



## Doing Business in Tanzania: 2010 Country

### Commercial Guide for U.S. Companies

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# Chapter 1: Doing Business In Tanzania

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## Market Overview

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Tanzania maintained its trajectory of modest GDP growth in 2009, although at 5.2 percent compared to several prior years averaging 7 percent growth. The global financial crisis affected Tanzania's economic performance mainly through declining tourism and agricultural receipts as well as through lower investment. Pressures from rising oil and food prices drove inflation over 13 percent in 2009, although there were signs that food prices were easing. The government, with IMF support, provided a stimulus which propped up declining cashew and cotton prices and subsidized agricultural inputs. As the global economy recovers, investment, trade and tourism will likely accelerate. Tanzania remains among the world's poorest countries, and the Government of Tanzania (GOT) depends significantly on donor budgetary support. In 2010, the East African Community's Custom Union is scheduled to take full effect.

Basic economic statistics (2008/9 figures):

- GDP: USD 17.72 billion
- Real GDP Growth rate: 5 percent
- GDP per capita: USD 435
- Inflation: 12.7 percent
- Total Exports to the World: USD 3,036.7 million
- Total Imports from the World: USD 6,439.9 million
- Exports to the United States of America: USD 1.53 million
- Imports from the United States of America: USD 169.4 million
- Mean Exchange Rate: Tsh 1,320 per USD
- Population Total: 40.7 million people
- Tanzania Mainland: 39.5 million people
- Tanzania Isles: 1.2 million people

Source: Bank of Tanzania (BOT)

## Market Challenges

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Doing business in Tanzania has several challenges, including:

- Difficulties enforcing contracts through the courts
- Poor infrastructure, e.g., underdeveloped transport system, unreliable power
- Bureaucratic "red tape" and widespread corruption
- Limited availability of skilled labor

Tanzania experienced a steady rise of foreign direct investment over the last decade, although investment decreased as a result of the global financial crisis. In 2007, the value of Foreign Direct Investment (FDI) Flow was USD 600 million compared to USD 474.5 million in 2006. In the last decade the total FDI stock in Tanzania exceeded USD 6 billion, making the country a leading FDI destination in the East Africa region. Tanzania's strategic location makes it a natural East African hub for investors seeking to exploit not only resources but also a growing market of 527 million consumers in East and Southern Africa.

Best prospect sectors include:

- Telecommunications and Information Technology
- Construction and Real Estate Development
- Tourism
- Petroleum, Gas and Energy Infrastructure
- Agribusiness and Food Processing
- Mining of gold, diamonds, gemstones and other minerals

In addition, U.S. consumer goods and franchise concepts are increasingly attractive to the Tanzanian market. With an estimated population of 40.7 million, about 25% urban, Tanzania offers a sizeable market in urban areas, despite low per capita income.

Tanzania embarked on a liberalization program in the early nineties. Major privatization success stories included Tanzania Breweries Limited (TBL), Tanzania Cigarette Company (TCC), Tanga Cement Limited (SIMBA), Tanzania Tea Packers Limited (TATEPA) and Swissport Tanzania Limited (formerly known as the Dar es Salaam Airport Handling Company-DAHACO), all of which feature foreign investment and are listed on the Dar es Salaam Stock Exchange (DSE). Public enterprises for which privatization efforts were unsuccessful include the Tanzania Electric Supply Company (TANESCO), Tanzania Telecommunications Company Limited (TTCL), Air Tanzania Corporation Limited (ATCL), Tanzanian Railways Limited (TRL), the Tanzania Zambia Railway Authority (TAZARA), and business units under the Tanzania Port Authority (TPA).

Tanzania has abundant natural resources, particularly for agriculture, mining, energy and tourism. The country has 44 million hectares of arable land, with only about 5% currently under cultivation. Resources include diamonds, gemstones, gold, coal, iron, nickel, forest products, domesticated livestock, wildlife, fisheries and marine products, natural gas and possibly oil. Primary exports include tobacco and gold, while key imports are capital and consumer goods.

To enter the Tanzanian market, local contacts are important. Successful U.S. companies have taken the time to visit Tanzania in order to get to know the market and meet with potential partners. Joint ventures and shared ownership are strategies preferred by the Tanzanian government, especially in order to access land. Marketing U.S. goods is generally done through a local agent or distributor. Successful investing usually requires an American or local representative on the ground to oversee operations and financial transactions. Pervasive corruption and bureaucratic obstacles can be minimized by working with local lawyers and by insisting that contracts and offers be made in writing. Only the Finance Ministry and its agencies, such as the Tanzania Revenue Authority (TRA), has the authority to issue tax and other exemptions. Ministries proposing contracts with such exemptions do not have such authority unless the agreement is endorsed formally by TRA.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2843.htm>

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### Using an Agent or Distributor

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The most effective way of moving goods and services from U.S. producers to industrial and consumer users in Tanzania is through an agent or distributor. Typically agents or distributors will enter into a Distributor's Agreement with U.S. producers to operate as wholesalers to sell goods and services to local organizations or companies. Some distributors also operate as retailers and sell directly to final consumers.

Use of an agent or distributor has three advantages: it enables firms to maintain continuity; it places the task of ensuring payment on the local partner and, as such, reduces risk and costs; and it provides protection to American suppliers inexperienced in Tanzanian business practices.

In general, finding a reliable agent or distributor requires an on-the-ground visit to meet with local businesspeople in person. Through its Gold Key Service (GKS) and International Partner Search (IPS), the U.S. Embassy in Dar es Salaam can assist U.S. firms interested in a relationship with local partners

### Establishing an Office

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In Tanzania, all business entities require legal registration and a business license to operate in the country. These licenses are issued by the relevant ministries (depending on the nature of the business). All enterprises operating in Tanzania, whatever their legal forms, must register with the Business Registration and Licensing Agency (BRELA). BRELA manages the National Business Registry. The Tanzania Investment Center (TIC) is the focal point for investor inquiries; it facilitates registration and incentives for foreign investors.

The steps involved in establishing a local office are provided at the following links:

- [www.brela-tz.org](http://www.brela-tz.org)
- [www.tic.co.tz](http://www.tic.co.tz)

Foreign companies' offices in Tanzania are treated as branches of a foreign company. They are registered under part XII of the Companies Ordinance Cap.212.

## **Franchising**

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Tanzanians are recognizing the potential for U.S. franchising as Tanzanian consumers increasingly seek reliable, cost-effective and convenient American products. The number of franchised outlets in major cities like Dar es Salaam and Arusha is increasing. Well-known U.S. franchises in Tanzania include Holiday Inn, Subway, Western Union, Federal Express, DHL, and Clear Channel.

## **Direct Marketing**

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In recent years, with the increasing use and development of information technology, more Tanzanian consumers have been able to buy products from non-store sources, particularly via the Internet. Still, credit card use is minimal, and direct marketing in Tanzania must be conducted with caution, particularly when it comes to the question of payment. Secure credentialing is nascent in Tanzania and on .tz websites.

## **Joint Ventures/Licensing**

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The Tanzanian government encourages joint ventures between local firms and foreign investors; this also facilitates access to land, which foreigners cannot own. Many foreign firms have recently partnered with the National Development Corporation, Tanzania Petroleum Development Corporation, and the National Housing Corporation, in energy, biofuels, and real estate ventures, for example.

## **Selling to the Government**

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Government procurement is based on the issuance of tenders either annually (at the beginning of each calendar year) or as needed for specific goods or services. Bidding is often open to international bidders, but sometimes requires local participation in the form of a voluntary joint venture.

Government procurement has been decentralized from central to local government level. The Public Procurement Regulatory Authority (PPRA) is responsible for ensuring application of fair, competitive, transparent, non-discriminatory and value-for-money procurement standards and practices. PPRA provides advice to the Central Government, Local Governments and Statutory bodies on all procurement policies and practices. Local media recently announced the Prevention and Combating of Corruption

Bureau (PCCB) would enter the procurement process to conduct reviews of all tenders due to persistent grand corruption.

Regulations require the Government to buy new goods/merchandise only.

At times, government procurement is done by direct solicitation; Ministers may exercise considerable influence in the procurement process.

The most significant opportunities for U.S. businesses include the procurement of products in the Agricultural, Information Technology, Construction and Real Estate, and Energy sectors.

## **Distribution and Sales Channels**

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In Tanzania, nearly all goods are distributed through wholesalers and retailers. Wholesalers import goods from the manufacturers or other wholesalers abroad in bulk, transport the goods to bonded warehouses, and later distribute them to retailers in the local market. Retailers purchase the goods, pay the required duties, and sell in small shops, usually specializing in one type of product. Some wholesalers, usually operators of supermarket chains and shopping malls, run both wholesale and retail operations. In the chain of distribution, imports come through ports of entry, are cleared and taken to bonded warehouses, unless customs duties are paid at the time of entry. Major sea ports include Dar es Salaam, Tanga and Zanzibar ports; major airports include Dar es Salaam International Airport, Kilimanjaro Airport, and Zanzibar Airport.

## **Selling Factors/Techniques**

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Selling factors and techniques depend on the kind of customer, which can be broadly divided into three categories.

First, government departments and state-owned enterprises depend on the issuance of tenders under procurement regulations. When selling, a U.S. supplier has to meet the terms and conditions including the deadline of submission of the tender as stipulated in the tender document. A strategic joint venture with a local partner may be an effective approach. This market segment is usually quality sensitive rather than price sensitive.

Second, private sector companies depend on direct solicitation, business-to-business agreements, and one-on-one negotiation. Establishment of distributorship agreements or strategic representation relationships are good ways to sell in the Tanzanian private sector market. This market segment is usually price sensitive.

Third, non-governmental organizations (NGOs) tend to utilize foreign sources, which are either associated with or based in their countries of origin. U.S. companies may more effectively target U.S.-based NGOs, often at their U.S. headquarters. This particular market segment can be both quality and price sensitive. USAID and MCC tenders are publicized on their respective international websites and in local media publications.

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E-Commerce is not widely used in the Tanzanian market. In the private sector, e-business is also growing, but is still in its infancy. Very few private sector companies have established business-to-business websites, secure credentialing is still nascent, and very few buyers have internationally accepted credit cards. However, m-commerce, via mobile phones, is growing rapidly. The arrival of the SEACOM undersea fiber optic cable in July 2009, the completion of the national terrestrial fiber backbone slated for June 2010, and the eventual connection of the Eassy submarine cable from South Africa mean there are increasing opportunities in this area.

## Trade Promotion and Advertising

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The following media are recommended for advertising:

### Websites:

Board of External Trade: <http://www.bet.co.tz/>

Confederation of Tanzania Industries Newsletter: <http://www.cti.co.tz/cti/>

Tanzania Chamber of Commerce, Industry and Agriculture, Commercial Newsletter: <http://www.tccia.co.tz/>

### Newspapers:

Media Advertising Company Limited, (The Express): <http://www.theexpress.com>

Daily and Sunday News: <http://www.dailynews.co.tz>

Business Times: <http://www.bcstimes.com/btimes/index.shtml>

The Guardian: <http://www.ippmedia.com>

The Citizen: <http://www.thecitizen.co.tz>

The East African: <http://ea.nationmedia.com>

### Radio Stations:

Radio Tanzania: Tel. 255-22-2860760, Fax 255-22-2865577

Radio Tumaini <http://radiotumaini.tripod.com/>

Radio One: <http://www.ippmedia.com/>

### Television stations:

Coastal Television Network (CTN), e-mail: [ctn@cats-net.com](mailto:ctn@cats-net.com)

Dar es Salaam Television Network, e-mail: [dtv@raha.com](mailto:dtv@raha.com)

Independent Television (ITV), e-mail: [itv@ipp.co.tz](mailto:itv@ipp.co.tz), web: [www.itv.com](http://www.itv.com)

Tanzania Broadcasting Corporation (TBC): Tel. 255 22 2700464

Television Zanzibar (TVZ): <http://www.zanzinet.org/journal/tvz.html>

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In most cases, market forces determine the pricing technique to be adopted. The Tanzanian government has eliminated most price controls; however, the government regulates the price of gasoline, diesel fuel and kerosene through the Energy and Water Utilities Regulatory Authority (EWURA). The 18 percent value-added tax charged in Tanzania must be factored into the price.

