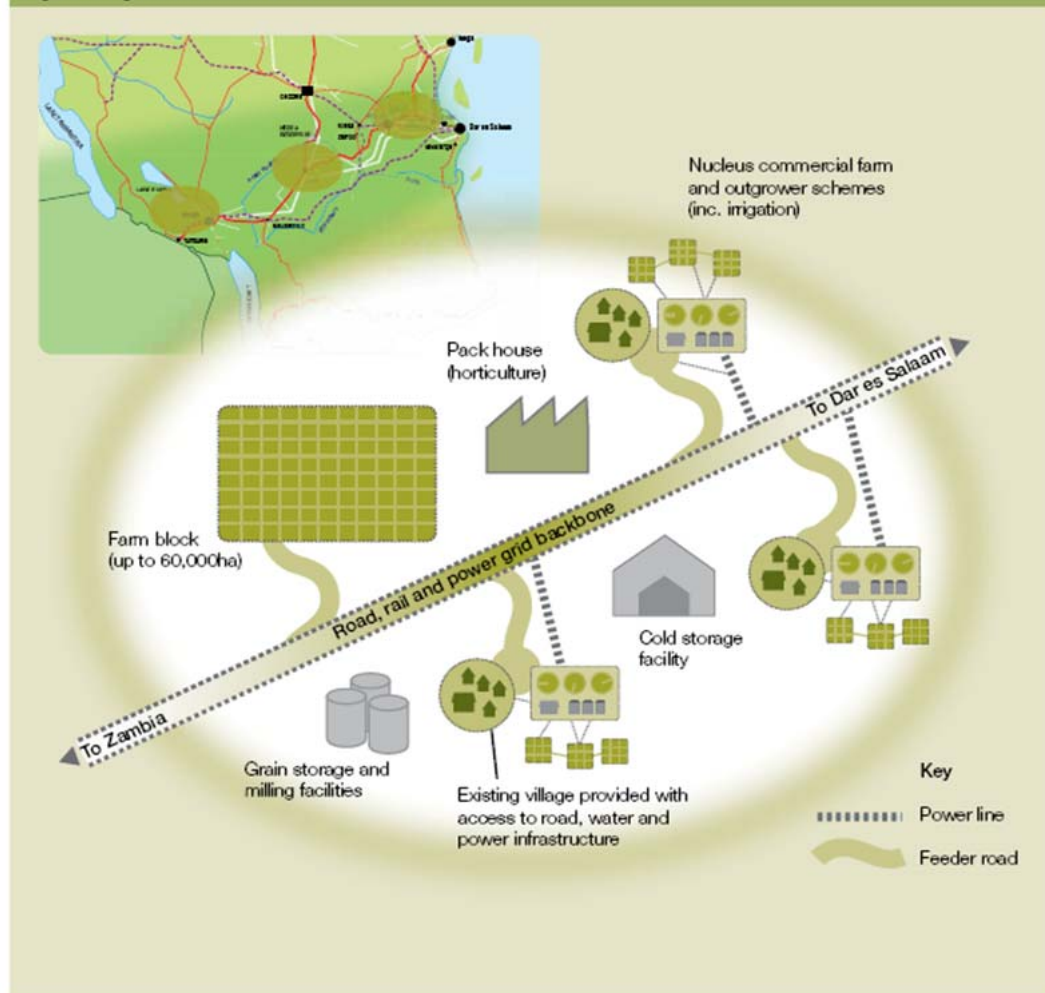
Projects

SAGCOT will identify existing and potential project opportunities in the corridor in the infrastructure and agriculture sectors. Six cluster developments have been identified along the southern corridor of Tanzania.



The Southern Agricultural Growth Corridor of Tanzania

Figure 1: Agricultural Growth Corridor clusters



Investment opportunities lie in the sectors of **Agriculture development, infrastructure development (Roads, Ports, Railways) and Power development.**



NARCO is a parastatal organization with the responsibility of producing beef cattle for Domestic and Export markets.

