

# Building strong partnerships

INTERVIEW WITH H.E. DR ALI MOHAMED SHEIN

PRESIDENT OF ZANZIBAR



DR ALI MOHAMED SHEIN is the 7th President of Zanzibar, in office since 2010. He was previously Vice President of the United Republic of Tanzania from 2001 to 2010. He is a clinical biochemist by profession who completed his PhD degree at the medical School of the University of Newcastle upon Tyne, United Kingdom. He began his career in the Ministry of Education in 1969 and later on transferred to the Ministry of Health and served for 19 years. In 1995, he entered politics and became a member of the House of Representatives in 1995, subsequently serving as Deputy Minister of Health, and later Minister of State for the Constitution and Good Governance.

**On 26th April of this year, Tanzanians celebrated the 50th Anniversary of the union of Tanganyika and Zanzibar, a momentous event out of which was born Today's United Republic of Tanzania. Since then, this merger has produced a series of remarkable achievements: politically, economically, and socially. Please update us regarding the status of Zanzibar today in the Union.**

The Revolutionary Government of Zanzibar is a Government of National Unity formed by two political parties namely Chama Cha Mapinduzi (CCM) and Civic United Front (CUF) represented in the Zanzibar legislature. This came into being after the 2010 Zanzibar Constitutional Amendment, designed to end a period of political instability and insecurity in Zanzibar. The Revolutionary Government of Zanzibar in the form of the Government of National Unity is committed to improving the life of Zanzibaris as per the requirements of the Constitution, Vision 2020, the Zanzibar Strategy for Growth and Reduction of Poverty (MKUZA II), and the CCM election manifesto for the period 2010-2015.

Under successive governments, Zanzibar has implemented economic and social development strategies focusing on tourism, agriculture, and infrastructure. In the mid 1980s the archipelago began a process of economic liberalisation, implementing reform by opening the economy up to participation from the private sector; the financial and monetary sector has since been liberalised, allowing private banking institutions and trading in foreign currencies under the auspices of the Bank of Tanzania.

**What would you say the main benefits have been from the union with mainland Tanzania?**

The union with Tanzania has brought a number of economic achievements, among them a single currency, joint fiscal policy, a central bank, and foreign aid opportunities. The mentioned achievements have contributed to the raising of the living standards of Tanzanians; increased employment and economic growth for both parts of the union. Tax collection in Zanzibar is the responsibility of two organizations namely Tanzania Revenue Authority and Zanzibar Revenue Board. Other shared achievements are in higher education, telecommunications and customs services and all the previous East African services

relating to meteorology and aviation. Other benefits are in the social development sectors, facilitated by the Social Services Development Fund (TASAF), which provides money for health, education, water and other communal projects. Furthermore, the United Republic of Tanzania's institution responsible for technological innovation, development of science and research (COSTECH) plays an important role in facilitating researchers in their activities.

**How would you assess the health of Zanzibar's economy; and how effective has Vision 2020 been in helping economic growth?**

Zanzibar, like the United Republic of Tanzania, is classified as a least developed country. While the Zanzibari economy has performed well in 2013, registering real GDP growth of 7.4 per cent – the highest in more than a decade – Zanzibar still strives to improve the economy, with 44.4 per cent of the population living below the poverty line. Despite improvements in growth rates and a strong resilience to the global downturn, per capita GDP is only US\$667. The recent growth in GDP is reflected in the service sector, which grew by 8.6 per cent last year, followed by the industrial sector's 8.2 per cent, and the agricultural sector's 3.6 per cent. In terms of GDP contribution, the service sector is dominant, contributing 44.1 per cent of GDP in 2013. Vision 2020 has set the goal of sustainable annual economic growth averaging between 8 and 10 per cent by 2020.

Zanzibar's Development Vision 2020, which runs in tandem with the UN's Millennium Development Goals aims to improve access to basic social needs, democracy, social security, as well as empowering Zanzibaris by creating opportunities allowing people to develop their full potential. In 2010, Zanzibar's Development Vision 2020 was reviewed on the basis of the economic, social and global issues that had emerged in an age of rapid scientific and technological change, notably in the area of ICT. This review took into account the need to continue building a strong and competitive economy; improving people's quality of life, as well as ensuring good governance and the rule of law. The long-term objective is to raise Zanzibar to middle income country status. Vision 2020 and MDG have different timelines. The former being 2020 and the latter being 2015.

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**What other policies and strategies are in place to boost growth and development?**

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In 2007, the Revolutionary Government of Zanzibar approved the four-year Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP), known in Kiswahili as “Mkakati wa Kukuza Uchumi na Kupunguza Umasikini” Zanzibar (MKUZA). MKUZA focuses on three main clusters: economic growth and reduction of income poverty, social services and wellbeing, and good governance and national unity. MKUZA identified trade and tourism as the first-tier growth drivers, with agriculture, industry (manufacturing) and infrastructure as support sectors. Trade and tourism were chosen as the growth drivers on the basis of Zanzibar’s comparative advantage (in the short-run) conferred by its strategic geographical position in the region, as well as its rich cultural and historical heritage. To gain competitive advantages in these sectors, Zanzibar needs to develop advanced levels of technical and managerial skills to build and sustain its advantages in both growth sectors. Agriculture and industry can provide the synergies required to boost the growth performance of the two main drivers. Development of the agricultural sector has focused on mechanization, irrigation, better seeds, the use of fertilizers, and appropriate extension services to farmers in the production of both food and cash crops. More efforts are being taken to increase the production of cloves, as well as implementing effective value-addition strategies and market promotion for cloves, seaweed, and other spices. Zanzibar’s most recent harvest produced 5,215 tons of cloves, while the country is second only to Philippines in production of seaweed: output for 2013 was 11,043 tons. Similarly, the

government has increased efforts to improve the fishing sector by inviting foreign investors to invest in deep-sea fishing and processing.