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After-sales service and customer support is increasingly important to marketing success in Tanzania. Many firms in Tanzania do not give high priority to customer support and suffer from a lack of customer loyalty. Foreign firms have been able to increase market share in part by providing higher levels of service, including professional repairs and maintaining a well-trained staff of service technicians capable of advising customers as well as repairing their equipment.

### **Protecting Your Intellectual Property**

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Several general principles are important for effective management of intellectual property rights in Tanzania. First, it is important to have an overall strategy to protect intellectual property. Second, intellectual property is protected differently in Tanzania than in the U.S. Third, rights must be registered and enforced in Tanzania, under local laws. U.S. trademark and patent registrations are not necessarily applicable in Tanzania. There is currently no enforceable "international copyright." Protection against unauthorized use depends on the national laws of an individual country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so trademark and patent protection should be sought even before selling products or services in the Tanzanian market. Intellectual property is primarily a private right and the U.S. government generally cannot enforce rights for private individuals in Tanzania. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Tanzania law. A list of Tanzanian lawyers is available at: [http://tanzania.usembassy.gov/list\\_of\\_lawyers2.html](http://tanzania.usembassy.gov/list_of_lawyers2.html) .

While the U.S. Government stands ready to assist, little can be done if rights holders have not taken fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue their case.

It is always advisable to conduct due diligence on potential partners. Partners should have clear incentives to honor a contract. A good partner is an important ally in protecting IP rights. Entrants to the Tanzanian market should carefully consider whether to permit partners to register trademarks and copyrights on their behalf. Doing so may create a risk that the partner could list itself as the IP owner and fail to transfer the rights should the partnership end. Local legal counsel familiar with Tanzanian laws is best placed to design a solid contract that includes non-compete clauses and confidentiality/non-disclosure provisions.

There are a number of these organizations that support efforts to protect IP and stop counterfeiting in both Tanzania and the U.S. These include:

- Commercial Court of Tanzania
- Tanzania's Fair Competition Commission (FCC)
- Copyright Society of Tanzania (COSOTA)
- The U.S. Chamber of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: 1-866-999-HALT or register at [www.StopFakes.gov](http://www.StopFakes.gov) .
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: 1-800-786-9199.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: 1-202-707-5959.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov) .
- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.StopFakes.gov](http://www.StopFakes.gov) . This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Tanzania at: <http://www.buyusa.gov/home/> .

## Due Diligence

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U.S. firms may contact the Embassy for referral to local business consultants that can evaluate the performance and credibility of firms in Tanzania.

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The Embassy can assist in identifying qualified local professional services. The Embassy maintains a list of local attorneys for hire by U.S. firms, available at: [http://tanzania.usembassy.gov/list\\_of\\_lawyers2.html](http://tanzania.usembassy.gov/list_of_lawyers2.html) . For more information please contact Fred Maeda, Commercial Assistant, U.S. Embassy Dar es Salaam, Email: [Maedafh@state.gov](mailto:Maedafh@state.gov) .

## Web Resources

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[Business Registrations and Licensing Agency](#)

[Tanzania Investment Center](#)

[Board of External Trade](#)

[US Commercial Service, East Africa](#)

[US Embassy Tanzania - Commercial Section](#)

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## Chapter 4: Leading Sectors for U.S. Export and Investment

- Telecommunications
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- Construction and Real Estate Development
- Agricultural Sector

## Telecommunications

### Overview

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In February 2005, Tanzania initiated liberalization of its telecommunications sector, ending the exclusivity of the government-owned telecommunications monopoly, TTCL. Licenses to operate various telecommunications services are made available to any investor. The government's effort to privatize TTCL has stalled.

Tanzania's overall teledensity is low but its mobile phone sector is growing at a considerable rate, especially in urban areas. Mobile subscribers now outnumber fixed lines in Tanzania by more than 10:1. Despite a decrease in airtime usage due to the recession, Tanzania's communications sector displayed strong growth in 2009, with a sharp increase in the pre-paid mobile phone user base being the main driver. According to the Ministry of Finance and Economic Affairs, the overall mobile subscriber base grew from 9.5 million people in 2008 to 15 million in 2009. The SEACOM undersea fiber-optic cable landed near Dar es Salaam in July 2009; currently several ISPs in Dar are connected via TTCL's metro terrestrial fiber and are offering high-speed cable internet. TTCL is the only provider directly connected to the SEACOM cable so far, and many stakeholders complain they believe the government wants to monopolize access. Telecom companies have been denied permission to participate in the construction of the national fiber backbone, but were recently given permission to build terrestrial networks limited to metropolitan areas. Ownership must be returned to the government upon completion, and companies will be granted right of use for a period of 20-30 years. The Ministry of Communications reports the national fiber backbone should be completed by June 2010, allowing other urban areas to connect to high speed cable internet. The Eassy submarine cable should connect to Tanzania in the near future.

There are six mobile-phone operators as of June 2009 – market share was Zantel 7%, Zain 30%, TIGO 22%, Vodacom 40%, Benson 0.02% and TTCL 2% - with coverage in almost every part of the country. In addition, 62 operators held ISP and Data licenses. The license categories in the converged licensing framework include: network facility, network service and content service.

The Tanzania Communications Regulatory Authority (TCRA), established by the TCRA Act no. 12 of 2003, is an independent Authority for the Postal, Broadcasting and Electronic communications industries in the Tanzania. TCRA regulates Tanzania's telecommunications industry. For more details visit [www.tcra.go.tz](http://www.tcra.go.tz). The Electronic and Postal Communication Bill of 2009, passed in February 2010, mandates all mobile phone companies to offer shares to the public via the Dar Stock Exchange by 2013.

### Best Prospects/Services

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Tanzania's telecommunication sector depends on imported equipment, largely from Germany, U.K., China, Malaysia, India, and the U.S. Potential for U.S. exports exists in the following areas:

- Wireless services and equipment
- Mobile operators
- Internet service and equipment
- Voice over Internet Protocol services
- Broadcasting stations
- Postal and courier services

## Opportunities

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Liberalization has opened up opportunities to establish new telecommunications operations, particularly for mobile phone operators, public data communication operators, closed user group data communication providers, radio paging service providers and Internet service businesses.

Opportunities also exist to provide modern technology and support services to the current industry players. With tenders planned or recently completed for a national ID card, credit reference bureau, modern postal address system, and "smart" driver's license, secure credentialing will be a significant area of opportunity.

### E-Commerce

A few local websites recently began offering limited e-business services. However these services are constrained by the lack of a national payment system, international credit cards, and a legislative framework appropriate for e-business/cybercrime. Tanzania's legal framework does not provide adequate safeguards to create an environment of trust for e-business transactions. Consequently, financial institutions are reluctant to support e-transactions. However, mobile banking is an area of growth, as many more Tanzanians use cell phones than use the internet.

For information on specific opportunities please contact Rose Swai, Commercial Assistant, U.S. Embassy Dar es Salaam, Email: [Roses2@state.gov](mailto:Roses2@state.gov).

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Tanzanian Communications Regulatory Authority: [www.tcra.go.tz](http://www.tcra.go.tz)  
Ministry of Communications: [www.moct.go.tz](http://www.moct.go.tz)

## Energy

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Tanzania's energy sector remains underdeveloped, particularly the petroleum, gas and electricity sub-sectors. Although endowed with diverse energy sources, including natural gas, hydropower, coal, wind power, and solar power, Tanzania's energy sources are largely untapped. Tanzania has a per capita electricity consumption of 46/KWh per annum. Approximately 14 percent of the population has access to electricity; consumption is growing at the rate of 11–13 percent annually.

The main sources of energy in Tanzania include:

- Natural gas from the Songo Songo processing plant (191 megawatts);
- Hydropower from TANESCO plants in three main stations and hydro-based electricity from isolated stations (261 megawatts);
- Thermal electricity diesel turbines in Dar es Salaam (100 megawatts);
- Imported diesel for generators (consumption estimated at 1.5 million metric tons);
- Coal at Kiwira coal mines with potential 200MW capacity for energy generation (currently providing 4 megawatts)

Oil exploration in Tanzania has been intermittent for the last 40 years. Recently, however, Tanzania has seen an increase in oil exploration in southern Tanzania and in several off-shore sites as a result of the Tanzanian government signing key production and data sharing agreements.

Extensive offshore gas fields at Songo Songo and Mnazi Bay contain an estimated 44 billion cubic meters of natural gas. Songo Songo's natural gas resources are currently being exploited by Songas under a gas-to-electricity project launched in 2004. Natural gas presently supplies about 30 percent of Tanzania's total electricity requirements, but has potential to add significantly more. Natural gas resources at Mnazi Bay are currently underutilized, with only 12MW being produced for rural electrification in Mtwara.

The electricity sub-sector is largely dominated by a state-owned enterprise, Tanzania Electric Supply Company Limited (TANESCO), which has a vertically integrated monopoly in the generation and supply of electricity. The government has allowed Independent Power Producers (IPPs) to generate and sell power to TANESCO, and is in the process of developing a Standardized Power Purchase Agreement.

Hydroelectric energy continues to be the single most important indigenous source of commercial energy in the country. This source has a potential installed capacity of 4.7 GW, of which only about 10 percent is developed. Coal reserves are estimated at about 1.2 billion tons, of which 304 million tons are proven. Significant uranium finds have led to recent calls by Tanzanian officials for assistance in developing nuclear power, though this is still nascent.

## **Best Prospects/Services**

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- High efficiency gas turbines, parts and service
- Wind turbines, parts and service
- Thermal power diesel turbines, parts and service
- Petroleum products: oil and lubricants
- Petroleum exploration services
- Coal power generating plants
- Electricity transmission equipment (transformers, cables, etc.)
- Electrical meters and installation equipment

## **Opportunities**

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- Restructuring and privatization of TANESCO
- World Bank supported rural energy projects, including solar, wind, and geothermal generation.

For information on specific advertised opportunities please contact Rose Swai, Economic Assistant, U.S. Embassy Dar es Salaam, Email: [roses2@state.gov](mailto:roses2@state.gov).

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Ministry of Energy and Minerals under the National Web site: [www.tanzania.go.tz](http://www.tanzania.go.tz)  
Tanzania Electric Supply Company (TANESCO): [www.tanESCO.com](http://www.tanESCO.com)

## Mining

### Overview

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The export value of minerals amounted to USD 992.7 million, lower than the USD 1,001.0 million recorded during the year ending October 2008, largely because of a decline in exports of diamond and other minerals. Conversely, gold exports amounted to USD 958.3 million, 2.4 percent higher than the amount exported in the corresponding period ending October 2008. The increase in the value of gold exports was largely due to a rise in gold prices in the world market, as export volumes were slightly lower.

Tanzania slid from third to fourth in Africa in terms of gold production, behind South Africa, Ghana and Mali, with eight major mining firms producing more than 50 tons per year.

The three largest gold mines in Tanzania are:

Mine	Company Name	Production per year (tons)
Geita Gold Mine	AngloGold/Ashanti	18.43
Bulyanhulu Mine	Barrick Gold Corporation Ltd.	11.43
North Mara Gold Mine	Barrick Gold Corporation Ltd.	08.51

In addition to gold, Tanzania has production potential for other minerals including base metals, diamonds, industrial minerals (soda, kaolin, tin, gypsum, phosphate) and gemstones including tanzanite, which is unique to Tanzania.