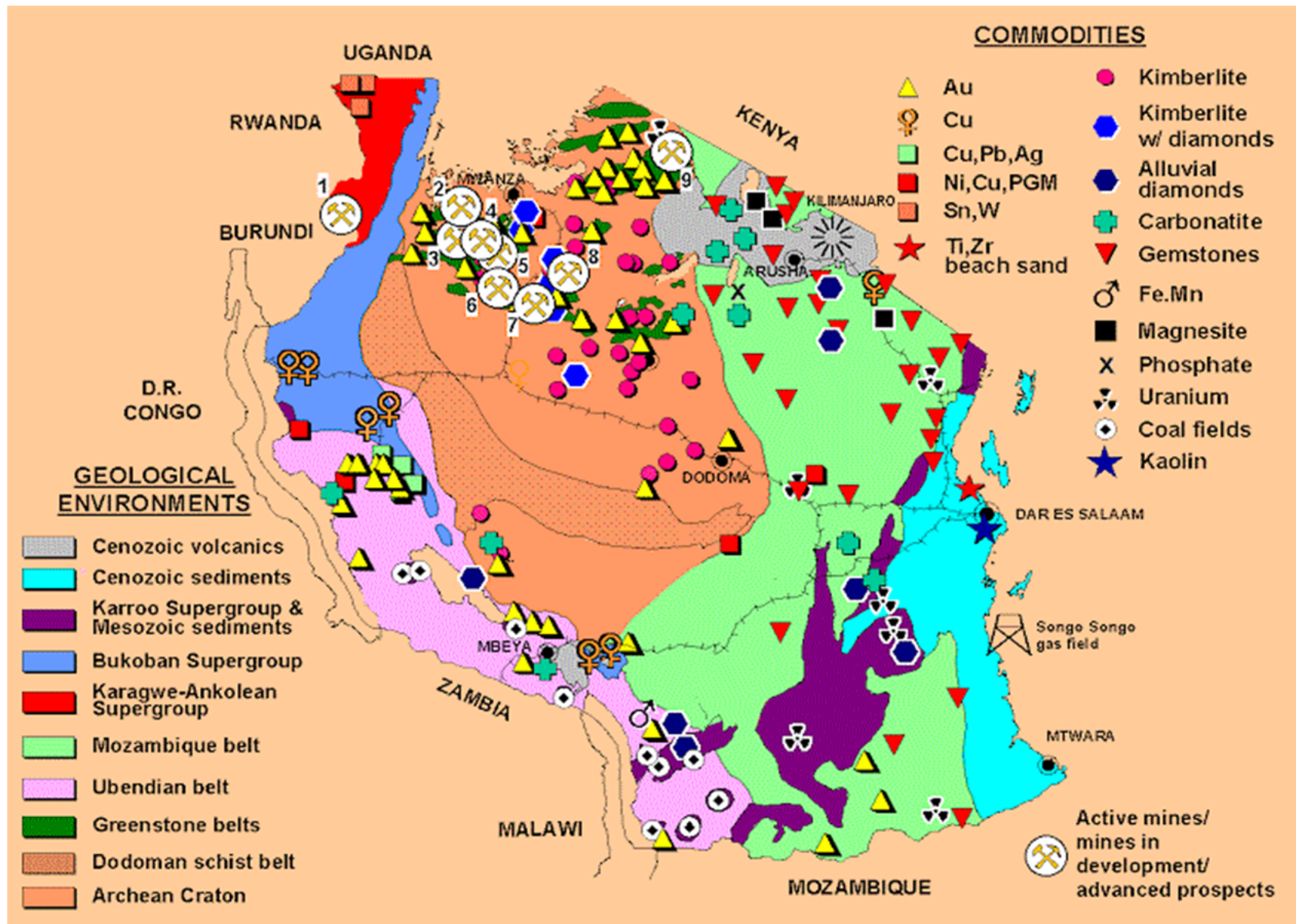
National Ranching Company (NARCO) has **eight (8) existing core ranches** comprising of an area of **230,384 hectares** with nearly **45,000 heads of cattle, 3,025 sheep and 2,000 goats**.

National Ranching Company ranches have the total capacity of **92,500 animals**. NARCO cattle are raised on natural pastures and mineral water. The company has a total of **124 non core ranches** with total area of **289,069 hectares** which are sub-leased to private livestock keepers.

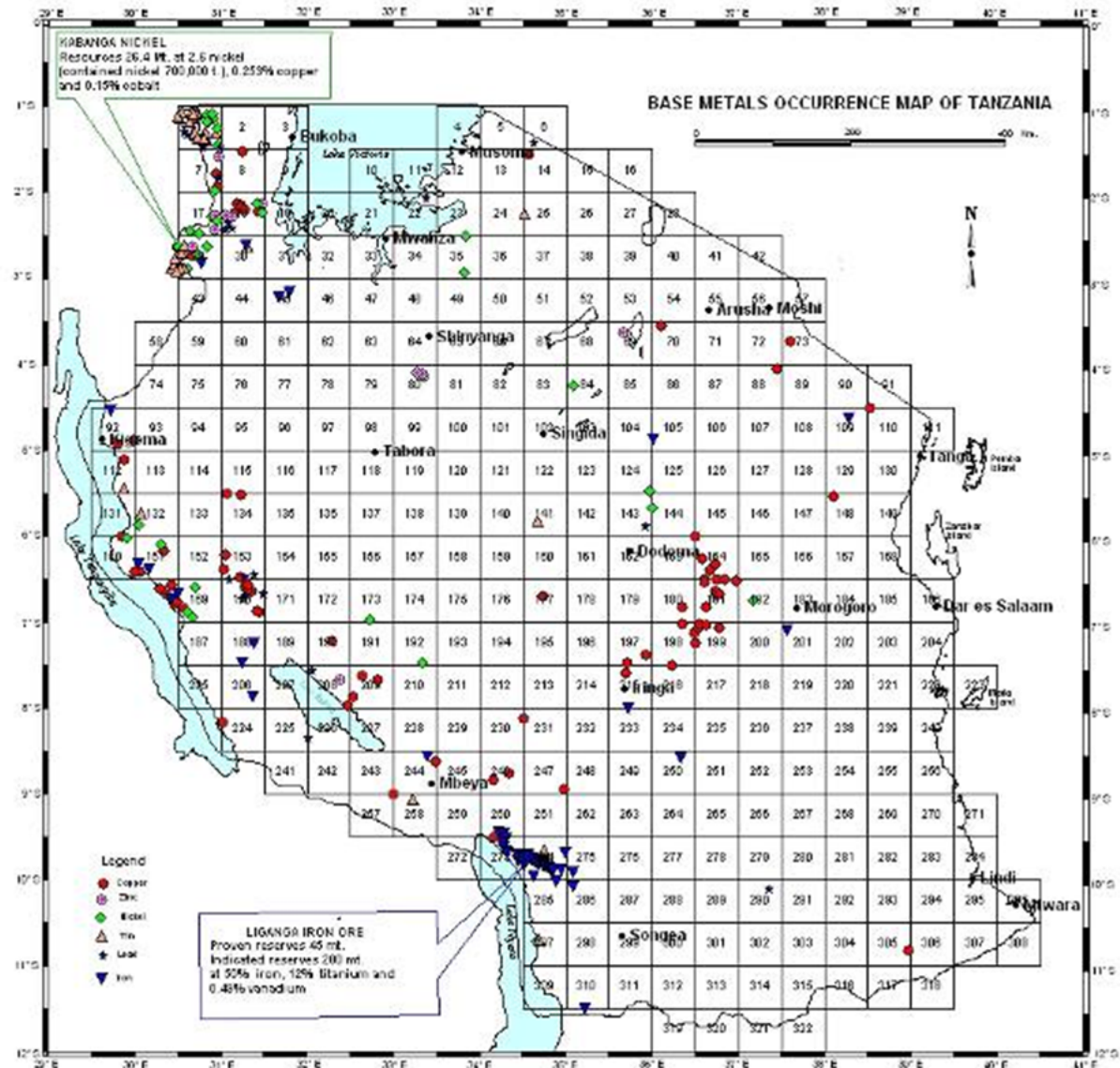
Investment opportunities are in **Kongwa Ranch (Dodoma), Misenyi Ranch (Kagera), Mabare (Kagera), Kagoma (Kagera) and Kalumbo (Rukwa)**

