

ABBREVIATIONS AND ACRONYMS

| | |
|---------------|--|
| BEST | Business Environment Strengthening for Tanzania |
| BOP | Balance of Payments |
| BOT | Bank of Tanzania |
| BPM5 | Balance of Payments Manual, 5th Edition |
| BRELA | Business Registration and Licensing Agency |
| BV | Book Value |
| DDI | Domestic Direct Investment |
| DFI | Development Finance International |
| DRC | Democratic Republic of Congo |
| DSE | Dar es Salaam Stock Exchange |
| EAC | East African Community |
| EADB | East African Development Bank |
| EIB | European Investment Bank |
| EPZ | Export Processing Zones |
| EU | European Union |
| FDEI | Foreign Direct Equity Investment |
| FDI | Foreign Direct Investment |
| PCF | Private Capital Flows |
| FPI | Foreign Private Investment |
| FPEI | Foreign Portfolio Equity Investment |
| GDDS | General Data Dissemination System |
| GDP | Gross Domestic Product |
| IFC | International Finance Corporation |
| IIP | International Investment Position |
| IMF | International Monetary Fund |
| LDCs | Least Developed Countries |
| MEFMI | Macroeconomic and Financial Management Institute |
| MEM | Ministry of Energy and Minerals |
| MV | Market Value |
| NBS | National Bureau of Statistics |
| OCGS | Office of the Chief Government Statistician |
| OECD | Organization for Economic Co-operation and Development |
| PSED | Private Sector External Debt |
| PSRC | Parastatal Sector Reform Commission |
| SADC | Southern African Development Community |
| SEZ | Special Economic Zones |
| TIC | Tanzania Investment Centre |
| TIR01 | Tanzania Investment Report of 2001 |
| TIR04 | Tanzania Investment Report of 2004 |
| TRA | Tanzania Revenue Authority |
| TZS | Tanzanian Shilling |
| UK | United Kingdom |
| UNCTAD | United Nations Conference on Trade and Development |
| URT | United Republic of Tanzania |
| USA | United States of America |
| USD | United States Dollar |
| WAIPA | World Association of Investment Promotion Agencies |
| WIR | World Investment Report |
| ZIPA | Zanzibar Investment Promotion Authority |
| ZTC | Zanzibar Tourism Commission |

PREFACE

Tanzania Investment Report of 2006 (TIR06) is a third in the series of surveys on Foreign Private Investments (FPI) in Tanzania. It is produced by the Bank of Tanzania (BoT) in collaboration with Tanzania Investment Centre (TIC) and the National Bureau of Statistics (NBS).



This report is an outcome of a sample survey carried out in Tanzania Mainland and census carried out in Zanzibar for the period 2002 through 2005. The study examined the sources, magnitude, composition, direction and sustainability of FPI inflows to the country. The main objective of the study is to continue undertaking close monitoring of FPI inflows in order to assess their impact on the Tanzanian economy. Further, the survey results are useful for Balance of Payments (BOP) and International Investment Position (IIP) purposes, designing effective investment promotion and facilitation strategies, and macroeconomic policy reviews and formulation. Analyses of this study are built up on the foundation laid down by the two previous reports. However, this report has gone further in analyzing linkages of FPI to the domestic economy and issues related to Corporate Social Responsibility (CSR). Further, more statistical tables are appended for in-depth statistical analyses.

It is my expectation that this report will continue to provide a useful source of information to an extensive array of stakeholders including policy makers, private sector, development partners, research institutions, academia and the public. In this regard, I am optimistic that study findings will be useful for making more informed decisions such as; formulating appropriate macroeconomic policies, designing effective investment promotion strategies and sourcing of reliable investment data.

I wish to recognize the endless cooperation that the private sector, in particular, the surveyed companies extended during implementation of all the three cycles of the PCF project. In the same spirit, I wish to convey my gratitude appreciation to the Macroeconomic and Financial Management Institute (MEFMI) and Development Finance Institute (DFI) for their technical support. Lastly, I would like to appeal to all stakeholders to maintain the current good co-operation and to provide maximum support in future surveys in order to continue to produce similar reports for the betterment of our economy.

A handwritten signature in black ink, appearing to read 'Daudi T.S. Balali'. The signature is stylized and cursive.