In recent years, mineral exploration has increased in several parts of the country. The sector has attracted substantial new foreign investment in mineral development exploration, with local investment surpassing one billion US dollars. Recent nickel, uranium and coal finds have spurred increased interest on the part of investors. The government is considering a draft mining law that would seek to increase royalties on mineral extraction, increase the contribution of foreign mining companies to the local economy, increase local sourcing of services, and mandate local processing of gemstones.

### Best Prospects/Services

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The mining sector depends on imported machinery and supplies, and investors can import capital goods at zero duty. There are significant opportunities for the export of U.S. technology, machinery, and services. Mining companies have a huge demand for better power alternatives as they currently rely on diesel generators.

## Opportunities

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All gemstones are currently exported rough; there is ample opportunity to develop local processing capacity. Promising oil and gas exploration in southern Tanzania could lead to significant infrastructure and support opportunities. For specific information on current opportunities please contact Rose Swai, Economic Assistant, U.S. Embassy Dar es Salaam, Email: [Roses2@state.gov](mailto:Roses2@state.gov).

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Government of Tanzania website on mining: [www.tanzania.go.tz/miningf.html](http://www.tanzania.go.tz/miningf.html)  
Tanzania Chamber of Mines: [www.chamberofmines.com](http://www.chamberofmines.com)

## Tourism

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Despite a drop in visits in 2009 due to the global financial crisis, the tourism sector is enjoying robust growth and is one of Tanzania's largest foreign exchange earners.

Tanzania is endowed with extensive tracts of wilderness and a rich diversity of scenery. One-seventh of the country is covered by 12 national parks and 15 game reserves, providing habitat for a wide range of flora and fauna. With the exception of the "Northern Circuit" game parks, most parks and reserves remain relatively under-utilized.

In addition, Tanzania's Indian Ocean coast and the islands of Zanzibar are lined with beautiful beaches, excellent diving and sport fishing, and interesting historical sites. Some tourism activities, such as mountain guiding on Mount Kilimanjaro, are limited to Tanzanian nationals.

### Best Prospects/Services

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Investment opportunities in the tourism sector include:

- Construction and management of hotels, entertainment complexes and restaurants;
- Improvement of airport terminals and shops;
- Infrastructure ventures;
- Training institutions;
- Tour operations;
- Travel agencies; and
- Marketing organizations.

### Opportunities

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For specific information on current opportunities please contact Rose Swai, Commercial Assistant, U.S. Embassy Dar es Salaam, Email: [Roses2@state.gov](mailto:Roses2@state.gov).

### Resources

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Tanzania Tourism Board: [www.tanzania-web.com](http://www.tanzania-web.com)

Tanzania Association of Tour Operators: <http://www.tatotz.org/>

Tanzania National Parks: <http://www.tanzaniaparks.com/>

Tanzania Ministry of Natural Resources and Tourism: <http://www.mnrt.go.tz/>

## Construction & Real Estate Development

### Overview

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The Tanzanian construction sector has enjoyed consistent growth in recent years, largely stemming from an increase in infrastructure projects and new construction in residential areas. The government is developing public-private partnerships for the construction of residential and commercial projects in urban centers, satellite cities to ease congestion in major towns, civil servant / middle-income housing, and Export Processing Zones and Industrial Parks.

Tanzania's increasing housing shortage and need for mortgage products offers U.S. investors opportunities in the construction and housing finance sectors. Currently few private banks offer mortgages, and rates average 15-20 percent with short terms, e.g., 6 years, although one bank recently offered a 15-year term.

The demand for construction materials is increasing; the Government of Tanzania allows importation of these products and in some cases waives duties on the importation of capital goods. While basic cement and steel is profitably imported at low prices from China, Dubai and India, there may be an opportunity for U.S. businesses to provide higher-end, better quality products, such as efficient pre-fabricated, environmentally appropriate building materials.

### Best Prospects/Services

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- **Real Estate Development:** Construction of residential units, serviced apartments, high-end recreational / retail projects
- **Industrial space:** State of the art manufacturing facilities.
- **Housing Finance:** varied and innovative mortgage products.
- **Hardware and Materials:** high-quality, innovative, or pre-fabricated building materials

### Opportunities

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#### **Real Estate Development for residential markets:**

The National Housing Corporation and Tanzania Building Agency are charged with facilitating the housing needs of civil servants and managing the privatization of GOT properties. GOT is currently selling about 20,000 plots throughout Dar Es Salaam.

### Resources

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Ministry of Lands, Housing, and Human Settlements Development:  
<http://www.tanzania.go.tz/ministriesf.html>

National Housing Corporation (NHC): [www.nhctz.com](http://www.nhctz.com)

Tanzania Building Agency (TBA): <http://www.tanzaniainvest.com/tanzania-construction-and-real-estate>

Kinondoni Municipal Council: [www.kmc.go.tz](http://www.kmc.go.tz)

For information on specific opportunities please contact Fredrick Maeda, Commercial Assistant, U.S. Embassy Dar es Salaam, Email: [Maedafh@state.gov](mailto:Maedafh@state.gov).

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Tanzania's agricultural economy provides readily available raw materials for the agriculture-based industrial sector. A range of climates favors the production of a wide variety of products including coffee, tea, cashew nuts, sisal, cotton, tobacco, sugar, and others. There is also significant production of subtropical fruits and vegetables, meat, dairy products, groundnuts and cut flowers and, in recent years, non-traditional cash crops such as vanilla, black pepper and other spices.

Currently, the vast majority of Tanzania's agricultural produce is exported raw or unprocessed. Opportunities in processing and other value adding activities from agricultural raw materials are beginning to emerge as local and foreign investors increasingly recognize this sector's potential. Many agricultural products can access the EU and US markets duty free under Everything But Arms and AGOA.

**Best Prospects/Services**[Return to top](#)

Food processing investments rely on imported machinery and technologies. Machinery and equipment for the following processes are in greatest demand:

- Production of fruit concentrates and juices and all forms of fruit and vegetable canning
- Cashew nut processing
- Specialty coffee processing
- Fish processing and packaging for export
- Meat processing and packaging from both cattle and game meat
- Manufacturing of spirits from molasses produced from sugar processing factories in the towns of Kilimanjaro and Morogoro
- Production of processed dairy products such as sweetened condensed milk, milk powder, infant milk formula, butter, margarine, ice cream, yogurt, cheese, etc.
- Horticultural packaging, including cut flowers and fresh vegetables.

In addition, the existence of an abundant supply of cotton provides significant opportunities for investment in the textile industry, which can leverage duty free access to the U.S. market under the African Growth and Opportunity Act (AGOA).

Export markets for processed agricultural goods include the East African Community, the EU (duty free access), the Gulf States, and Asia.

## Opportunities

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- A number of investors are conducting feasibility studies on cashew processing plants and are looking for U.S. equipment and financing.
- Small-scale enterprises look to the U.S. to source machinery (including used machinery) and to market products under AGOA.
- Several local companies are seeking capital for processing fruit juice and citrus products.

For information on specific opportunities please contact Fredrick Maeda, Commercial Assistant, U.S. Embassy Dar es Salaam, Email: [Maedafh@state.gov](mailto:Maedafh@state.gov).

## Resources

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Ministry of Agriculture: [www.kilimo.go.tz](http://www.kilimo.go.tz)

Tanzania Investment Center: [www.tic.go.tz](http://www.tic.go.tz)

African Growth and Opportunity Act: [www.agoa.gov](http://www.agoa.gov)

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## Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
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### Import Tariffs

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Detailed information on current taxes, including import tariff lists, can be found at the Tanzania Revenue Authority website: <http://www.tra.go.tz>

Certain duty exemptions are made based on bilateral and multilateral trade agreements or investment incentive packages. A selected list of sensitive goods is rated at higher rates, up to 100 percent. In addition, Value Added Tax (VAT) of 18 percent is charged on all non-EAC imports, unless exemption is received from the Tanzania Investment Center or Ministry of Finance.

As part of the East African Customs Union, Tanzania imposes the EAC common external tariff on goods from non-EAC countries. As of January 1, 2010 there are no tariffs on EAC-origin goods from countries within the union.

### Trade Barriers

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Trade reforms have abolished import and export licenses, except for goods deemed sensitive for health and security reasons. Trade regulations and standards generally reflect normal expectations to protect consumers' health.

The customs department and the port authorities are the greatest hindrance to importers throughout Tanzania. Clearance delays and extra-legal levies are commonplace when dealing with customs officials within the Tanzania Revenue Authority (TRA). These hindrances can cause unpredictable delays when importing goods into the country. However there are some benefits for large taxpayers who have a track record of compliance, including expedited clearance and reduced auditing.

## Import Requirements and Documentation

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- The Import Declaration Form (IDF) is available on the Tanzanian Revenue Authority's (TRA's) website [www.tra.gov.tz](http://www.tra.gov.tz) or at any Tanzanian Customs office.
- Importers in Tanzania are required to establish whether or not the goods to be imported are subject to Pre-Shipment Inspection (PSI). In general, any shipment valued at over USD 5,000 is subject to PSI. Some goods are exempt from PSI.
- 1.2 percent of FOB value must be paid to a designated commercial bank when submitting the IDF for the bank, for consignments requiring PSI.
- Importers must provide full contact details of actual suppliers.

## U.S. Export Controls

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There are currently no US government export controls on US companies' exports to Tanzania.

## Temporary Entry

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The Customs Department permits the temporary entry of machinery, equipment and vehicles. Prior permission must be obtained upon providing Customs with a written request and proof that the product in question will be taken out of the country and that duty and tax will be paid if the product is sold. Bonds and bank guarantees are required for most transit trade.

## Labeling and Marking Requirements

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There are no specific labeling and marking requirements for imports and exports. Specific customs guidance is available from the Tanzania Bureau of Standards: <http://www.tbstz.org/> or the Tanzania Revenue Authority: <http://www.tra.go.tz/>.

## Prohibited and Restricted Imports

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Narcotics and internationally prohibited drugs are prohibited. Live animals, plants, firearms and ammunitions require permits from relevant authorities.

## Customs Regulations and Contact Information

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Customs and Excise Department  
Tanzania Revenue Authority  
PO Box 9053  
Dar es Salaam, Tanzania  
Phone: 255-22-2127783 or 2119269  
Fax: 255-22-2124523

E-mail: [customs@afsat.com](mailto:customs@afsat.com)  
Website: [www.tra.go.tz](http://www.tra.go.tz) / [www.tiscan.co.tz](http://www.tiscan.co.tz).

## Standards

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## Overview

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The Tanzania Bureau of Standards (TBS) has jurisdiction over all standards issues in the country. TBS is one of the more professional agencies in Tanzania, but is burdened by a wide-ranging mandate. TBS standards generally follow internationally accepted norms, and are rarely difficult for the international business to achieve. In a few cases, TBS has adopted stricter standards in order to harmonize with the other East African Community members (Kenya, Uganda, Rwanda and Burundi). TBS has developed a comprehensive website with access to detailed publications and information on standards regulations ([www.tbs-tz.org](http://www.tbs-tz.org) or <http://www.tbstz.org/>).

## Standards Organizations

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The Tanzania Bureau of Standards issues certification of standards (e.g., ISO 9000) mainly for manufactured products. TBS is a member of the International Organization for Standardization (ISO) and represents Tanzania in all international standards work. TBS is the National Enquiry Point for WTO-TBT/SPS Agreements in Tanzania.

TBS manages information on technical regulations, adopted and proposed standards, conformity assessment procedures, and sanitary and phytosanitary measures.

TBS is also a member of the East African Community Bureau of Standards and the South African Development Community Committee of Experts for Standards, Quality Assurance, Accreditation and Metrology. TBS is a participating member to the Codex Alimentarius Commission of the Joint FAO and WHO and is fully represented on technical issues concerning standards and quality.