Extractive Industries

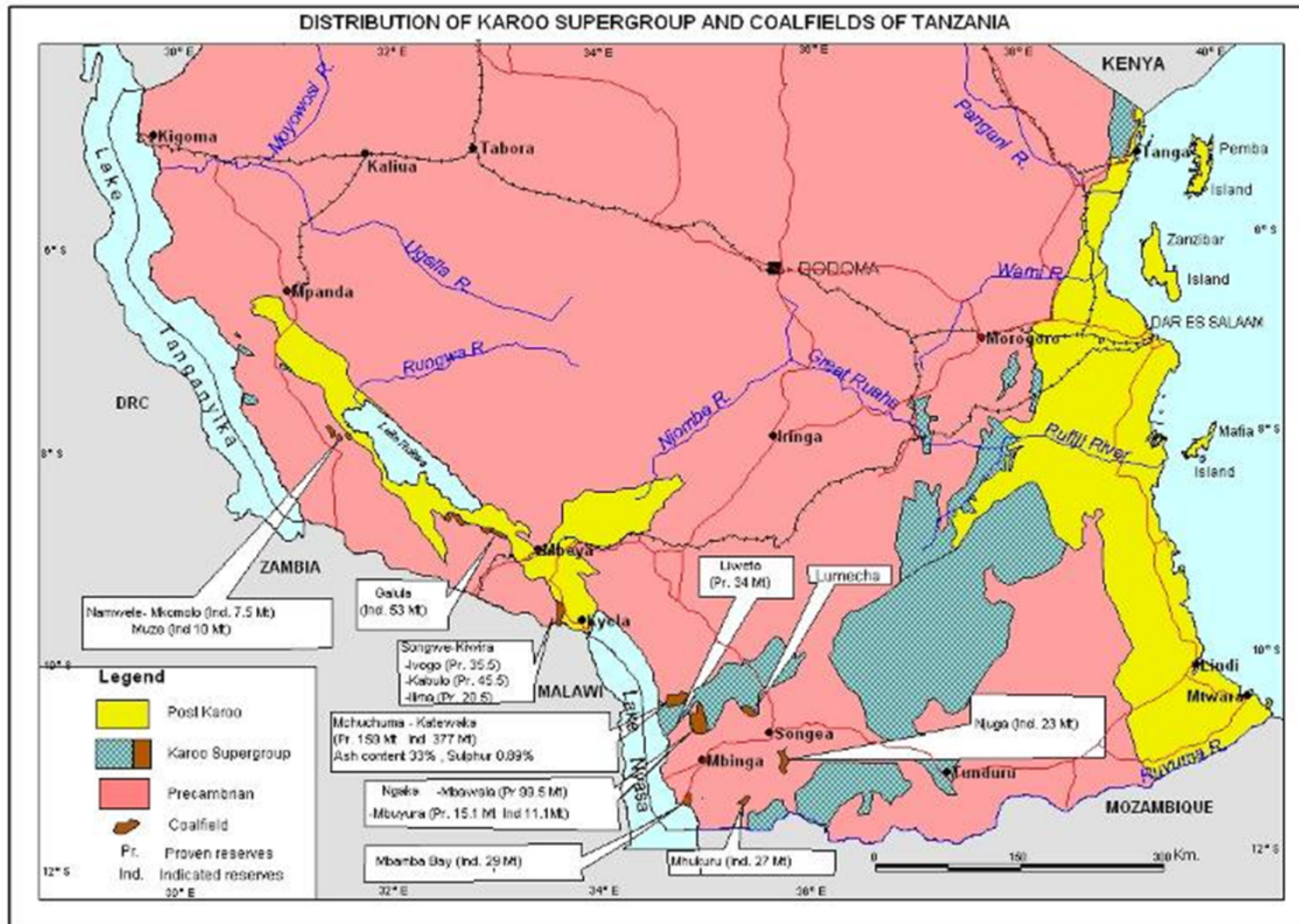
GEOLOGICAL ENVIRONMENT-TANZANIA



BASE METALS OCCURENCES -TANZANIA



COAL FIELDS OCCURENCES -TANZANIA



Opportunities in Mining

You are invited to develop open cast and underground mines to extract Precious / Base Metals, Industrial Minerals and Hydro Carbon Minerals etc



Minerals (e.g. Gold)

Base Metals (e.g. Cobalt, Uranium)

Gemstones (e.g. Tanzanite)