Daudi T.S. Balali
GOVERNOR, BANK OF TANZANIA
2006

ACKNOWLEDGEMENT

The Tanzania Investment Report of 2006 (TIR06) was jointly prepared under the overall supervision of Isaack H. Kilato (Director of Economic Policy – BOT), John J. Kyaruzi (Director of Research and Information Technology – TIC), William M. Chiume (Director of Investment Promotion – TIC), Alaba A. Athmani (ex-Director of Economic Statistics – NBS), and Sange M. Mbaruku (Director of Economic Statistics – NBS). The technical team was led by Shaft S. Mrutu (Deputy Director, Department of Trade, Finance and Investment Policies - BOT) and involved Zabadih L. Kiwelu, Neema W. Moshy, Emiliana P. Rweyemamu, Bahati A. Kasyombe, Joyce M. Saidimu, Phillip G. Mboya, Innocent M. Pantaleo and Geoffrey I. Mwambe (BOT); Siegfried M. Kuwite and Njoki J. Tibenda (TIC); Sango A. Simba, Valerian G. Tesha, and Fred E. Matola (NBS). The Private Capital Flows Oracle-based Software was reviewed by Frank S. Shayo and Frank M. Frederick (BOT).

In Zanzibar, the overall supervision was under Salum K. Nassoro (Executive Director - ZIPA), Babu N. Msami (Branch Director - BOT ZNZ), and Mohammed H. Rajab (Chief Government Statistician - OCGS). The technical team was led by Said M. Chiguma (Deputy Director, Economics Department, BOT- Zanzibar Branch) and involved Badru M. Masoud and Evarist A. Mgangaluma (BOT - Zanzibar); Bihindi N. Khatib, Rashid A. Salim, Aziz B. Ali, Nasriya M. Nassor and Nana M. Mwanjisi (ZIPA); and Maulid S. Kombo and Mashavu K. Omari (OCGS).

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TABLE OF CONTENT

| | |
|---|-----------|
| ABBREVIATIONS AND ACRONYMS..... | i |
| PREFACE..... | i i |
| ACKNOWLEDGEMENT..... | iii |
| TABLE OF CONTENT..... | i v |
| EXECUTIVE SUMMARY..... | vii |
| CHAPTER 1: OVERALL TRENDS AND DEVELOPMENTS OF FOREIGN PRIVATE INVESTMENTS IN TANZANIA..... | 1 |
| 1.1 Introduction..... | 1 |
| 1.2 Global trends of foreign direct investments..... | 1 |
| 1.3 Trends and developments of foreign direct investments in Africa..... | 1 |
| 1.3.1 Trend of FDI in Southern African Development Community (SADC)..... | 2 |
| 1.3.2 Trend of FDI in East African Community (EAC)..... | 3 |
| 1.4 FDI inflows and prospects for Tanzania..... | 3 |
| 1.5 Structure of the report..... | 4 |
| CHAPTER 2: METHODOLOGY..... | 5 |
| 2.1 Introduction | 5 |
| 2.2 Organization of the project | 5 |
| 2.2.1 Institutional set-up and coordination..... | 5 |
| 2.2.2 Project funding..... | 5 |
| 2.2.3 Private sector sensitisation and awareness..... | 5 |
| 2.2.4 Training and technical assistance..... | 5 |
| 2.3 Survey methods and techniques..... | 6 |
| 2.3.1 Compilation of investor s' register..... | 6 |
| 2.3.2 Sample selection and coverage..... | 6 |
| 2.3.3 Questionnaire design..... | 6 |
| 2.3.4 Development of the enumerators' manual..... | 6 |
| 2.3.5 Survey implementation..... | 7 |
| 2.3.6 Data collection..... | 7 |
| 2.3.7 Survey response rates..... | 7 |
| 2.4 Data processing..... | 8 |
| 2.4.1 Data validation, standardization and checking..... | 8 |
| 2.4.2 Data up-rating and time series..... | 8 |
| 2.5 Adherence to the international standards..... | 9 |
| CHAPTER 3: ANALYSIS OF FOREIGN PRIVATE INVESTMENTS, 2001-2005 | 10 |
| 3.1 Introduction..... | 1 0 |
| 3.2 Stock of FPI..... | 1 0 |
| 3.3 Flow of FPI..... | 1 1 |
| 3.4 Foreign Direct Investments (FDI)..... | 1 1 |
| 3.4.1 FDI Stock..... | 1 1 |