## Conformity Assessment

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The Testing and Calibration Department is composed of seven laboratories, the Food and Microbiology Laboratory, the Chemistry Laboratory, the Textile and Leather Laboratory, the Electrical Engineering Laboratory, the Mechanical Engineering Laboratory, the Building and Construction Laboratory, and the Metrology Laboratory.

The laboratories provide facilities for the testing of products to ensure their conformity to the requirements of relevant standards, and calibration of precision instruments and measuring and scientific equipment for various clients.

The laboratories are maintained at the highest possible operating level. They are well equipped in terms of staff, equipment and procedures and operate in compliance with ISO/IEC Guide 25.

## **Product Certification**

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TBS implements and certifies third party standards, carries out pre-export / pre-import inspection and testing, and conducts calibration of industrial and commercial measuring equipment and instruments.

TBS product certification schemes require that the products comply with the requirements and characteristics of the relevant standards. These requirements and characteristics are quality, material, composition, design, safety, durability and performance.

## **Accreditation**

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Accreditation of products can be facilitated by TBS or the relevant industry association. The Tanzania Chamber of Commerce and Industry can be of assistance at: <http://www.tccia.com>

## **Publication of Technical Regulations**

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TBS has published more than 600 standards in the fields of agriculture and food chemicals, textiles, leather, general techniques, electrical engineering, mechanical engineering, building and construction. TBS is currently working to make these products available at its website (<http://www.tbs-tz.org>).

## **Labeling and Marking**

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Tanzania follows international (ISO) standards for labeling and marking of imports and does not impose special requirements. For local goods, TBS maintains requirements for labeling and marking, which generally follow ISO guidelines.

## **Contacts**

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P.O. Box 9524  
Dar Es Salaam, Tanzania  
+255 22 245-0298 / +255 754 464-480  
[ekelegecm@yahoo.co.uk](mailto:ekelegecm@yahoo.co.uk)

## Trade Agreements

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Tanzania is a member of the [East African Community](#) and its Customs Union. As of January 1, 2010, the Customs Union allows for the free flow of goods within the EAC.

The EAC signed a Trade and Investment Framework Agreement (TIFA) with the U.S. in 2008.

Tanzania is also a member of the Southern Africa Development Community (SADC).

Tanzania is the beneficiary of trade arrangements such as the African Growth and Opportunity Act (AGOA) of the United States, and the Everything But Arms (EBA) program of the European Union. These arrangements allow Tanzanian goods duty-free access to U.S. and EU markets.

Tanzania has also signed a number of bilateral investment agreements, including the United Kingdom. To date, Tanzania has no bilateral agreement with the United States.

## Web Resources

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[www.tbstz.org](http://www.tbstz.org)

<http://www.eac-quality.net/>

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## Chapter 6: Investment Climate

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- [Dispute Settlement](#)
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- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Competition from State Owned Enterprises](#)
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### Openness to Foreign Investment

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Private investment is growing in Tanzania since liberalization of the economy began about two decades ago. The government has recently indicated it is considering steps to attract capital from the Tanzanian diaspora, such as potentially allowing dual citizenship. The largest sectors for domestic investment have been telecom, tourism, construction, manufacturing and transport.

The Government of Tanzania (GOT) generally has a favorable attitude toward foreign direct investment (FDI) and has made significant efforts to encourage foreign investment. However, the legacy of statism has not yet been overcome. A vocal minority of political actors, civil society leaders, media and other opinion leaders continue to equate foreign investment with foreign exploitation. Certain elements in the bureaucracy remain hostile to foreign investors, despite frequent statements by the country's senior leadership extolling such investment.

After several years of growing FDI, new FDI declined sharply from USD 6.68 billion in 2008 to USD 2.3 billion in 2009. There is no restriction in foreign exchange. Foreign investors generally receive national treatment; however, the Tourism Act of 2007 bars foreigners from engaging in some tourism-related businesses. The Dar Es Salaam Stock Exchange forbids companies with more than 60 percent foreign ownership from listing. There are no laws or regulations authorizing private firms to limit or prohibit foreign investment, participation, or control, and firms generally do not restrict foreign participation in practice. The global economic crisis had minimal impact on the

Tanzanian financial sector due to its relatively low global integration, however tourist arrivals dropped up to 20 percent, new tourist projects fell by 50 percent, and FDI dropped within the natural resource sector, resulting in layoffs at gold mining firms and stalled mineral and gas exploration and development projects.

The Tanzanian Investment Center (TIC), established by the Tanzanian Investment Act of 1997, is the focal point for all investors' inquiries, screens foreign investments, and facilitates project start-ups. Filing with TIC is not mandatory, but offers incentives for joint ventures with Tanzanians and wholly owned foreign projects above USD 300,000. The review process takes up to 10 days, and involves multiple GOT agencies, which are required by law to cooperate fully with TIC in facilitating foreign investment, but in practice can create bureaucratic delays. Projects are not currently reviewed for anti-competition concerns. Companies are not required to disclose proprietary information as part of the approval process. TIC continues to improve investment facilitation services, provide joint venture opportunities between local and foreign investors, and disseminate investment information. TIC does not have specific criteria for screening or approving projects, but considers factors such as: foreign exchange generation and savings, import substitution, employment creation, linkages to the local economy, technology transfer, and expansion of production of goods and services. Very few projects that submit all required documents are rejected. Approved projects receive TIC certificates of incentive and are allowed 100 percent foreign ownership; VAT and import duty exemptions; and repatriation of 100 percent of profits, dividends, and capital after tax and other obligations. Similar incentives are offered to investors in Zanzibar through the Zanzibar Investment Promotion Agency (ZIPA).

Among investment and trade opportunities promoted by the TIC are agriculture, mining, tourism, telecommunications, financial services, and energy and transportation infrastructure. The GOT accepts foreign investment in Build, Operate and Transfer (BOT) projects and has launched a concession system aimed at attracting foreign investors to build infrastructure. Investment tax incentives are generally stable and predictable, though the government proposed removing capital goods and fuel tax exemptions in the 2009/2010 budget. (GOT recently confirmed that investors' TIC Certificates of Incentives issued prior to June 30, 2009 will continue to be honored and that TRA will grant tax relief to deemed capital goods until the expiry of their respective project implementation periods.)

Land ownership remains restrictive in Tanzania; under the Land Act of 1999, all land in Tanzania belongs to the state. However, non-citizen investors may occupy land for investment purposes through a government-granted right of occupancy, through derivative rights, or through sub-leases through a granted right of occupancy. Rights of occupancy and derivative rights may be granted for periods up to 99 years and are renewable.

The government Better Regulation Unit (BRU) manages the implementation of the Business Environment Strengthening for Tanzania (BEST) program, which aims to reduce the regulatory and administrative burden. In 2007, the World Bank's "Doing Business" report listed Tanzania as among the top ten reformers. In response to subsequent slippage in the comparative rankings since then, the GOT is consolidating in the Prime Minister's Office responsibility for key reform programs requiring inter-ministerial action.

The Economic Processing Zones Act 2006 authorized the establishment of Special Economic Zones (SEZs) to augment investments in the light industry, agro-processing industry and agriculture sectors. Greenfield foreign direct investments are allowed through this legislation. The GOT's Export Processing Zones Authority continues to promote Export Processing Zones (EPZ) to attract investments in agribusiness, textiles and electronics and Spatial Development Initiatives (SDI). Investors in EPZs are eligible for tax exemptions.

Investments on the Dar es Salaam Stock Exchange (DSE) are open to foreign investors, but capped at 60 percent. Foreign investors are barred from participating in government securities. The financial sector has continued to expand, with an increase in foreign-affiliated financial institutions and banks operating in Tanzania. As of December 2009, the Bank of Tanzania listed a total of 27 commercial banks licensed and operating in Tanzania, over half of which are foreign-affiliated banks. Competition among these foreign commercial banks has resulted in significant improvement in the efficiency and quality of financial services.

Kenya, Tanzania, and Uganda signed a Customs Union Protocol in 2004, putting in place a three-tier tariff system with a view to establishing a common market within the East African Community (EAC). Rwanda and Burundi became full EAC members in 2007. As of January 1, 2010 all duties on goods traded within the region are removed. EAC member states agree to allow zero-rated entry of raw materials from other EAC members, levy a 10 percent duty on semi-processed goods, and levy a 25 percent duty on finished goods. Although the EAC member countries continue to discuss economic integration, non-tariff barriers--such as the administration of duties and other taxes, and corruption--remain a problem. Tanzania is also a member of the Southern Africa Development Community.

Measure 2009	Ranking
TI Corruption Index	126/180
Heritage Economic Freedom	58.3/100
World Bank Doing Business	131/183
MCC Government Effectiveness	82/100
MCC Rule of Law	92/100
MCC Control of Corruption	73/100
MCC Fiscal Policy	29/100
MCC Trade Policy	68/100
MCC Regulatory Quality	71/100
MCC Business Start Up	66/100
MCC Land Rights and Access	88/100
MCC Natural Resource Mgmt	56/100

Note: MCC countries are ranked relative to the median in their income peer group. Tanzania was lower ranked on Fiscal Policy due to a relatively high dependence on donor funds. Tanzania dropped sharply in its World Bank Transparency International and Doing Business rankings this year.

## Conversion and Transfer Policies

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Tanzanian regulations permit unconditional transfers through any authorized bank in freely convertible currency of net profits, repayment of foreign loans, royalties, fees charged for foreign technology and remittance of proceeds. The only official limit on transfers of foreign currency is on cash carried by individuals traveling abroad, which cannot exceed USD 10,000 over a period of forty days. Shortages of foreign exchange occur rarely. Bureaucratic hurdles continue to cause delays in processing and effecting transfers; delays can range from days to weeks. Investors rarely use convertible instruments. Investors do not complain of any delays in remitting returns and there have been no remittance policy changes this year.

## Expropriation and Compensation

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The GOT may expropriate property only for the purpose of national interest and after due process. The Tanzanian Investment Law guarantees:

- Payment of fair, adequate and prompt compensation;
- A right of access to the Court or a right to arbitration for the determination of the investor's interest or right and the amount of compensation;
- Any compensation payable under this section shall be paid promptly and authorization for its repatriation in convertible currency, where applicable, shall be issued.

GOT authorities do not discriminate against U.S. investments, companies or representatives in expropriation. Since 1985, the Government of Tanzania has not expropriated any foreign investments.

## Dispute Settlement

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Investment disputes in Tanzania can be protracted. The Commercial Court of Tanzania, established in 1999, is headquartered in Dar es Salaam. The government is establishing additional commercial courts in other regions, including in western and southern Tanzania. Lack of capacity is an issue, and cases are currently backlogged.

Local foreign investors complain GOT often "changes the goalposts" and doesn't honor agreements. Courts are routinely branded by foreign investors as arbitrary, slow and corrupt. There is a written bankruptcy law in Tanzania, but according to the World Bank's Doing Business report it takes on average 3 years to close a business, while the recovery rate for creditors on insolvent firms is only 21.3 cents to the dollar. Judgments are typically made in local currency.

Tanzania is a member of both the International Center for the Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA). The ICSID was established under the auspices of the World Bank by the Convention on the

Settlement of Investment Disputes between States and Nationals of Other States. The MIGA is also World Bank-affiliated and issues guarantees against non-commercial risk to enterprises that invest in member countries. There is no specific legislation in Tanzania providing for enforcement under the 1958 NY Convention or for the enforcement of awards under the ICSID Convention.