Hydrocarbons: Oil And Natural Gas

Coal: Refining, Processing,

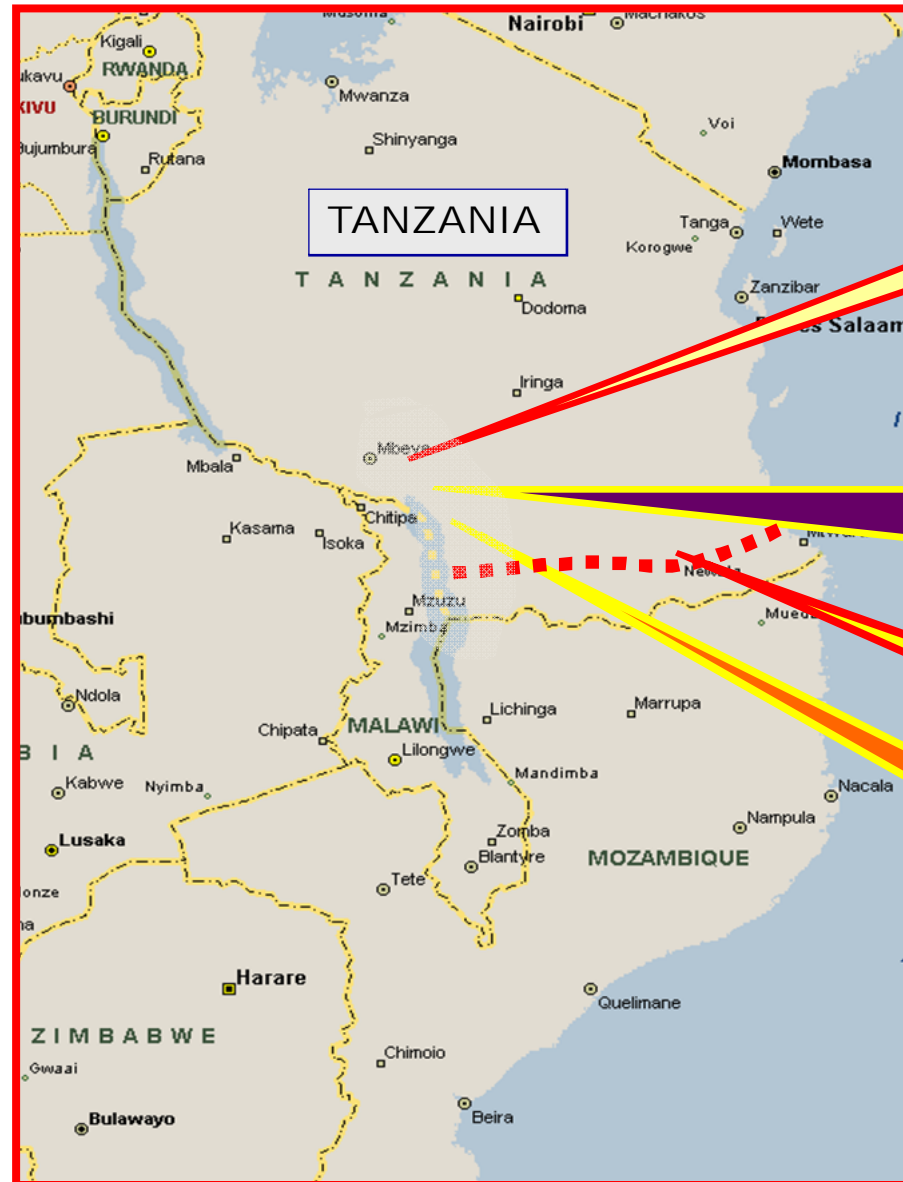
Smelting, Cutting and Polishing

Extractive Industries –Mining

An example of an Open Cast Mine at North Mara



Location of Major Coal and Iron Ore Reserves



Kiwira Coal Deposits

Liganga Iron Ore, Titanium and Vanadium Deposits

Mtwara Corridor

Mchuchuma-Katawake Coal Deposits

Sources: Tanzania Investment Centre, Tanzania National Development Corporation.

ENERGY

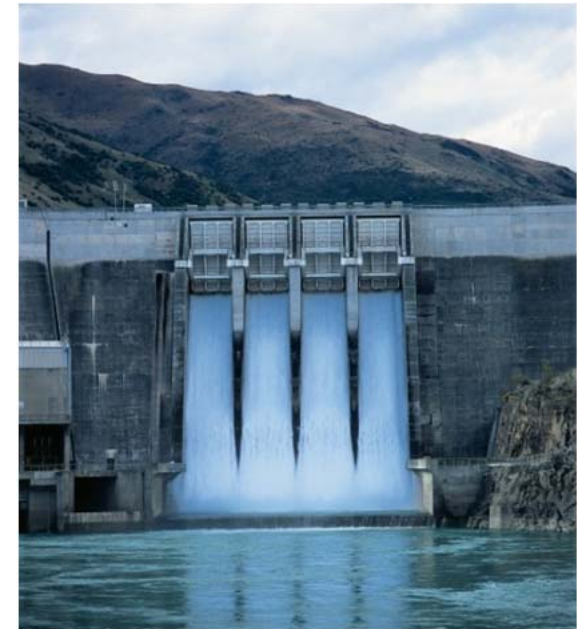
The Government plan is to increase generation of electricity to 2,780 MW by 2015.

This can be achieved by enhancing the following projects:

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

Power Generation and Distribution

An enabling legislation and Institutional framework is now in place to allow the private sector to engage in the Electricity Generation, Transmission and Distribution sector.