| | | |
|--|--|-----------|
| 3.4.2 | FDI Flows..... | 1 2 |
| 3.4.3 | Types of financing..... | 13 |
| 3.4.4 | Sectoral distribution of FDI..... | 1 4 |
| 3.4.5 | Regional distribution of FDI..... | 1 6 |
| 3.4.6 | FDI by source country..... | 1 8 |
| 3.5 | Foreign Portfolio Equity Investment (FPEI)..... | 2 2 |
| 3.6 | Other Investments (OI)..... | 2 2 |
| 3.7 | Private Sector External Debt (PSED)..... | 2 3 |
| 3.7.1 | Sectoral distribution of PSED stock..... | 2 3 |
| 3.7.2 | Loan inflows..... | 2 4 |
| 3.7.3 | Loan inflows by sector | 2 4 |
| 3.7.4 | Principal repayments | 2 5 |
| 3.7.5 | Interest payments | 2 6 |
| 3.7.6 | Net debt flows | 2 6 |
| 3.8. | Income on investments | 2 6 |
| 3.8.1 | Profitability | 2 6 |
| 3.8.2 | Return on equity investment | 2 7 |
| 3.8.3 | Dividend payments | 2 7 |
| CHAPTER 4: LINKAGES OF FOREIGN PRIVATE INVESTMENTS TO THE DOMESTIC ECONOMY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)..... | | 28 |
| 4.0 | Introduction..... | 2 8 |
| 4.1 | Partnership between foreign and domestic investors..... | 2 8 |
| 4.2 | Borrowing from domestic sources..... | 2 9 |
| 4.3 | Domestic labour market..... | 3 0 |
| 4.4 | Market for products and sourcing of raw materials..... | 3 1 |
| 4.5 | Corporate Social Responsibility (CSR)..... | 3 2 |
| CHAPTER 5: SUSTAINABILITY AND FUTURE PROSPECT FOR INFLOWS OF FOREIGNPRIVATE INVESTMENT TO TANZANIA..... | | 33 |
| 5.0 | Introduction..... | 3 3 |
| 5.1 | Financial leverage..... | 3 3 |
| 5.1.1 | Debt-equity ratio..... | 3 3 |
| 5.1.2 | Long-term debt-equity ratio..... | 3 4 |
| 5.2 | Economic Leverage..... | 3 5 |
| 5.3 | Future prospects and direction of investment..... | 3 5 |
| CHAPTER 6: MAIN FINDINGS AND POLICY IMPLICATIONS..... | | 36 |
| 6.0 | Introduction..... | 3 6 |
| 6.1 | FPI continues to increase with FDI dominating relative to FPEI and OI..... | 3 6 |
| 6.2 | FDI stock largely financed by equity relative to loans..... | 3 6 |
| 6.3 | FDI skewed towards natural resource-based activities..... | 3 6 |

| | | |
|---|---|------------|
| 6.4 | FDI concentrated in well-developed infrastructure and mineral rich regions..... | 3 6 |
| 6.5 | FDI originates mainly from ten countries..... | 3 7 |
| 6.6 | Finance, Manufacturing and Transport recorded higher return on investment..... | 3 7 |
| 6.7 | Domestic borrowing, production for exports and sourcing of raw materials domestically are directly linked to FDI inflow..... | 3 7 |
| 6.8 | CSR contributions concentrates on safety, education and health..... | 3 8 |
| 6.9 | FDI inflows are sustainable..... | 3 8 |
| CHAPTER 7: ASSESSMENT OF THE SURVEY AND THE WAY FORWARD..... | | 39 |
| 7.0 | Introduction | 3 9 |
| 7.1 | Assessment of the results in relation to set objectives..... | 3 9 |
| 7.2 | Identified problems..... | 4 0 |
| 7.3 | Lessons from the survey implementation..... | 4 0 |
| 7.4 | The Way Forward..... | 4 0 |
| REFERENCE..... | | 4 1 |
| APPENDIX 1: GLOSSARY OF KEY CONCEPTS..... | | 4 2 |
| APPENDIX 2: UP-RATING GUIDE AND PROCEDURES..... | | 4 5 |
| APPENDIX 3: STATISTICAL TABLES..... | | 4 7 |
| APPENDIX 4: CORPORATE SOCIAL RESPONSIBILITY BY ACTIVITY..... | | 74 |
| APPENDIX 5: QUESTIONNAIRE..... | | 75 |

EXECUTIVE SUMMARY

Rationale

For the past two decades, Tanzania had been conceiving several efforts to attract Foreign Private Investments (FPI). Major policy and structural reforms carried out since mid 1980s played a significant role in improving the investment environment in the country. These efforts have resulted into an increase in foreign private investments into the country, particularly Foreign Direct Investment (FDI). However, the increase in FDI and related investments posed a challenge for monitoring such investments.