Under Tanzanian regulations, disputes between a foreign investor and the Tanzanian Investment Center that are not settled through negotiations may be submitted to arbitration, through one of several options:

- Arbitration based on the Arbitration Laws of Tanzania;
- Arbitration in accordance with the rules of procedures of the ICSID;
- Arbitration within the framework of any bilateral or multilateral agreement on investment protection to which the Government and the country of which the investor is a national are parties;
- Arbitration in accordance with the World Bank's Multilateral Investment Guarantee Agency (MIGA), to which Tanzania is a signatory; or
- Arbitration in accordance with any other international machinery for settlement of investment disputes agreed upon by the parties.

## **Performance Requirements and Incentives**

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The government uses WTO's Trade-related Investment Measures (TRIMs) to promote development objectives, to encourage investments in line with national priorities, and to attract and regulate foreign investment. GOT does not maintain any measures it has notified the WTO to be inconsistent with TRIMs, nor that allegedly violate TRIMs. Trade development instruments that Tanzania has adopted include Export Processing Zones (EPZs), Investment Code and Rules, and Export Development/Promotion and Export Facilitation.

EPZs were established by the 2002 EPZ Act and are open to both domestic and foreign investors. The Export Processing Zones Authority (EPZA), housed in the Ministry of Industry, Trade and Marketing, is charged with designating suitable areas for the location of EPZs. The EPZA also oversees incentive packages directed at increasing investment, including exemption of corporate tax and withholding taxes on rent, dividends and interest; remission of customs duty, value-added tax (VAT) and other taxes on raw materials and capital goods; and exemption from VAT on utilities, wharf charges, and levies imposed by local authorities, for up to ten years.

Tanzania is still in transition from a largely public sector economy to one in which the private sector has the leading role. Foreign investors are aggressively courted to take over the management of formerly state-run companies in public-private partnerships, but successful privatizations have been rare. Though there is an official privatization program, bidding criteria are not always clear and transparent, as in the example of Air

Tanzania, and the Julius Nyerere International Airport, where deals appear to be negotiated privately.

The Investment Code, as a trade policy instrument, seeks to compensate for distortions which impede the flow of foreign investments due to market imperfections. Established by TIC, the Investment Code offers a well-balanced package of investment benefits and incentives that are applied uniformly to both domestic and foreign investors, without performance requirements.

These include:

- Zero Custom Duty and deferred VAT on capital goods for investments in sectors such as mining, export processing zones, infrastructure, road construction, bridges, railways, airports, generation of electricity, telecommunications and water services.
- 100 percent capital allowance deduction in the years of income for the above mentioned types of investments.
- No remittance restrictions. The GOT does not restrict the right of a foreign investor to repatriate returns from an investment.
- Investments in Tanzania are guaranteed against nationalization and expropriation. Any dispute arising between the Government and investors can be settled through negotiations or submitted for arbitration.
- Allowing interest deduction on capital loans; removal of the 5-year limit for carrying forward losses of investors.
- Five percent Customs Duty and VAT tax deferral on capital goods for priority sectors, including livestock, aviation, commercial buildings, commercial development and micro-finance banks, export oriented projects, geographical special development areas, human resources development, manufacturing, natural resources including fisheries, rehabilitation and expansion projects, tourism and tour operators, transport, and radio and television broadcasting.

The Zanzibar Investment Promotion Agency (ZIPA) and the Zanzibar Free Economic Zones Authority (ZAFREZA) offer roughly equivalent incentives as those offered by the Mainland's TIC and EPZ policies.

There is currently no requirement that foreign investors buy from local sources, export a certain percentage of output or only access foreign exchange in relation to exports. There is currently no requirement that nationals own shares, that the share of foreign equity be reduced over time, or that technology be transferred on certain terms. While TIC does help guide investors to specific locations through their land bank, there are no government-imposed conditions on permission to invest. US and other foreign firms can and do participate in government / donor - funded research and development programs on a national treatment basis.

Tanzanian regulations allow foreign and domestic private entities to establish and own business enterprises and engage in legal forms of remunerative activity. The Business Registration and Licensing Act established licensing regulations for business operations. It provides the right to freely establish private entities, to own property both movable and immovable, and to acquire and dispose of property including interest in business enterprises and intellectual property. The Act stipulates that no business entity can enter into business activities in Tanzania before getting a business license through the Business Registration and Licensing Agency (BRELA). Registration fees or charges for foreign companies are significantly higher than for domestic companies. The government is now implementing the Business Activities Registration Act of 2007, which aims to reduce administrative barriers with one centralized licensing database.

Under Tanzanian law, occupation of land by non-citizen investors is restricted to lands for investment purposes under the Tanzania Investment Act 1997 and the Land Act 1999. Land in Tanzania is state property can be leased for up to 99 years. The law does not allow individual Tanzanians to sell land to foreigners. Foreigners can only lease land in Tanzania through the Tanzania Investment Center (TIC). The TIC has designated specific plots of land (a land bank) to be made available to foreign investors. Foreign investors may also enter into joint ventures with Tanzanians, in which case the Tanzanian provides the use of the land (but retains ownership, i.e., the leasehold).

## **Protection of Property Rights**

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Movable Property and Land Rights: Secured interests in property, both movable and real, are recognized and enforced under different laws in Tanzania. There is no single comprehensive law to secure property rights. Though the Tanzania Investment Center maintains a land bank, restrictions on foreign land ownership can delay investments.

The Ministry of Lands and Human Settlements Development handles registration of mortgages and rights of occupancies. The Office of the Registrar of Titles is responsible for issuing titles and registering mortgage deeds. Title deeds are recognized as mortgage for securing loans from banks and upon failure to pay back the loans the banks can sell an attached plot.

Intellectual Property Rights: The Copyright and Neighboring Rights Act Number 7 of 1999, the current legislation in Tanzania addressing the protection of intellectual property rights (IPR), conforms to international copyright and property rights conventions and provides adequate protection for intellectual property, patents, copyrights, trademarks and trade secrets. This is one of the steps Tanzania has taken to implement and enforce the WTO Trade-Related aspects of Intellectual Property Rights (TRIPS). This law provides one of the means under which Tanzanians and foreign nationals may secure, exercise, and enforce exclusive intellectual property rights. The Act also establishes the Copyrights Society of Tanzania (COSOTA) to promote and enforce these rights, collect and distribute royalties on behalf of its members, maintain registers

of works, productions and association of its members, search to identify and publicize rights of owners and defend them.

The Commercial Court, established in 1999, deals with litigation of commercial cases, including those related to infringements of IPR, trade in counterfeit and pirated goods. The Commercial Court has handed down decisions in several cases, most recently (November 2008) in a case involving rights to a trademark. The Commercial Court continues to develop its expertise in commercial law, including intellectual property rights and international business and financial transactions, but lacks resources and capacity to address its growing case load.

The Tanzanian Fair Competition Commission (FCC) has taken positive steps towards combating counterfeits. The FCC has continued to apprehend importers of fake products, and to seize and destroy the counterfeit products. The Tanzanian Food and Drug Authority has impounded anti-malarials and other drugs they deemed sub-standard or counterfeit.

Tanzania has not signed or ratified the WIPO internet treaties.

## **Transparency of Regulatory System**

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Tanzania is implementing a taxpayer's charter that enables taxpayers to complain about problems or malpractice within the Tanzania Revenue Authority (TRA). The tax policy reform agenda includes abolition of nuisance taxes, harmonization of the regulatory framework, establishment of a clear incentive regime and gradual reduction in rate structure. The GOT has broadened tax incentives and incorporated them in the relevant tax laws to attract more investments. The current tax policy does not impede or distort investment.

Tanzania has enacted three laws to govern competition and regulate economic activity. These are the Fair Trade Practices Act 1994, the Energy and Water Utilities Regulatory Act (EWURA) 2001, and the Surface and Marine Transport Regulatory Act (SUMATRA) 2001. The GOT is expediting the implementation of a Competition Law under the coordination of the Fair Commission for Trade and related regulatory institutions and promotes consumer protection through broad-based public awareness of consumers' rights and obligations.

The ongoing institutionalization of public-private sector dialogue, through various forums such the Investors Round Table (IRT) process, ensures that bureaucratic hurdles hindering private investments are addressed. Since the adoption of the IRT process in July 2002, Government Ministries, Departments and Agencies have broadened reforms. The IRT serves as an advisory board on best practices in trade and investment to the top national leadership. The IRT meets twice a year for domestic investors and twice a year for foreign investors. According to international business climate consultants, the IRT process is politicized and does little to actually stimulate investment. The BEST program's advocacy component supports private sector organizations to identify priority areas for reform. The CEO Roundtable, an association whose membership is limited to the CEOs of the largest firms in Tanzania, regularly advocates on behalf of investors

with the President and other top policy makers. President Kikwete formed an Investor's Complaints Bureau within State House in 2009.

Tax, labor, environment, health and safety, and other laws and policies do not impede investment, though bureaucratic procedures for licenses and permits are burdensome and time-consuming. NGOs and private sector associations do not informally manage any regulatory processes, though the Tanzania Chamber of Commerce and Industry Association issues certificates of origin for companies exporting to the US under AGOA. Proposed laws and regulations are published in draft form for public comment. There are many opportunities to provide input as government officials are relatively accessible, especially to industry associations. Legal, regulatory and accounting systems are transparent and consistent with international norms. There are no efforts to restrict foreign participation in industry standards-setting consortia or organizations. Associations representing the tourism and mining industries are composed of, and often led by, foreigners.

In addition to the BEST program, the GOT established a Law Reform Commission (LRC) to review the legal and regulatory requirements relating to trade and investments. The GOT is also modernizing the business-licensing regime to reduce impediments to investment. Under the Tanzania Investment Act, the Tanzania Investment Center (TIC) has become a 'one-stop shop' that provides fast track assistance to obtain approvals and permits such as work permits, industrial licenses, and trading licenses from various ministries. The Business Activities Registration Act (BARA) was enacted in February 2007 to replace the former Business Licensing Act No. 25 of 1972. The new business registration system is implemented by the Business Registration and Licensing Agency (BRELA). BARA is piloting a simplified and decentralized registration system which establishes a single national database for all registered businesses.

The Tanzanian judicial system continues to function slowly and imperfectly and is easily influenced by privileged individuals. These factors increase the cost and difficulty of doing business in Tanzania. In order to overcome shortfalls in the judicial system, the GOT is adopting anti-corruption measures and legal reforms to reduce bureaucratic snags and redundant laws and regulations.

## **Efficient Capital Markets and Portfolio Investment**

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The foreign exchange reserves of the Bank of Tanzania in the end of June 2009 were about USD 3 billion, sufficient to cover 4.6 months of imports. Tanzanian residents held almost USD 1.6 billion of foreign currency deposits in banks, while commercial banks held another USD 600 million in net foreign assets.

The Tanzanian Capital Markets and Securities Authority (CMSA) Act of 1994 facilitates the free flow of capital and financial resources to support the product and factor markets. The CMSA opened the Dar es Salaam Stock Exchange (DSE) to foreigners. Foreign individuals or companies can invest in shares; the maximum limit for foreign participation is 60 percent. Foreigners are not permitted to participate in government securities. There are no "cross-shareholding" and "stable shareholder" arrangements used by private firms to restrict foreign investment through mergers and acquisitions. There are no measures designed to protect against foreign hostile takeovers.

Foreign investors can get credit in the local financial market, where credit is allocated on market terms. Recent bank lending rates ranged from 13 to 15 percent for ordinary borrowers. Corporate borrowers can negotiate lower lending rates. Credit to the private sector has continued to grow rapidly though very little capital (USD 4 million) is required to start a bank, limiting the number of institutions large enough to participate in significant deals.