In the future the issue of economic transformation will feature, from traditional to modern sectors, hence from subsistence to wealth creation. And this should benefit the majority, thus pulling a large part of the population out of poverty and placing Zanzibar on the prosperity track.

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**What do British investors need to know about how to become involved in Zanzibar’s success story?**

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The Zanzibar Investment Promotion Authority is a one-stop shop for investors. Interested investors are invited to look at Zanzibar’s economic policy framework. Small and Medium Enterprises need to play a bigger role in meeting the needs of local and regional markets. The EAC and SADC countries markets are open to Zanzibar goods at zero or low tariff. Zanzibar has the infrastructure investors need: the archipelago, like the rest of Tanzania, is now connected to the rest of the planet. Five telecommunication companies serve Zanzibar. There is also a good network of modern roads that serve both rural and urban areas, and that has greatly facilitated tourism development. Zanzibar now has more than 680 kilometres of tarmac roads, compared to 408 kilometres in 1964. Therefore, Zanzibar is peaceful and a haven to investors.

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**Your government has earmarked tourism for growth, has it not?**

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This year a multi-sector Tourism Development Programme (MTDP) has been launched that aims

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Declan Hartnett,  
Regional Publisher,  
FIRST, with President  
Dr Ali Mohamed Shein

to increase the number of visitors to the island from 181,300 in 2013, to 250,000 in 2015, and 500,000 by 2020. The MTPDP provides a framework for establishing the most appropriate projects to best improve visitors' experience of Zanzibar. There is a boom in tourism hotel development. Zanzibar now has about 26 five-star hotels. There is room for much more, such as luxury restaurants and selected tourism services. With the completion of the Zanzibar new airport terminal, the apron and taxiway extension, more airlines will be able to fly direct to Zanzibar. The construction of the terminal building is currently going on while the apron and taxiway extension is completed. The tourism sector offers high potential for international investors.

#### **Over the last half-century, how have policies focused on improving the lives of Zanzibaris and creating opportunities?**

Immediately after the 1964 Revolution, The Revolutionary Government of Zanzibar abolished all school fees, introducing free education for all without any form of discrimination. This measure was an important milestone in Zanzibari history, creating opportunities for thousands of children from poor backgrounds. The government scaled up efforts to build new schools both in urban and rural areas. As a result, today, all Zanzibar children are enrolled in primary or secondary education, as is their right according to Zanzibar's Constitution. To give some idea of the scale of the achievements in education, in 1964, there was only one nursery school in the archipelago, 62 primary schools, and four secondary schools, and there was no university. Today, there are 279 nursery schools, 359 primary schools and 256 secondary schools, along with three universities and a number of other higher educational institutions. At the same time successive governments have made huge efforts to expand universal access to health care. As a result, no Zanzibari has to travel more than five kilometres for health services. Commendable achievements have been attained in the distribution of clean and safe water, which is now available to more than 76 per cent of people living in towns, and to 60 per cent of the rural population, compared to only 27 per cent of the total population before 1964. The government has set a target to increase the availability of clean and safe water to 95 per cent of towns and to 80 per cent of rural areas by 2015.

#### **And looking ahead to the next half century, what are your goals?**

Over its 50 years of existence, the union has overcome rising challenges. The United Republic of Tanzania will increase its efforts in order to achieve higher rates of growth and development. Tanzania will

continue to implement its development programmes and plans. Tanzania will continue to cherish and hold high our unity, solidarity and brotherhood as the basis of building a strong nation. Tanzania's efforts shall be directed at the maintenance of internal peace, tranquility, security and harmony among our people. Likewise Tanzania will collaborate with its neighbours and other nations the world over for the promotion of regional and global peace and security. Tanzania is currently in the process of establishing its new national constitution. It is important to successfully accomplish this noble task as it will strengthen the pillar of a stronger nation, politically, socially, and economically. We need a new Tanzania, a stronger Tanzania, one that can face the challenges of the future more effectively.

#### **Do you have a message for the British people?**

Zanzibar is a peaceful, stable country that provides security for people and property. It has a long-standing friendship with Britain and the British people. The people of Zanzibar cherish their friendship with the British people. The English language is widely used in Zanzibar. British visitors have no language problem in Zanzibar. We greatly welcome British tourists. Zanzibar values its relations with Britain through the Commonwealth and regular exchange of visits. Zanzibar would like to see further cooperation in higher education, commerce, tourism, deep sea fishing, infrastructure development, travel and other sectors. We are committed to building a strong partnership with Britain and working with the UK private sector. Zanzibar encourages the British to help the country achieve its aspirations for prosperity by investing in the areas and programmes outlined above.

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Education is a key priority for The Revolutionary Government of Zanzibar

