

A land of investment opportunities

By **EMMANUEL D. OLE NAIKO**

EXECUTIVE DIRECTOR, TANZANIA INVESTMENT CENTRE AND VICE PRESIDENT, WORLD ASSOCIATION OF INVESTMENT PROMOTION AGENCIES



EMMANUEL NAIKO has been Executive Director of the Tanzania Investment Centre since 2005. He is a Registered Professional Mining Engineer and Mineral Economist by training and was recently elected Vice President of WAIPA. Prior to TIC he worked as the Director of Operations and Marketing for the State Mining Corporation. He also worked as the General Manager for several State Enterprises from 1978-81. He currently serves as a Board Member of several organisations including the Tanzania Petroleum Development Corporation (TPDC), Bank of Africa (BOA) and the Tanzania Private Sector Foundation (TPSF) as well as STAMICO.

Tanzania is implementing the right policies to best improve the country's trade and investment growth after weathering the global economic crisis.

Recently approved Public Private Partnership (PPP) legislation calls for government and private cooperation to boost economic development. Experience in Tanzania and in countries in sub-Saharan Africa indicates that there are activities that could best be done by governments, and others which could best be done by the private sector. A unit is to be created within the TIC to promote and coordinate PPPs in Tanzania. The private entity assumes the associated risks for a period of time before it begins to benefit from the investment as agreed.

Tanzania offers a well-balanced and competitive package of incentives, having signed double taxation treaties with several countries. It is also a signatory of several multilateral and bilateral agreements on the protection and promotion of foreign investment. Among other international agreements and memberships, Tanzania is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID). At the same time, Tanzania is member of the Southern African Development Community (SADC) and the East African Community (EAC). These blocs are expected to catalyse greater efficiency in resource allocation, which will contribute to the maturation of the sectors.

Tanzania's untapped natural resources offer a wide range of investment opportunities: arable land, minerals, and tourism are all awaiting potential investors. Mining and tourism are the leading recipients of foreign investment, and are tipped to become the 'growth sectors' of the economy. Tanzania is also the gateway to the regional markets of landlocked Rwanda, Burundi, Uganda, Zambia, Malawi and Eastern Congo (DRC).

The TIC is a one stop shop for all investors. It coordinates and promotes all investment in Tanzania, undertaking investment facilitation, business licensing and registration, land and labour issues, tax registration, and after care services. TIC is the focal point for investors and currently undertakes targeted promotion of investments internally and abroad based on thorough research.

- **Agricultural.** This is the leading economic sector, contributing about 26 per cent to GDP, and accounting for 45 per cent of total export earnings, and employing about 80 per cent of Tanzania's total labour force. Tanzania has

about 44 million hectares of land suitable for agriculture, of which only about 23 per cent is cultivated annually. Tanzania's large land size, with varied topography, provides ideal water, soil and good climate conditions for a competitive range of agricultural products.

- **Tourism.** Tanzania is the only country in the world to allocate more than 25 per cent of its land area to wildlife parks and game reserves, and its tourist attractions make it one of the world's fastest-growing holiday destinations.

Opportunities for investment are immense, including hotel construction, leisure parks, golf courses, conference tourism, air/ground transport, wildlife farming, tour operations, trophy hunting, sea and lake cruising, deep sea fishing, development of eco-tourism facilities, beach tourism, cultural and historical sites. The Government therefore encourages investment, both privately and through joint ventures these areas.

- **Infrastructure.** Opportunities in infrastructure investment range from the building of highways, bridges, telecommunications, airports, and water supply infrastructure. Foreign ownership of up to 100 per cent including Build Operate and Transfer (BOT) arrangements are allowed for these ventures.

- **Mining, power and gas.** Tanzania has large deposits of minerals, hydro carbons and petroleum. Tanzania also has vast varieties of minerals including diamonds, gold, base metals and industrial minerals such as nickel, soda ash, kaolin, phosphates, graphite, tin, gypsum and copper cobalt. Tanzania is the continent's third-largest gold producer.

In addition we have large deposits of coal and iron ore. Tanzania's coal and iron ore sectors have the potential to generate up to US\$100 million a year in coal export revenue and to generate 400MW of additional power. In the southern part of our country (Kiwira coal deposit) it has been confirmed that we have 200 million metric tonnes of coal deposits. Other coal deposits in Mchuchuma-Katawake have proven reserves of 159 million metric tonnes.

The country is also endowed with ample resources for generation of power including gas, hydro, oil and bio-fuels. Discoveries of huge deposits of natural gas have been made. Uranium deposits have also been discovered. Since 2002 Tanzania has established the Tanzania National Business Council (TNBC) as a common platform of business issue discussion between the private sector and the government.