The financial sector in Tanzania has expanded in recent years, with a significant increase in the number of foreign-affiliated financial institutions and banks. Of the 27 commercial banks licensed and operating in Tanzania, more than half are foreign-affiliated banks. The banking sector is adequately capitalized and has limited reliance on foreign borrowing. According to the central bank governor Benno Ndulu, only 7.2 percent of the total asset base is estimated as non-performing. Private sector companies have access to a variety of commercial credit instruments including documentary credits (letters of credit), overdrafts, term loans, and guarantees. The assets of major local banks CRDB and NBC as of September 2009 were approximately USD 1.0 million and USD 1.3 million respectively. Citibank Tanzania had revenues of more than USD 15 million in 2009. According to local investors, very few local banks have sufficient capitalization to finance major deals such as infrastructure projects and power stations.

Foreign investors can open accounts and make deposits in registered private commercial banks. Interest earned by non-residents or foreign investors from deposits in banks registered by the BOT is exempt from income tax, in accordance with the Income Tax Act 2004. Foreign exchange regulations have been eliminated to allow an enabling environment to attract investors and simplify international transactions. Profits, dividends, and capital can be readily repatriated. Several venture capital funds have been established to meet the demand for equity injections into growing businesses.

The Banking and Financial Institution Act 2006 established a Credit Reference Bureau and permits banks and financial institutions to release information to licensed reference bureaus in accordance with regulations and allows credit reference bureaus to provide to any person, upon legitimate business request, a credit report. However, there is no national credit database.

## **Competition from State Owned Enterprises**

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Public enterprises do not compete under the same terms and conditions as private enterprises because they have access to government subsidies and other benefits. SOEs are active in the power, communications, railway, aviation, and port sectors. SOEs typically report to ministries and are led by a board which may be led by a presidential appointee but also composed of private leadership. Tanzania does not have a sovereign wealth fund.

## **Corporate Social Responsibility**

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There is an awareness of corporate social responsibility among both producers and consumers, and President Kikwete presents an annual CSR company award. Large foreign companies tend to follow generally accepted CSR principles.

## **Political Violence**

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Tanzania has never experienced widespread violence or unconstitutional changes in government. Prospects for serious and sustained violence are very low. Since gaining independence, Tanzania has enjoyed a remarkable degree of peace and stability. Tanzania has held three national multi-party elections since 1995; the fourth will be held in 2010. While elections on the mainland have been generally free of political violence, there is a history of political conflict on Zanzibar dating back to the 1950s. However, the 2005 general elections in Zanzibar were less violent than the two previous contests.

## **Corruption**

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Corruption remains a major concern for foreign investors. While giving or receiving a bribe (including bribes to a foreign official) is a criminal offense in Tanzania, the enforcement of laws, regulations and penalties to combat corruption has largely been ineffective. The government launched a series of high-profile corruption prosecutions in late 2008 but there were no high level corruption prosecutions in 2009. Corruption is economy-wide, and measures to combat it are applied impartially to foreign and domestic investors.

Some areas where corruption persists include government procurement, privatization, taxation, ports, and customs clearance. The Customs Department, the Port Authority, and the Tanzania Revenue Authority (TRA) remain a great hindrance to importers throughout Tanzania. Unpredictable and lengthy clearance delays and bribes to expedite service are commonplace.

Transparency International (TI) has consistently rated Tanzania poorly for its perceived corrupt business practices. TI's 2009 Corruption Perceptions Index (CPI) showed continued deterioration, falling 24 places to 126<sup>th</sup> in the world for a score of 2.6, though increased perception of corruption could have resulted from increased prosecution and media reporting. (Note: The CPI score tracks perceptions of corruption seen by business and country analysts, ranging from zero as highly corrupt, to 10, not corrupt).

In an effort to deal with corruption, the GOT put in place the National Anti-Corruption Strategy (NACS) and sector-specific action plans for all ministries, independent government departments, executive agencies and local authorities. The Anti-Corruption Bill, commonly referred to as the Prevention and Combating of Corruption Bureau (PCCB) Act, became operational in 2007. The PCCB is responsible for combating corruption. International, regional and local watchdog organizations such as Transparency International, FORDIA, and Agenda Participation 2000 operate freely in Tanzania.

In late 2008, the government arrested and filed charges against more than twenty individuals, including four officials of the Bank of Tanzania, for their involvement in a scheme to fraudulently obtain funds from the Bank of Tanzania's External Payment Arrears Account. The government also began prosecutions of two former ministers and the former Permanent Secretary in the Ministry of Finance and Economic Affairs for abuse of office in a case concerning government contracting.

US businesspeople have identified petty corruption, particularly among customs and immigration agents and traffic police, as an obstacle to investment. A national survey conducted by local NGO ForDIA over 5 months in 2009 found that state power utility Tanesco, was considered the most corrupt institution, while the police were the second most corrupt, followed by the judiciary and licensing and revenue offices. Corruption is pervasive in government procurement and the granting of tax exemptions. Giving and accepting bribes are criminal acts, as are bribes by local companies to foreign officials. Many senior government officials are accused of participating in corruption. Anti-corruption legislation passed in 2007 established the Prevention and Combating of Corruption Bureau (PCCB), which investigates corruption and imposes penalties such as jail sentences and fines on individuals engaging in corruption. However, the PCCB's progress has been slow, and there is a widespread perception, reinforced by Tanzania's deterioration this year in Transparency International's Corruption Perception Index, that corruption is proceeding at all levels with impunity.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anti-corruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/docs/dojdocb.html> .

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-bribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Anti-bribery Convention: The OECD Anti-bribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf> ). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Anti-bribery Convention through the U.S. FCPA. Tanzania is not a party to the OECD Anti-bribery Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html> ). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Anti-bribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Tanzania is a party to the UN Convention.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html> )

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires

criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco) .)

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements> .

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs) .

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at [http://tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp) .

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa) . Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S.

Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html) . More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

### Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa> .
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html) . See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf> .
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html) .
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009) . TI also publishes an annual Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr> .
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See [http://info.worldbank.org/governance/wgi/sc\\_country.asp](http://info.worldbank.org/governance/wgi/sc_country.asp) . The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210> .
- The World Economic Forum publishes the Global Enabling Trade Report, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a

separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm> .

- Additional country information related to corruption can be found in the U.S. State Department's annual Human Rights Report available at <http://www.state.gov/g/drl/rls/hrrpt/> .
- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/> .

## **Bilateral Investment Agreements**

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Currently, the United States of America and Tanzania do not have bilateral investment or taxation agreements.

Tanzania is a member of the East African Community (EAC), which signed a Trade and Investment Framework Agreement (TIFA) with the United States in July 2008. In November 2007, the EAC member states signed an interim economic partnership agreement with the European Union.

## **OPIC and Other Investment Insurance Programs**

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The U.S. Overseas Private Investment Corporation's (OPIC) signed an incentive agreement with the GOT in December 1996. While the number of U.S. subsidiaries and affiliated companies that could qualify for OPIC financing remains small, a few companies have used OPIC programs in Tanzania.

Tanzania is an active member of the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group that promotes foreign direct investment in developing countries by offering political risk insurance (guarantees) to investors and lenders, and by providing technical assistance to help developing countries attract and retain foreign investment.

The Export-Import Bank (Ex-Im Bank) of the United States has established a cooperative agreement with the EXIM Bank of Tanzania Limited to facilitate access to guarantees by investors within Tanzania.

Tanzania is also a member of the International Center for Settlement of Investment Disputes (ICSID). Investments in Tanzania are guaranteed against nationalization and expropriation.

The risk of currency depreciation over the next year is low due to stable reserves and sound central bank management despite the global recession resulting in a decrease in exports and donor commitments. All USG agencies within the Mission at Dar Es Salaam used a total of Tsh 38.5 billion, equivalent to USD 28.9 million across mission operations last fiscal year. The Embassy's exchange rate is about 1330 Tsh to 1 USD.

Tanzania faces persistent shortages of skilled labor. While the number of university graduates, especially in business management and information technology, continues to grow, many foreign investors find that local labor is insufficient to fill management and administrative positions. Currently, only a few specific teaching professions are granted cross-border access to Tanzania's labor market under the EAC.

Labor and immigration regulations permit foreign investors to recruit up to five expatriates; more work permits may be granted under specific conditions. As an incentive under the EPZ Act, the government may provide work permits for management and technical staff when these skills are unavailable locally.

New minimum wage requirements came into effect in 2008. The requirements, which set different minimum wages for eight sectors of the economy, were established by the Minister of Labor on the recommendation of the Minimum Wage Board. Partly in response to objections filed by the Confederation of Tanzania Industries (CTI), in December 2007 the Ministry of Labor issued an amendment to the order, lowering the minimum wage for companies employing 300 or more workers and exporting 25 percent or more of their products, to the benefit of labor-intensive industries such as textiles. Capital equipment is relatively expensive to import, making labor more attractive. However investors complain about skill shortages among Tanzanian employees.

The union and Zanzibar governments have separate labor laws. Workers on the mainland have the right to form and join independent trade unions, as well as to strike. Association with an international trade union requires government approval. As of 2005 (the most recent data available), approximately 27 percent of the formal sector work force were members of the Trade Union Congress of Tanzania (TUCTA), the sole labor federation. In the agricultural sector, the country's single largest employer, an estimated 5 to 8 percent of the work force was unionized. Mainland employers have the right to a lockout after complying with certain legal requirements and procedures, such as an agreement to attempt arbitration. A lawful strike or lockout is protected and does not constitute a breach of contract, nor can it be considered a criminal offense. The law restricts the right to strike when to do so would endanger the life and health of the population. Workers in certain sectors (water and sanitation, electricity, health services and associated laboratory services, firefighting, air traffic control, civil aviation telecommunications, and any transport services required for the provisions of these services) are restricted from striking.

The labor law in Zanzibar applies only to private sector workers. Zanzibari public sector workers do not have the right to strike. An estimated 40 percent of the Zanzibar workforce is unionized. In collaboration with the International Labor organization (ILO), the Zanzibar government worked to redraft its labor laws during the year but legislation had not been finalized by year's end.

Tanzanian law provides for collective bargaining in the private sector, and workers and employers practiced it freely during the year. In the public sector the government sets wages administratively, including for employees of state-owned organizations. On the mainland, disputes are regulated and resolved by mediation through the Commission for Mediation and Arbitration. If the mediator fails to resolve a dispute within 30 days of referral, or any longer period agreed upon in writing by both parties, either party to the

dispute may give notice of its intention to commence a strike or lockout. If the mediation fails to resolve the complaint, the Commission for Mediation and Arbitration may appoint an arbitrator to decide the dispute, or it may be referred to the labor court. The law requires employers found guilty of antiunion activities to reinstate workers.

Several elements of labor law reform are in progress under the BEST program.

### Foreign-Trade Zones/Free Ports

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Refer to EPZ information above. Efforts are progressing to make Zanzibar Port a free port. In addition, free economic zones have been established in three areas of Pemba and Zanzibar. The GOT intends to establish free trade zones in Tanga and Kigoma ports. Foreign owned firms have the same investment opportunities as host country entities.

### Foreign Direct Investment Statistics

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The Bank of Tanzania (BOT) reported Foreign Direct Investment (FDI) trends in Tanzania as follows:

Year	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Value of FDI (USDU SD million)	467.2	430	526.8	469.9	325	501.5	647	744

Source: Bank of Tanzania & TIC

### Stock of FDI by sector by percentage, 2002 – 2006:

SECTORS	2002	2003	2004	2005	percent in 2006
Mining and Quarrying	26.6	31.3	31.3	27.9	36.2
Wholesale & Retail trade	15.0	12.7	14.5	16.1	19.1
Manufacturing	22.4	23.4	25.5	20.7	18.2
Financing & Insurance	9.4	8.7	8.9	10.1	10.2
Transport & communication	10.8	9.1	9.6	7.9	5.2
Utilities	7.1	6.8	3.8	4.8	4.6
Construction	3.9	4.0	3.3	3.4	3.3
Agriculture	4.5	3.8	3.0	9.0	3.1
Community & social	0.2	0.2	0.2	0.2	0.1
Total	100.0	100.0	100.0	100.0	100.0

Source: TIC

### Stock of FDI by Source Country, 1999-2006:

Values in USD Million.