Accordingly, in 2000, the Government initiated efforts to start the monitoring exercise by conducting the first survey and producing a report namely Tanzania Investment Report (TIR 01) in 2001. Again, in 2003, another survey was carried out as a follow-up to the first one and a report titled Tanzania Investment Report (TIR04) was produced in 2004. This is the third report containing results of a sample survey and census survey that were carried out in 2006 for Mainland Tanzania and Zanzibar, respectively.

Objectives, sampling procedures and response rate

Objectives

The main objective of the study was to continue monitoring the foreign private investments in Tanzania and to consolidate on gains obtained from the previous two surveys in the Mainland and one survey in Zanzibar. The specific objectives were:

- To collect and analyze data on foreign private investments for 2002-2005 in order to develop a basis for development of investment promotion strategies, macroeconomic policy framework and balance of payments sustainability;
- To enhance public-private sector dialogue aimed at capturing private sector views on Tanzania's investment climate;
- To recommend appropriate investment policies aimed at improving the country's investment climate; and
- To review the Private Capital Flows Database for capturing and processing foreign private investments data.

Sampling procedures and interview technique

The study involved a sample survey in Mainland Tanzania and census in Zanzibar for companies with foreign liabilities. For the case of Mainland, the sample size of 237 companies was drawn from a population of 664 companies, representing 36 percent of the population. The sampling involved companies with investments worth USD 1.0 million and above, which provides 90.0 percent of total value of foreign private investments in the country. The sampled companies covered all sectors and involved companies that were located in 12 out of 21 regions in the Mainland. On the other hand, census of 80 companies with foreign liabilities was conducted in Zanzibar. A face-to-face interviewing technique was used during the surveys.

Response rate and data estimation

Response rates of 90.6 percent and 89.9 percent were achieved in Mainland Tanzania and Zanzibar, respectively. Higher response rates were attained because of good planning, interviewing technique employed, and excellent cooperation extended by the investors (respondents). After editing and estimation, data from the sample survey was up-rated to obtain credible time series data for population for the period 1999 - 2005.

Findings on investment data

Foreign private investments into Tanzania continue to increase.....

The survey findings show that during the period 2001-2005, the stock of foreign private investments (FPI) in Tanzania continued to increase, as it grew at an annual average rate of 13.6 percent to USD 5,785.2 million in 2005. The share of FDI remains the largest in the total stock of FPI as it contributed 88.9 percent. The share of portfolio and other investments were 1.0 percent and 10.2 percent, respectively. The proportion of FDI flows to GDP has stood at around 3.8 percent during 2001-2005. Locally owned companies are encouraged to list in the Dar es Salaam Stock Exchange in order to attract more private capital especially from foreign investors.

..... and investor's confidence improves as equity remains the major source of financing.

Investors' confidence in the Tanzanian economy is increasingly getting stronger. Equity from shareholders remains the major source of financing of FDI. This type of financing rose from USD 1,934.2 million (55.2 percent) to USD 3,712.3 million (64.2 percent) in 2005. Equity financing is more favourable for the economy as it insulates the country against external financial instability. The government needs to maintain efforts to improve further the country's investment climate so that to attract further foreign equity investment.

Mining overtakes the Manufacturing sector in the period 2003-2005.....

In 2005, about 83.0 percent of the total FDI stock concentrated in four sectors only. These are Mining (43.4 percent), Manufacturing (20.1 percent), Transport and communication (9.8 percent) and Wholesale and retail trade (9.7 percent). The Manufacturing sector, which was leading prior to 2003, was overtaken by the Mining sector as it attracted huge investment inflows in recent years. Agriculture, the most potential sector for poverty reduction, continued to account for a small share of only 2.9 percent of the total stock of FDI in 2005. Accordingly, it is recommended that the Government undertake to improve the infrastructure, utilities and sector specific incentive package in order to attract more investments in the Agriculture sector. Further, the Government is advised to re-examine and improve the *Land bank* strategy by undertaking mapping, land categorization and issuing title deeds of identified land parcels to TIC ready for investors as well as to speed up and improve operationalization of the Export Processing and Special Economic Zones initiatives.