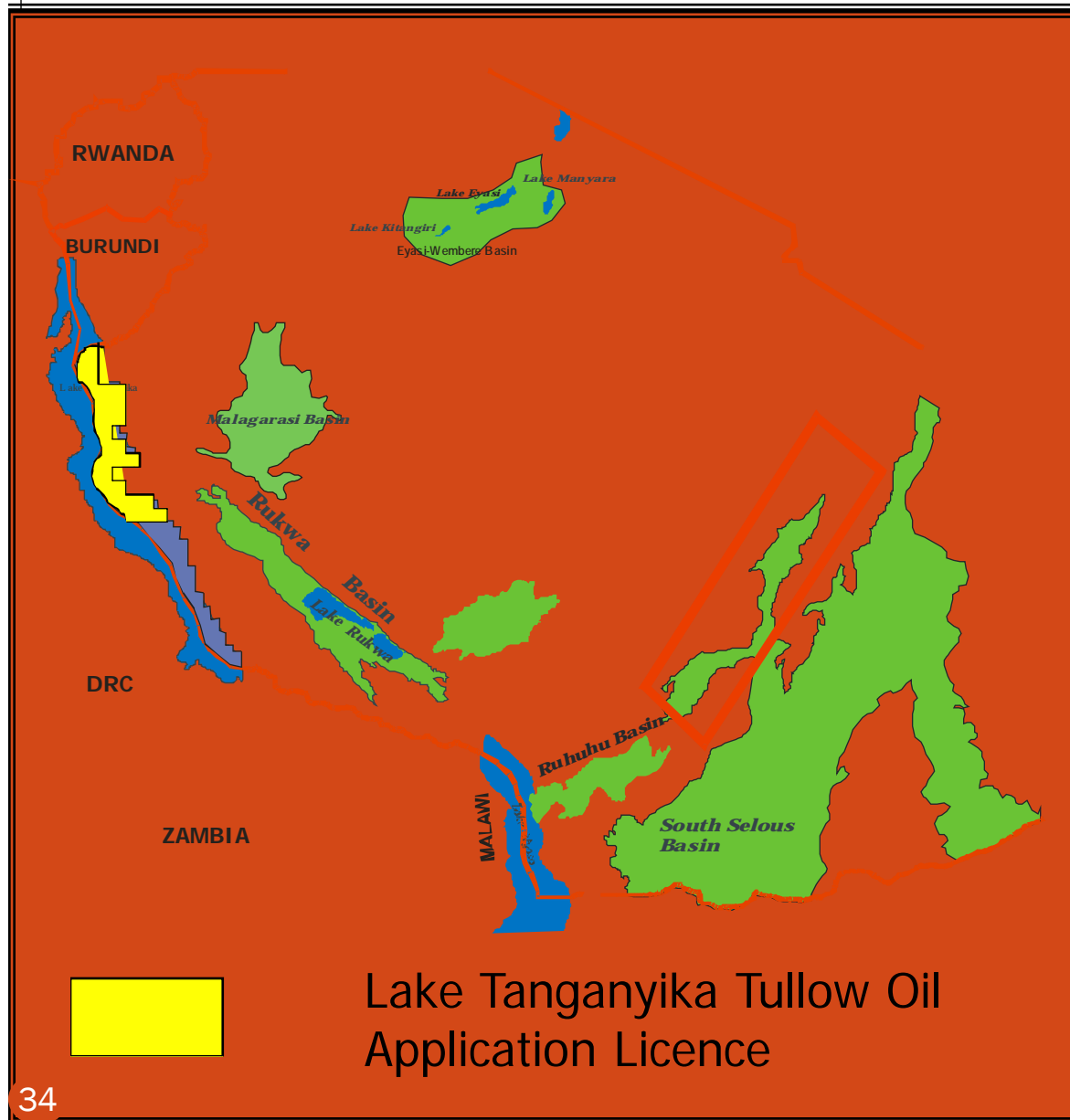
WIND ENERGY

Wind energy resources provide a renewable energy, which is friendly to the environment. There exist adequate wind energy resources in Tanzania.



The analysed wind speed data revealed that the wind energy potential in Tanzania is fairly high

Available Areas For Investment in the Petroleum Sector



Rukwa basin - Seismic,
Gravity, Magnetic and 2 deep
wells

L. Tanganyika- Seismic,
Magnetic

Malagarasi Basin- Magnetic

South SELOUS Block – Magnetic

Wembere/Eyasi Basin- Gravity
and Magnetic

Kilosa Basin - Magnetic

Ruhuhu Basin - Magnetic

TANESCO PROJECTS



Tanzania has extensive unexploited hydroelectric resources.

These include identified sites that have been studied to feasibility level namely **Ruhudji (358MW)**, **Rumakali (222MW)** and **Songwe River (>300 MW)** which forms part of the physical boundary between the United Republic of Tanzania and the Republic of Malawi.

The total unexploited hydroelectric power potential is estimated to be at least 4500 MW.

TANESCO PROJECTS

Rehabilitation and expansion projects request a total of **US Dollar 130,228,630** for 6 regions of Mbeya, Kagera, Singida, Manyara, Ruvuma, and Rukwa.

SCOPE OF WORK	REHABILITATION [USD]	EXPANSION [USD]	TOTAL [USD]
SUBSTATIONS	1,310,806	7,325,201	8,636,007
33kV LINES	18,772,801	41,735,552	60,508,353
11kV LINES	2,874,890	6,715,437	9,590,327
LT LINES	21,683,954	29,809,990	51,493,944
TOTAL	44,642,451	85,586,179	130,228,630

Infrastructure



■ Power

■ Telecommunication

■ Roads

■ Seaports

■ Airports

■ Railways

■ Bridges

BOT Schemes

Tanzania has developed policies and enabling legislations for private sector to engage in building and operating Tanzania roads under BOT, BOO or BOOT systems.

Power generation

Tanzania has put an enabling legislation and Institutional framework in place to allow the private sector to engage in the Electricity Generation and Distribution sector. Opportunities in generation of energy from hydro, Gas, Wind etc

P O R T

Tanzania has 3 major ports of Dar es salaam, Mtwara and Tanga. Tanzanian ports are the natural hubs bordering 6 landlocked countries of Uganda, Burundi, Rwanda, DRC, Malawi and Zambia. In the islands, Tanzania is also bordered by Seychelles, Comoro and Mauritius.