COUNTRY	1999	2000	2001	2002	2003	2004	2005	2006	percent in 2006
South Africa	98.7	346.6	415.7	487.6	608.5	979.5	888.0	1,325.8	25.5
Canada	39.0	342.6	371.9	475.8	694.8	666.6	694.2	962.9	18.5
United Kingdom	522.7	510.4	471.2	479.3	526.0	434.0	872.4	620.7	12.0
USA	282.0	(1.8)	(64.3)	163.1	154.9	149.1	210.0	237.1	4.6
Netherlands	97.7	155.9	201.9	205.3	198.9	247.6	225.6	216.9	4.2
Mauritius	106.4	173.3	179.6	119.6	177.7	220.4	219.3	187.1	3.6
Kenya	55.4	132.1	115.4	87.7	162.6	191.0	264.3	170.2	3.3
Switzerland	72.8	159.3	146.9	53.2	45.7	47.9	61.6	152.5	2.9
British Virgin Island	4.1	-	-	7.6	9.0	54.7	122.9	114.1	2.2
China	25.7	30.9	27.5	46.0	50.9	44.2	61.6	112.3	2.2
Total of Top-ten	1,304.5	1,849.3	1,865.8	2,125.2	2,629.0	3,035.0	3,619.9	4,099.6	79.0
Others	687.7	827.3	1,001.5	814.2	961.4	919.3	1,108.6	1,092.4	21.0
Total	1,992.2	2,676.6	2,867.3	2,939.4	3,590.4	3,954.3	4,728.5	5,192.0	100.0

Source: TIC

### Sectoral distribution of FDI stock by selected countries, 2006:

Values in USD Million

Sector	Canada		South Africa		United Kingdom		USA	
	Value	percent Share	Value	percent Share	Value	percent Share	Value	percent Share
Mining and quarrying	828.1	86.1	911.3	68.9	39.9	6.4	11.3	4.8

Manufacturing	18.8	2.0	82.0	6.2	123.9	20.0	98.6	41.6
Transport and communication	1.1	0.1	1.7	0.1	9.9	1.6	4.4	1.9
Wholesale and retail trade	0.2	0.0	226.7	17.1	212.2	34.2	38.1	16.1
Finance and insurance	3.1	0.3	92.2	7.0	98.8	15.9	49.8	21.0
Utilities	106.7	11.1	0.0	0.0	95.9	15.5	0.0	0.0
Agriculture	3.6	0.4	0.6	0.0	8.6	1.4	34.9	14.7
Construction	0.0	0.0	8.5	0.6	30.7	4.9	0.0	0.0
Community and social services	0.0	0.0	0.0	0.0	0.8	0.1	0.0	0.0
Total	961.6	100.0	1,325.8	100.0	620.7	100.0	237.1	100.0

### US FDI into Tanzania by sector, 1999 – 2006:

Values in USD Million

Sector	1999	2000	2001	2002	2003	2004	2005	2006
Agriculture, hunting, forestry and fishing	5.8	30.0	25.7	7.6	5.0	2.4	8.5	34.9
Community, social and personal services	3.8	0.0	0.0	0.3	0.3	0.3	0.3	0.0
Construction	0.1	0.1	0.1	0.1	0.1	0.0	0.2	0.0
Financing, Insurance, real estate, and business services	46.7	40.0	35.1	38.2	34.7	36.7	41.6	49.8
Manufacturing	168.2	9.5	6.3	85.6	73.2	65.8	98.2	98.6
Mining and Quarrying	0.0	-148.3	-197.0	3.0	3.0	3.0	9.9	11.3
Transport, storage & communication	31.3	29.1	28.7	1.3	1.5	2.0	4.6	4.4
Wholesale & Retail trade, catering & accommodation services	26.2	37.8	36.9	27.2	37.0	38.9	46.8	38.1
Total	282.0	-1.8	-64.3	163.1	154.9	149.1	210.0	237.1

Source: TIC

Little current year data on FDI by country, sector or outgoing destination is available. FDI into Tanzania has been principally in the mining, manufacturing, tourism, construction and transportation sectors. Tanzanians are currently restricted from investing abroad by BOT capital controls, and very few international firms (primarily

Kenyan) list on the Dar Es Salaam stock exchange. There is currently no reliable public information on Tanzanian FDI abroad, though Tanzania's largest trading partners include China, India, Kenya and the UK. According to Mr. Emanuel Ole Naiko, the Executive Director of TIC, US - affiliated investors currently have 154 projects in Tanzania valued at USD 645.3 million and providing 37,163 jobs.

## Web Resources

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Tanzanian Investment Center: <http://www.tic.co.tz>

Public Procurement Regulatory Authority: <http://www.ppra.go.tz>

Doing Business in Tanzania (World Bank Report): <http://www.doingbusiness.org>

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

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Tanzania is largely a cash economy. Direct cash settlement is the most popular way for individuals to conduct business.

In business-to-business transactions, most companies (both local and foreign) choose to make payments via check. Banks take 7-14 days to clear checks and collect funds through the central bank's national payment system electronic clearinghouse. Companies prefer to make payments by check for both internal and external management and control of funds. Companies tend to prefer direct payment in cash for petty transactions. For parties in different cities or regions, direct payments through commercial bank accounts in the form of wire (Telegraphic) transfers and SWIFT are very common. Any payment above Tsh 10 Million can not be made by check but should be made through a newly introduced TISS system.

In international trade transactions, documentary credits such as letters of credit (LOCs), documentary collections and drafts are widely used. Prepayment, cash with order and cash-in-advance, are the most desirable terms by local sellers.

Factoring and open account or credit terms are not common in Tanzania, despite understanding by Tanzanian companies that some of the largest U.S. firms will make purchases only on an open account basis.

### How Does the Banking System Operate

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The Tanzanian banking sector was liberalized in June 1999 and is now increasingly competitive. Local state-owned banks have been privatized, though the government maintains minority shares in CRDB Bank and National Microfinance Bank (NMB), among others. Currently, about 30 local and foreign private commercial banks are registered with the central bank (Bank of Tanzania) and are operating. International banks include CitiBank/Citigroup, Standard Chartered Bank, Barclays Bank and Stanbic Bank. The influx of foreign banks has helped to improve the availability of financial services and the quality and pricing of existing services, either directly as providers of such services or indirectly through competitive pressures on domestic banks. In general terms, Tanzania has a growing market-driven financial sector. However, the average lending interest rate charged by commercial banks on Tanzania Shillings is relatively high and there is a wide spread between lending and deposit rates. Commercial banks invest more money in Tanzanian treasury bills than in any other sector.

## Foreign-Exchange Controls

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Exporters are now allowed to use or repatriate all export earnings.

## U.S. Banks and Local Correspondent Banks

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Citibank (Tz) Ltd. is the only U.S. bank currently operating in Tanzania. CRDB Bank has correspondent arrangements with Citibank, N.A. New York, HSBC Bank USA New York, Deutsche Bank AG London, Lloyds TSB Bank PLC London, DZ Bank Germany and Danske Bank Denmark. The National Bank of Commerce (NBC) has correspondent arrangements with Chase Manhattan Bank, Morgan Trust Guarantee and Citibank. Foreign banks like Barclays Bank, Standard Chartered and Citibank have similar correspondent arrangements with U.S. banks. The Tanzania Postal Bank has a money transfer arrangement with Western Union International of the U.S.

## Project Financing

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Project financing is available from the Tanzania Investment Bank (TIB), Citigroup (TZ), Aureos Investment Fund, East African Development Bank, African Development Bank, International Finance Corporation (IFC) of the World Bank, and the Overseas Private Investment Corporation (OPIC). Loan guarantees from the U.S. Export Import Bank are available.

Multilateral development banks also provide project financing in Tanzania. The International Bank for Reconstruction and Development (IBRD), a member of the World Bank group, makes long-term loans at market-related rates primarily to developing nations. The International Development Agency (IDA), the soft loan window of the World Bank, has invested in Tanzania's rail and mining sectors.

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### US Government Agencies:

Export-Import Bank of the United States: <http://www.exim.gov>

Overseas Private Investment Corporation: <http://www.opic.gov>

U.S. Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

### Tanzanian Financing Resources:

Bank of Tanzania: <http://www.bot-tz.org>

CRDB Bank Ltd: <http://www.crdb.com>

Standard Chartered Bank Tanzania Ltd: <http://www.standardchartered.com/tz>

Stanbic Bank Tanzania Ltd: <http://www.stanbic.com>

Exim Bank Tanzania Ltd: <http://www.eximbank-tz.com>

Citibank Tanzania Ltd (Citigroup): <http://www.citigroup.net> or  
[www.citibank.com](http://www.citibank.com)

Tanzania Investment Bank (TIB): <http://www.tib.co.tz>

Barclays Bank Tanzania Ltd: <http://www.barclays.com>

National Microfinance Bank (NMB): <http://www.nmbtz.com>

Aureos Tanzania Investment Fund: <http://www.aureos.com>

Multilateral Institutions:

World Bank Tanzania: [www.worldbank.org](http://www.worldbank.org)

African Development Bank: <http://www.afdb.org/>

East African Development Bank: <http://www.eadb.org/>

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## Chapter 8: Business Travel

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- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
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- [Local Time, Business Hours and Holidays](#)
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### Business Customs

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Generally, international business customs apply. Tanzanians strongly value face-to-face meeting, formal written letters, and personal relationships. Patience and flexibility are essential for success in Tanzania.

### Travel Advisory

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Please see the Department of State's [Consular Information Sheet for Tanzania](#).

For current information on travel warnings and advisories, please see the Department of State's [Travel website](#).

### Visa Requirements

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#### Tourist Visas

- **Multiple Entry Business Visa** can be granted for up to one year. Businesspeople can apply for a 6-month or 1- year multiple-entry business visa. A letter from an established company in the country of application will be required to introduce the applicant, the nature of the trip and the business contact in Tanzania. For more details contact the visa section at Tanzanian missions abroad.
- The current fee for a multiple-entry tourist visa is \$100 for 12 months.

#### Residence / Work Permits

- **Class A Residence Permit** for investors can be requested from the Director of Immigration. The cost is USD 1600 for 2 years and allows the holder to work legally in Tanzania.
- Updated information can be found at the Directorate of Immigration website: <http://www.tanzania.go.tz/immigrationf.html> or from the Tanzanian Embassy in Washington DC: <http://www.tanzaniaembassy-us.org/tzevisa.html> .

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

US Embassy Consular Section: <http://tanzania.usembassy.gov/visas.html>

## Telecommunications

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The national telephone network and several mobile telephone networks reach most parts of the country including all major towns. Most business travelers rent a cell phone or bring their own and purchase a pre-paid SIM card. Major hotels have business centers with Internet access, and wireless Internet cafes of varying quality can be found in most cities.

## Transportation

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Tanzania has three international airports in Dar es Salaam, Kilimanjaro and Zanzibar. In addition there are airstrips spread all over the country.

The national airline, Air Tanzania, and several private companies provide domestic air travel. International airlines operate flights in and out of Tanzania with daily flights to Europe, India, the Middle East and East and Southern Africa.

Public ground transportation is unreliable and unsafe for business travelers. Hiring a car and driver through a reliable company is generally the best way to get around town.

The Tanzania Port Authority (TPA) operates the ports of Dar es Salaam, Tanga, Mtwara, and minor ports of Kilwa, Lindi and Mafia on the Indian Ocean. Dar es Salaam is the main port, with a dry break bulk cargo capacity of 3.1 million tons of containerized cargo and 6.0 million tons of bulk liquid.