.....while regional concentration of FDI stock remains almost the same.

Concentration of FDI stock remains in the same regions namely Dar es Salaam (42.6 percent), Mwanza (26.4 percent) and Shinyanga (12.7 percent). Apart from its commercial and infrastructural advantage, concentration of FDI in Dar es Salaam is partly attributable to the location of headquarters of some companies, which have reported consolidated data that includes investments made in other regions. Large share of investments in Shinyanga and Mwanza is on account of the regions' endowment of diamond and gold deposits. In Zanzibar, North Unguja received largest amount of FDI. The Government is urged to enhance the efforts that are already in place to improve infrastructure and utilities especially in the regions that have attracted less FDI.

SADC group increases its investments into Tanzania.....

Ten countries account for 81.0 percent of the stock of FDI in Tanzania, with South Africa,

Canada and UK together contributing 57.9 percent in 2005. UK, the traditional leader of investments in the country, was overtaken by South Africa from 2002 with FDI stock of USD 1,767.0 million (34.4 percent) in 2005. In terms of regional groupings, the share of investments from OECD countries though still the highest declined from 63.0 percent in 2001 to 46.3 percent in 2005 while that of SADC increased from 20.1 percent in 2001 to 39.5 in 2005. It is, thus, advised that there should be diversification of promotional efforts in order to avoid dependence of FDI from few countries. This will help to minimize the risk of financial or economic crisis.

... and survey results shows low return on equity in agriculture sector.

Survey results show that several sectors have consistently registered profits. The average return on equity across sectors is 3.7 percent. Sectors with highest average return on equity are Finance (16.0 percent), Manufacturing (8.2 percent) and Transport (4.9 percent). The Mining sector, which attracted largest share of stock of FDI in 2005 registered low return on equity (2.7 percent). The Agriculture sector, which attracted the lowest share of FDI during 2001-2005, recorded not only the lowest but also negative return on equity in 2005 (-35.4 percent). Poor infrastructure especially in rural areas, high cost of utilities, and possible misreporting of information by some sectors are partly responsible for the reported low return on equity.

More dividends originate from the Manufacturing sector

There is a significant divergence of dividends paid across sectors during the period under review. The Manufacturing sector registered the highest share of dividends, with an annual average of USD 28.0 million paid to non-residents followed by Finance sector, with an average of USD 9.9 million. Agriculture, which is the least profitable, is also one of the sectors with lowest dividends below 1.0 percent of the total annual average.

... and other results indicate that linkages into domestic economy continued to be strong...

The linkage between companies with foreign liabilities and the domestic economy continued to become stronger. Partnership between foreign and domestic investors improved as the domestic investments in companies with foreign liabilities increased from USD 943.5 million in 2001 to USD 1,196.8 million in 2005. However, the share of domestic ownership remained almost constant at 20 percent.

Domestic borrowing by the companies with foreign liabilities almost doubled from 26.7 percent to 50.0 percent of total borrowing in 2005. Total employment in the surveyed companies increased by 42.0 percent during 2002 – 2005 of which 96.8 percent were Tanzanians. Sourcing of raw materials from the domestic markets increased from 31.0 percent in 2003 to 45.0 percent in 2005. Further, about 67.0 percent of total output produced in 2005 was consumed within the domestic economy.

.....while companies with foreign investments have exhibited presence of corporate social responsibility in the areas they operate.

The results from the surveyed companies exhibit presence of corporate social responsibility to the communities where they operate. The extended support rose from USD 4.0 million in 2002 to USD 24.3 million in 2005 and was mainly directed into safety and security, health and welfare and education and related activities.

Sustainability of FDI inflows remains a challenge.

The analysis of financial and economic leverage has shown that FDI inflows to the country are sustainable. Total debt-equity ratio is less sustainable in relation to the long-term debt-equity ratio because the total debt-equity ratio contains short-term loans that are volatile in nature. In addition, short-term loans are likely to cause instabilities in the economy especially when there are economic shocks and/or financial crises.