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

- Enhancing the use of improved technology in water transport facilities
- Private investment in Marine Transport Services
- Synchronizing the port operation system with other cargo handling institutions

SOME OF PORT PROJECTS FROM T.P.A

Some port projects available for investment

- Strengthening and Deepening of Berths 1-7, **Dar es Salaam Port** USD 510 mil
- **Development of Mbegani Port at Bagamoyo** (estimated cost is USD 1 bil)
- Development of **Mwambani Port** in Tanga (estimated cost is USD 700 m)
- **Kisarawe Cargo** Freight Station (KCFS) (estimated cost is USD 280 m)
- Expansion and Modernization of **Mtwara Port** (estimated cost is USD 184.1m)
- **Dar Harbour** Water Front Development (estimated cost USD 220 – 376 mil)

Contact: Tanzania Ports Authority

RAILWAYS

The Government plans to:

- Rehabilitate existing railway lines
- Upgrade & construct strategic line
- Construct new railway lines (Isaka, Rwanda and Burundi)



AIRPORTS

Development of Airports and Air Transport system



SOME OF AIRPORT PROJECTS FROM T.A.A

1.	LOCATION:	JULIUS NYERERE INTERNATIONAL AIRPORT (JNIA) IN DAR ES SALAAM REGION
2.	Implementing Authority:	Tanzania Airports Authority (TAA)
3.	Project Name(s): <i>Passenger Traffic (2009):</i> <i>1.5million per year</i>	<ul style="list-style-type: none"> • Rehabilitation and Extension of Existing Terminal II Building as a short term measure and • Construction of a complete new Terminal III Building to cater as medium and long terms measure
4.		
5.	Project Benefits:	<ul style="list-style-type: none"> • Improved efficiency and comfort to passengers upon Rehabilitation of Buildings and facilities • Improved capacity of the airport to handle more aircrafts upon increase of terminal and apron size • Improved security upon implementation of security programs
6.	Projects Cost Estimates:	<ul style="list-style-type: none"> • Rehab Existing Terminal II: Approx US\$: 20 million • New Terminal III: Approx US\$ 350 million
7.	Project Status:	<ul style="list-style-type: none"> • Feasibility study and detailed design needs to be done for most of the items. Only basic concepts available

- | | |
|---|--|
| 1. LOCATION: | ARUSHA AIRPORT IN ARUSHA REGION |
| 2. Implementing Authority: | Tanzania Airports Authority |
| 3. Project Name: | : |
| <i>Passenger Traffic (2009):</i>
<i>122,621 per year</i> | Rehabilitation and construction of pavements [runway, apron, taxiways and access road]; construction of terminal building and security improvements |
| 5. Project Benefits: | <ul style="list-style-type: none">➤ Improved safety to aircrafts on pavement rehabilitation and purchase of fire tenders➤ Improved security upon implementation of security programs➤ Improved efficiency and comfort upon Rehabilitation of Buildings and facilities➤ Improved tourist destination |
| 6. Projects Cost estimates: | US\$: 41.3 million |
| 7. Project Status: | <ul style="list-style-type: none">➤ Design and Study done by an English Firm concluded in July 2009 under the World Bank Funding |

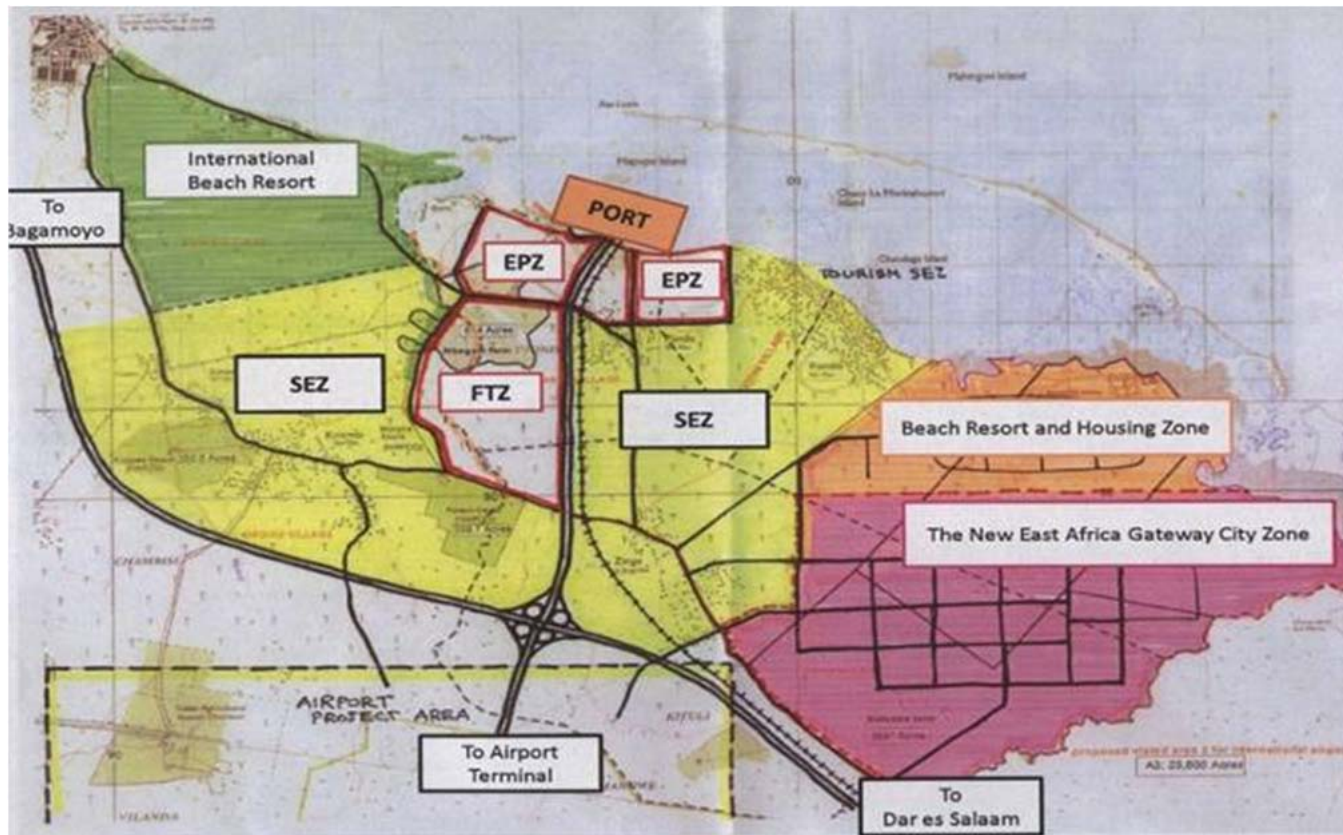
1. **LOCATION:** **MWANZA AIRPORT IN MWANZA REGION**
2. **Implementing Authority:** Tanzania Airports Authority
3. **Project Name:**
Passenger Traffic (2009):
224,207 per year
 - Construction of Airport pavements on access roads, passenger apron, cargo apron, taxiways
 - Construction of new PAX. Terminal and Cargo Building
5. **Project Benefits:**
 - Improved efficiency and comfort to passengers upon Rehabilitation of Buildings and facilities
 - Improved capacity of the airport to handle more aircrafts upon increase of terminal and apron size
 - Improved fish storage and export
6. **Projects Cost** **Estimated at US\$: 60 million**
7. **Project Status:**
 - Review Designs for aprons, taxiways, turning bays and runway extension
 - Review Designs for terminal buildings and cargo building
 - Review designs for car parks and access roads