Lake transport is managed by the Marine Division of the Tanzania Railway Corporation (TRC), and Fast Ferries, including freight cargo and passenger transport services on Lake Victoria (linking Tanzania, Kenya, and Uganda), Lake Tanganyika (linking Tanzania, Burundi, Democratic Republic of Congo and Zambia), and Lake Malawi (linking Tanzania, Malawi and Mozambique).

## Language

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Swahili and English are official languages in Tanzania. Over 100 indigenous languages are also spoken in various parts of the country. Swahili is the most widely used language, but English is widely used in government administration and business, especially in Dar es Salaam. In general, business can be conducted in English.

## Health

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Food and waterborne diseases are the number one cause of illness in travelers. [Travelers' diarrhea](#) can be caused by viruses, bacteria, or parasites, which are found throughout the region and can contaminate food or water. Infections may cause diarrhea and vomiting (*E. coli*, *Salmonella*, [cholera](#), and parasites), fever ([typhoid fever](#) and toxoplasmosis), or liver damage (hepatitis). Make sure your food and drinking water are safe. ([See below.](#))

[Malaria](#) is a serious, but preventable infection that can be fatal. Your risk of malaria may be high in Tanzania, including in cities. Prevent this deadly disease by seeing your health care provider for a prescription anti-malarial drug and by protecting yourself against mosquito bites ([see guidance](#)). Most travelers to East Africa, including infants, children, and former residents of East Africa, are at risk for malaria. All travelers at risk for malaria should take one of the following drugs (listed alphabetically): atovaquone/proguanil, doxycycline, mefloquine, or primaquine (in special circumstances). For detailed information on malaria-risk areas and anti-malarial drugs, see the following links to the Center For Disease Control:

[Malaria Information for Travelers to East Africa](#)

[Preventing Malaria in the Pregnant Woman \(Information for the Public\)](#)

[Preventing Malaria in Infants and Children \(Information for the Public\)](#)

#### **Local Time, Business Hours, and Holidays**

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Tanzania is on East Africa Time, GMT + 3 hours. Tanzania does not observe Daylight Savings Time.

Government offices are generally open 7:30 am to 3:30 pm, Monday – Friday.

Businesses often remain open later, up to 5:00 pm.

In Zanzibar, business and government are closed Friday afternoons.

The American Embassy is open 7:30 am to 5:00 pm Monday – Thursday, and 7:30 am to 11:30 am on Fridays.

#### **National Holidays (2010)**

<b>DATE</b>	<b>OCCASION</b>
1 January	New Year's Day
12 January	Zanzibar Revolution Day
27 February	Maulid Day (subject to lunar calendar)
2 April	Good Friday
5 April	Easter Monday
7 April	Karume Day
26 April	Union Day
1 May	Labor Day
7 July	International Trade Fair (Saba Saba)

8 August	Farmers' Day
14 October	Mwalimu Nyerere Day
30 October	Idd-El Fitr (subject to lunar calendar)
15 November	Idd-El Hajj (subject to lunar calendar)
9 December	Tanzanian Independence Day
25 December	Christmas Day
26 December	Boxing Day

### Temporary Entry of Materials and Personal Belongings

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Rebate of customs duty may be given to a traveler on certain imports in their baggage. A rebate is given on goods that are not meant for resale under the following conditions:

- The value of the goods should not exceed Tanzania shillings equivalent to USD 500 on full declarations of goods.
- A full rebate (concession) is allowed on the following:
  - Portable spirits one (1) liter
  - Perfumed spirits not exceeding one (1) liter
  - Tobacco not exceeding 250 grams
  - Cigarettes not exceeding 200 sticks
  - Microbuses of seating capacity not exceeding capacity ten (10) passengers.

A resident leaving Tanzania with domestic articles such as cameras, binoculars, music systems, video, TVs, radios, etc. must register them with the customs office at point of exit. The registration is done on the Entry for Exportations of Domestic Goods (Form No.C.31).

### Web Resources

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State Department Travel Site: <http://travel.state.gov/travel>

State Department Visa Website: <http://travel.state.gov/visa/index.html>

Center for Disease Control Travel Site: <http://www.cdc.gov/travel/eafrica.htm>

Tanzanian Revenue Authority (Customs): <http://www.tra.go.tz>

Tanzanian Embassy in the U.S.: <http://www.tanzaniaembassy-us.org/>

Tanzanian Immigration: <http://www.tanzania.go.tz/immigrationf.html>

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## Chapter 9: Contacts, Market Research, and Trade Events

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- [Market Research](#)
- [Trade Events](#)

### Contacts

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Commercial Officer  
U.S. Embassy in Tanzania  
PO Box 9123, Dar es Salaam  
Tel: 255-22-2668001  
Fax: 255-22-2668296  
[drscommercial@state.gov](mailto:drscommercial@state.gov)

American Business Association in Dar es Salaam  
C/o Commercial Officer, American Embassy  
PO Box 9123, Dar es Salaam  
[ababoard@satconet.com](mailto:ababoard@satconet.com)

Tanzania Private Sector Foundation (TPSF)  
P. O. Box 11313, Dar es Salaam  
Tel: 255 22 2129433  
Fax: 255 22 2129433  
Email: [tpsf@cats-net.com](mailto:tpsf@cats-net.com)

Tanzania Chamber of Minerals and Energy (TCME)  
P.O. Box 13369, Dar es Salaam  
Tel: 255 22 2137865  
Fax: 255 22 2137868  
Email: [tcm@twiga.com](mailto:tcm@twiga.com)

Tanzania Chamber of Agriculture and Livestock  
P.O. Box 3010, Arusha  
Tel: 255 27 2503041 / 2508736 / 2504297  
Fax: 255 27 250 8213  
Email: [tfa@habari.co.tz](mailto:tfa@habari.co.tz)

Confederation of Tanzania Industries (CTI)  
P.O. Box 71783, Dar es Salaam  
Tel. 255 22 2114954 / 2130327 / 2123802  
Fax. 255 22 2115414  
Email: [cti@cats-net.com](mailto:cti@cats-net.com)  
Website: [www.ctitz.com](http://www.ctitz.com)

Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)  
P.O. Box 9713, Dar es Salaam  
Tel. 255 22 2131659/2123372-3  
Fax. 255 22 2119437  
Email: [tccia.hq@cats-net.com](mailto:tccia.hq@cats-net.com)

Website: [www.tccia.co.tz](http://www.tccia.co.tz)

Tanzania National Business Council (TNBC)  
P. O. Box 11313, Dar es Salaam  
Tel: 255 22 2129433  
Fax: 255 22 2129433  
Email: [tnbc@tnbctz.com](mailto:tnbc@tnbctz.com)

Dar es Salaam Stock Exchange  
Twiga House, Samora Ave  
P.O. Box 70081, Dar es Salaam  
Tel: 255 22 212 8522 / 212 3983  
Fax: 255 22 213 3849  
E-mail: [dse@cats-net.com](mailto:dse@cats-net.com)

Immigration Services Dept  
Ministry of Home Affairs  
Ghana Ave/ Ohio Street  
P.O. Box 512, Dar es Salaam  
Tel: 255 22 211 8636-46  
Fax: 255 22 211 1090/211 2174  
E-mail: [uhamiaji@intafrica.com](mailto:uhamiaji@intafrica.com) or [immigration@moha.go.tz](mailto:immigration@moha.go.tz)  
[www.moha.go.tz/links.html](http://www.moha.go.tz/links.html)  
[http://www.passportsplus.com/visa\\_tanzania](http://www.passportsplus.com/visa_tanzania)

Permanent Secretary  
Ministry of Foreign Affairs and International Cooperation  
Kivukoni Front  
P.O. Box 9000, Dar es Salaam  
Tel. 255 22 211 4583  
Fax: 255 22 211 6600  
Email: [foreign@newafrica.com](mailto:foreign@newafrica.com)  
Website: [www.foreign-tanzania.go.tz](http://www.foreign-tanzania.go.tz)

Permanent Secretary  
Ministry of Energy and Minerals  
Mkwepu Street / Sokoine Drive  
P.O. Box 2000, Dar es Salaam.  
Tel. 255 22 211 7156-9  
Fax: 255 22 211 6719  
Email: [madini@africaonline.co.tz](mailto:madini@africaonline.co.tz)  
Website: [www.africaonline.co.tz/madini](http://www.africaonline.co.tz/madini)

Permanent Secretary  
Ministry of Industry and Trade  
Lumumba St.  
P.O. Box 9503, Dar es Salaam.  
Tel. 255 22 218 0075  
Fax: 255 22 218 0371  
Email: [mic@intafrica.com](mailto:mic@intafrica.com)

Permanent Secretary  
Ministry of Agriculture and Food Security  
Mandela Road  
P.O. Box 9192, Dar es Salaam  
Tel. 255 22 286 2073  
Fax: 255 22 286 2077  
Email: [psk@kilimo.go.tz](mailto:psk@kilimo.go.tz)

Permanent Secretary  
Ministry of Finance  
Treasury Bldg, Madaraka Ave  
P.O. Box 9111, Dar es Salaam.  
Tel. 255 22 211 1174-6  
Fax: 255 22 211 0326  
Email: [mof@mof.go.tz](mailto:mof@mof.go.tz)  
Website: [www.mof.go.tz](http://www.mof.go.tz)

Permanent Secretary  
Ministry of Natural Resources and Tourism  
Samora Ave/ Mission Street  
P.O. Box 9372, Dar es Salaam.  
Tel. 255 22 211 1061-4/211 6682  
Fax: 255 22 212 3158  
Email: [nature.tourism@mnrt.org](mailto:nature.tourism@mnrt.org) or [tourism@africaonline.co.tz](mailto:tourism@africaonline.co.tz)

Governor  
Bank of Tanzania (BoT)  
Mirambo Street  
P.O. Box 2939, Dar es Salaam  
Tel: 255 22 211 0945-52  
Fax: 255 22 211 7342 /211 9345  
E-mail: [info@hq.bot-tz.org](mailto:info@hq.bot-tz.org)  
Website: [www.bot-tz.org](http://www.bot-tz.org)

Permanent Secretary  
Ministry of Infrastructure  
Tancot House, Sokoine Drive  
P.O. Box 9144, Dar es Salaam  
Tel. 255 22 211 4426  
Fax: 255 22 211 2751  
E-mail: [permsec@infrastructure.go.tz](mailto:permsec@infrastructure.go.tz)  
[www.moct.go.tz/](http://www.moct.go.tz/)

Permanent Secretary  
Ministry of Communication  
Tancot House, Sokoine Drive  
P.O. Box 9144, Dar es Salaam  
Tel. 255 22 211 4426  
Fax: 255 22 211 2751  
E-mail: [msthe@msthe.co.tz](mailto:msthe@msthe.co.tz)  
[www.tanzania.go.tz/science](http://www.tanzania.go.tz/science)

Tanzania Investment Center  
Shabaan Robert St. 9A-B  
PO Box 938, DSM  
Tel. +255 (22) 211 6328-32  
Fax: +255 (22) 211 8253  
E-mail: [information@tic.co.tz](mailto:information@tic.co.tz)

BRELA  
Business Registration and Licensing Agency  
3rd Fl., Cooperative Building  
Lumumba St.  
PO Box 9393, DSM  
Tel. +255 (0)22-218013/4  
E-mail: [brela@Cats-Net.com](mailto:brela@Cats-Net.com)  
[www.brela-tz.org](http://www.brela-tz.org)

Tanzania Bureau of Standards  
PO Box 9534, DSM  
Tel. +255(0)22-2450206  
Fax: +255-(0)22-2450959  
E-mail: [info@tbs.or.tz](mailto:info@tbs.or.tz)

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

<http://www.buyusa.gov/kenya/>

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## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/kenya/en/>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.