The analysis also reveals that there are bright prospects for the inflows owing to current efforts by the Government in promoting the investment opportunities in the country abroad. Despite the promotional efforts, the issue of sustainability of FDI inflows remains a great challenge. More challenges arise especially when agriculture, which so far has attracted less FDI and is potential for poverty reduction, is considered. Furthermore, additional efforts are needed in support of the existing enterprises to facilitate them maintain and/or expand investments in the country.

..... thus, despite efforts already made, the Government has a lot to do in order to attract more investment into the country.

The Government is, thus, advised to:

- Promote production of goods/services for export in order to increase the country's foreign exchange earnings;
- Conduct strategic promotions of the country's investment opportunities so as to attract investments from diversified sources e.g. northern Europe, Asia and America. This is to ensure that the country minimizes risks emanating from high concentration of investments from few sources especially at the time of crisis or economic slippages;
- Enhance the efforts that are already in place to improve road construction, power supply using gas, water supply and telecommunication services particularly in the regions that have attracted least FDI;
- Strengthen investment promotional efforts to expose unexploited natural resources; and
- Continue improving the country's business environment that provides for positive expectation of future flow of FDI.

CHAPTER ONE

OVERALL TRENDS AND DEVELOPMENTS OF FOREIGN PRIVATE INVESTMENTS IN TANZANIA

1.1 Introduction

The role of Foreign Private Investments (FPI) in the world economy is expanding, contributing significantly to the promotion of private sector investments, employment creation and economic growth. FPI are also important in augmenting domestic investment capacity for production of goods and services in the economy, and enhancing integration within an economy as well as competitiveness in international trade.

Given its dominance in the financial globalization and the potential impact to domestic economies, FPI tend to pose various challenges to individual recipient countries. For example, monitoring and evaluation of the inflows, maintaining macroeconomic stability, and undertaking institutional and policy reforms for the purpose of realizing optimal benefits from the inflows. These challenges obligate the developing countries to enhance capacity to compete in terms of attracting investments, gaining global market shares and improving socioal economic welfare.

In the recent years, the volume of FPI flows in the world, in particular, foreign direct investment (FDI) has been steadily growing. From 2004 to 2005, the inflows grew by 29 percent to reach USD 916 billion, according to the World Investment Report (WIR) of 2006. During the same period, Tanzania attracted USD 330.6 million and USD 447.6 million of FPI respectively, being an increase of 35.4 percent. To ensure maximum benefit to the economy, Tanzania has been continually monitoring FPI using periodical surveys. This is a third report. It carries survey results covering 2001 to 2005.

1.2 Global trends of foreign direct investments

The WIR (2006) shows that global flow of FDI in 2005 improved compared to the previous three years especially in the developing countries. From 2004 to 2005, global FDI inflows increased by 29 percent to USD 916 billion, of which developing countries received a total of USD 334 billion, representing the highest level achieved in history. Asia and Oceania have continued to be the largest recipient of FDI as well as source of FDI among developing countries. The two regions when combined attracted USD 200 billion in 2005 compared to USD 115 billion in 2004. Latin America and the Caribbean also experienced improvement, as FDI inflow grew from USD 101 billion in 2004 to USD 104 billion in 2005.

1.3 Trends and developments of FDI in Africa

In-line with the global trends, Africa's performance in attracting FDI improved in 2005, recording USD 31 billion relative to USD 17 billion in 2004. However, this represents only 3 percent of the world FDI flows of which most of them went to countries endowed with, natural resources (particularly minerals, oil and gas). This is in addition to having in place good investment and business environment. These countries are Algeria, Chad, Egypt, Equatorial Guinea, Nigeria and Sudan; which together accounting for 48 percent. Over half of the FDI originated from the USA, European Union, China, Malaysia and India.

1.3.1 Trend of FDI in Southern African Development Community (SADC)

Table 1.1 shows that between 2002 and 2005, FDI inflows to SADC region more than doubled, recording a total of USD 9,502 million in 2005 compared to USD 4,188 million in 2002. During that period annual average inflow was about USD 5,899 million. The leading sectors

in receiving FDI were mining, oil and gas, tourism, manufacturing and banking services.