SOME OF THE PROJECTS FROM EPZA

EPZA PROJECTS

1. Establishment of EPZ and SEZ Industrial Parks
2. Establishment of Tourism Park
3. Establishment of Free Port Facilities
4. Establishment of Free Trade Zone
5. Science and technological Parks
6. International Business Centre
7. Construction of Industrial Sheds at the BWM-SEZ

EPZ PROJECTS

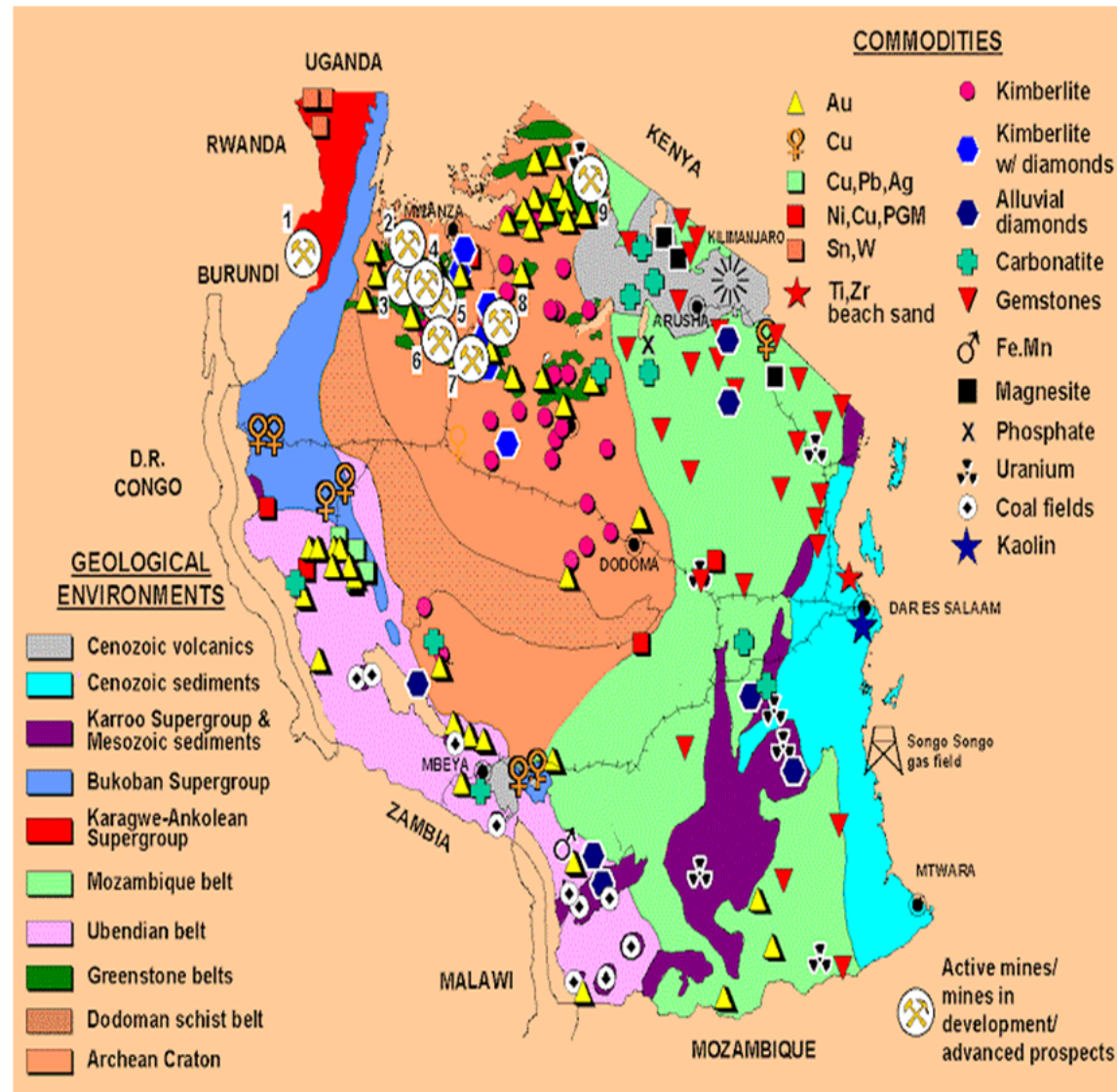


Contact:

