

Open to investment

By **HON. DR ASHATU K KIJAJI M.P.**

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ASHATU K KIJAJI was first elected to parliament in 2015 becoming a Deputy Minister in the Ministry of Finance and Planning. She was appointed Minister for Investment, Industry and Trade in January 2022. She holds a PhD in International Management from the University of Agder in Norway. Before joining the political arena, she held various posts while serving in academic institutions in particular Mzumbe University in Morogoro, Tanzania.

Over the last decade, foreign direct investment in Tanzania has steadily increased, largely due to an increasingly conducive investment climate created by the government. Tanzania has witnessed tremendous progress in investment registration through the Tanzania Investment Centre (TIC), where five sectors in particular have flourished- manufacturing, commercial building, financial services, tourism and transportation.

Up to October 2022, 958 investment projects with a UK interest have been registered in Tanzania, which are expected to create 125,787 jobs, with an investment value of more than US\$5,568.57 million. The government of Tanzania has identified the key priority areas of manufacturing and agriculture, which will accelerate economic growth, create employment and support industrialization efforts. With a territory of 945,000 square kilometers, Tanzania is a relatively big country. The country has 46 million hectares of arable land of which less than 20 per cent has been utilised. The climate is good for agriculture, water is plenty, and the land is fertile. All crops can be grown in Tanzania from tropical to temperate crops.

Other key sectors include tourism, infrastructure, mining, energy, water and sanitation. Government institutions and private entities have compiled various projects in the mentioned sectors that TIC promotes for interested investors.

The investment projects include manufacturing projects, railway projects, power generation projects, mining projects, agro processing projects and several other projects. Tanzania has a vibrant market based economy, and there are unlimited investment and business opportunities which we invite UK investors to explore.

We are currently undertaking a number of legal and regulatory reforms that will unlock the country to make it the regional hub and best investment destination in Africa. The reforms touch a number of areas including reviewing of investment law, tax regime and automation of processes for the investment facilitation.

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 the

Multilateral Investment Guarantee Agency (MIGA) and International Centre for Settlement of Investment Disputes (ICSID). Private banks are allowed to operate freely in the country and investors can repatriate profits and dividends without any problems. But perhaps of particular interest to business people is the fact that Tanzania has enjoyed uninterrupted peace and political stability since independence. Therefore security of investment is guaranteed. Tanzania offers a well-balanced and competitive package of fiscal and non-fiscal incentives in comparison with other African countries through various legislation related to investment.

Investing in Tanzania also guarantees access to a market of more than 300 million people in Eastern and Southern Africa, in which Tanzania enjoys preferential trading arrangements, by virtue of being a member of SADC and EAC. In addition, Tanzania is a gateway to six landlocked countries in Eastern and Central Africa: the Democratic Republic of Congo, Rwanda, Burundi, Zambia, Malawi and Uganda. Investing in Tanzania therefore gives you the advantage and opportunity to access markets in all these countries.

Also, Tanzania, like other African countries, enjoys preferential access to much of the world market. We have quota free and tariff free trade arrangements for many products through the AFCFTA arrangement (China, Japan, USA, the EU, and India, among others). We are yet to benefit fully from these facilities because of our supply side constraints. We want to work with UK investors to overcome these constraints, so we invite them to come invest in Tanzania and take advantage of these facilities.

We have also focused on addressing infrastructural bottlenecks. These include the construction of the US\$3 billion Nyerere Hydro-Electric Dam, which will guarantee reliable and affordable access to electricity throughout Tanzania. We are also constructing a new electric powered Standard Gauge Railway from Dar es Salaam Port that will link to Uganda, Rwanda, Burundi and the Democratic Republic of Congo. This railway will improve efficiency in transport and remarkably cut transport costs for goods by up to 40 per cent.

The common call of our President is about opening up the country, so my ministry will make sure we open our doors wide for anyone interested in bringing capital and doing business with us. **F**