Tanzania received USD 448 million in 2005 and became the third largest recipient of FDI in the region. However, Tanzania has an upside potential to attract more FDI because of its continued political stability, promising prospects in the mining and

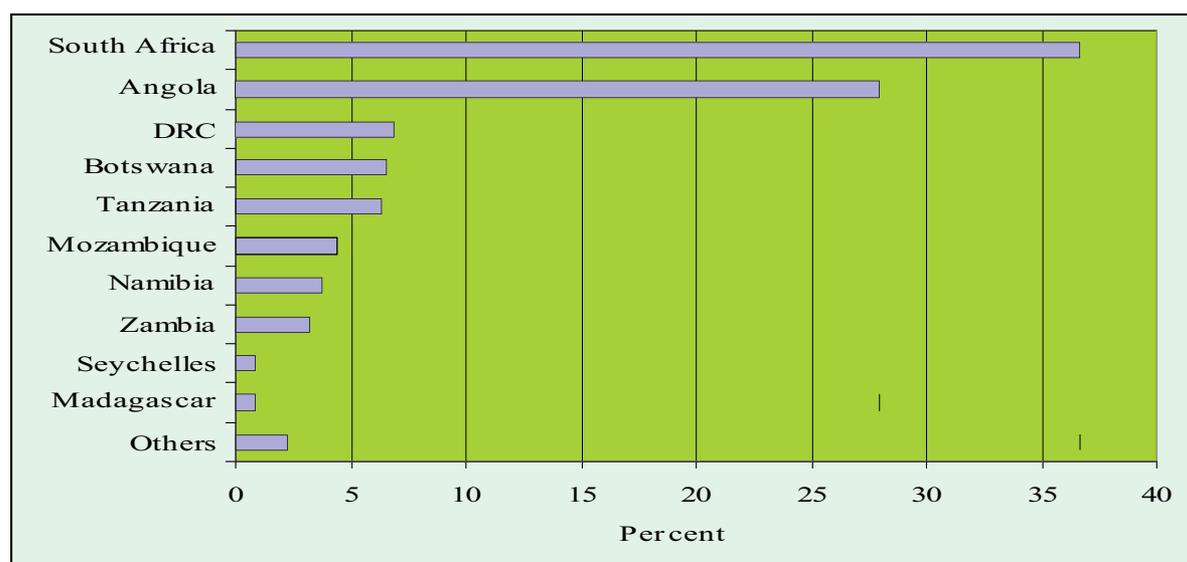
Table 1.1 FDI inflows in SADC Countries, 2002-2005

Values in USD million

| Country | 2002 | 2003 | 2004 | 2005 | Average | Percent of total |
|-------------------|--------------|--------------|--------------|--------------|--------------|------------------|
| South Africa | 757 | 734 | 799 | 6,379 | 2,167 | 36.7 |
| Angola | 1,672 | 3,505 | 1,449 | -24 | 1,651 | 28.0 |
| DRC | 117 | 158 | 15 | 1,344 | 409 | 6.9 |
| Botswana | 405 | 418 | 391 | 346 | 390 | 6.6 |
| Tanzania | 388 | 308 | 331 | 448 | 369 | 6.3 |
| Mozambique | 348 | 337 | 245 | 108 | 260 | 4.4 |
| Namibia | 181 | 149 | 226 | 349 | 226 | 3.8 |
| Zambia | 82 | 172 | 239 | 259 | 188 | 3.2 |
| Seychelles | 48 | 58 | 37 | 82 | 56 | 0.9 |
| Madagascar | 8 | 95 | 53 | 48 | 51 | 0.9 |
| Lesotho | 27 | 42 | 53 | 47 | 42 | 0.7 |
| Zimbabwe | 26 | 4 | 9 | 103 | 36 | 0.6 |
| Mauritius | 33 | 63 | 14 | 24 | 34 | 0.6 |
| Swaziland | 90 | -61 | 60 | -14 | 19 | 0.3 |
| Malawi | 6 | 4 | -1 | 3 | 3 | 0.1 |
| Total SADC | 4,188 | 5,986 | 3,920 | 9,502 | 5,899 | 100.0 |

Source: PCF Survey, 2006 and World Investment Report, 2006 P = Provisional

Figure 1.1: Average FDI inflows to SADC for top ten countries, 2002-2005



* Seychelles had withdrawn from SADC effective from July 2004

petroleum sectors (gold, coal, oil and gas), tourism, and agribusiness (floriculture and horticulture, bio-fuel, sugar, cotton and agro-processing).