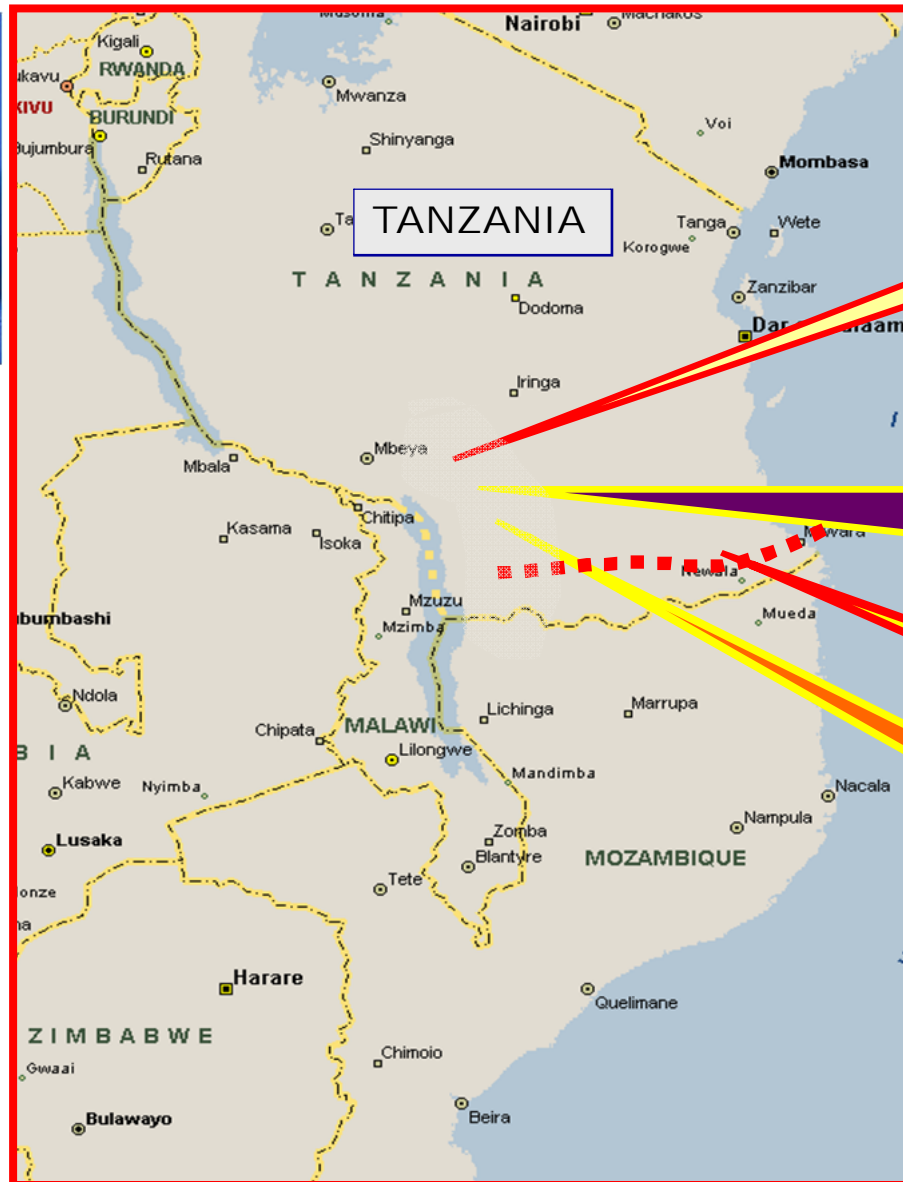
The Director General
Export Processing Zones Authority
P. O. Box 12112,
Dar es Salaam, Tanzania
Tel: +255 22 2451827-9
Fax: + 255 22 2451830, E mail: info@epza.co.tz

Extractive Industries

GEOLOGICAL ENVIRONMENT-TANZANIA



Location of Major Coal and Iron Ore Reserves



Kiwira Coal Deposits

Liganga Iron Ore, Titanium and Vanadium Deposits

Mtwara Corridor

Mchuchuma-Katawake Coal Deposits

Investment opportunities in Liganga and Mchuchuma are mainly in the establishment of Steel processing plants

Sources: Tanzania Investment Centre, Tanzania National Development Corporation.

Oil and Gas Opportunities in Tanzania

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



Contact:

Managing Director, Tanzania Petroleum Development Corporation

P.O. Box 2774, Tel: 255-22-2118535, Fax: 255-22-2129663

E-mail: tpdcmd@tpdc-tz.co

Down Stream Investment Opportunities In the Gas subsector

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

Tourism



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

ZANZIBAR –INVESTMENT OPPORTUNITIES

- **Fisheries and Marine products**
 - Deep Sea Fishing
 - Processing & Canning
 - Fishing Landing site facilities
 - Seaweed Processing
- **Agriculture/Agro-related industries**
 - Essential Oils
 - Horticulture
 - Spices
 - Export of fresh fruit
- **Livestock**
 - Dairy and Poultry farming, processing
 - Construction and management of Modern Slaughterhouse

ZANZIBAR –INVESTMENT OPPORTUNITIES

- **Tourism and related services**
 - Up market/high class chain hotels
 - Convention Centres
 - Recreational and Amusement parks
- **Services**
 - Health care centres
 - Business and Financial services
 - Information and Communication Technology (ICT)

CONCLUSION

We invite JAPANESE investors to
Tanzania to trade and invest in
different sectors especially
Energy, Infrastructure and Extractive
Industries

COME & GROW WITH US





Thank You
For Your Kind
Attention

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