As illustrated in **Figure 1.1**, on average, South Africa dominates as the main recipient of FDI in the region with 36.7 percent followed by Angola (28.0 percent), DRC (6.9 percent), Botswana (6.6 percent) and Tanzania (6.3percent). Angola's performance is due to substantial investments in the commercial development of its oil reserves.

2005 followed by Uganda with USD 258 million. Most of the FDI inflows into Tanzania went into the Mining, Manufacturing, Wholesale and retail trade, and Finance and insurance sectors. Although Kenya registered the lowest FDI in those four years, it has a long-standing and wide investment base comparatively especially in the manufacturing sector.

1.4 FDI inflows and prospects for Tanzania

As explained earlier, Tanzania has been

Table 1.2: FDI inflows in the EAC, 2002-2005

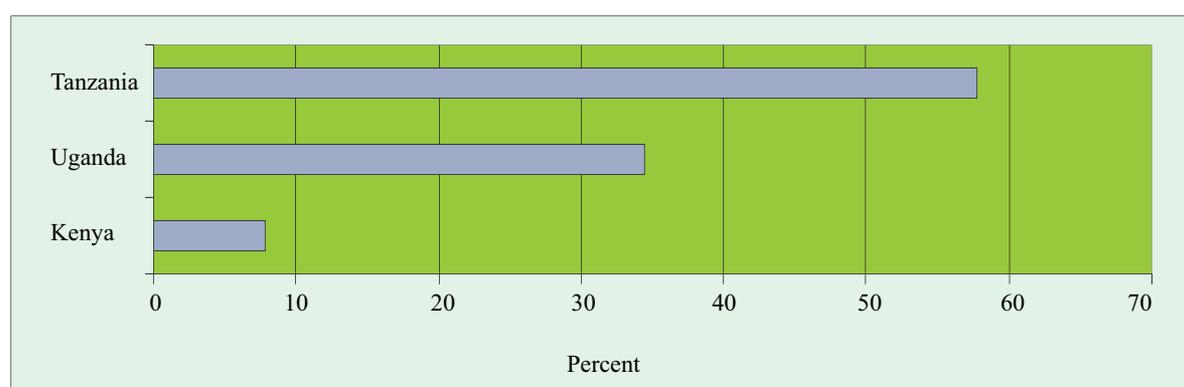
Values in USD million

| Country | 2002 | 2003 | 2004 | 2005 | Average | Percent of total |
|------------------|------------|------------|------------|------------|------------|------------------|
| Tanzania | 388 | 308 | 331 | 448p | 369 | 57.7 |
| Uganda | 203 | 202 | 222 | 258 | 221 | 34.5 |
| Kenya | 52 | 82 | 46 | 21 | 50 | 7.8 |
| Total EAC | 643 | 592 | 599 | 727 | 640 | 100.0 |

Source: PCF survey, 2006, and World Investment Report, 2006

P = Provisional

Figure 1.2: Average FDI inflows in the EAC, 2002 - 2005



1.3.2 Trend of FDI in East African Community (EAC)

Table 1.2 and **Figure 1.2** indicate that between 2002 and 2005, EAC region received an annual average of USD 640 million of FDI. In 2005, FDI inflows increased to USD 727 million compared to USD 599 million in 2004. Tanzania received the most FDI in the region, recording a tune of USD 448 million in

attracting relatively higher FDI inflows as a result of the continued government efforts in establishing favourable investment and business environment. In 2004, Tanzania was ranked 36th in the global Inward FDI Performance Index. In the recent World Bank Report "Doing Business 2007: How to Reform", Tanzania made the list of top ten reformers in the ease of doing business across 175 economies. Moreover, in 2006 the Tanzania Investment Centre (TIC) was ranked by UNCTAD and the World



Tanzania continue to receive FDI in tourism sub-sector e.g. South Beach Hotel (pictured above) built at Kigamboni , Dar es Salaam

Association of Investment Promotion Agencies (WAIPA) as the best investment promotion agency in the world for its after care services.

The Government continues to improve the country's investment climate with such initiatives as the Business Environment Strengthening for Tanzania (BEST) programme, which strives to strengthen the ease of doing business in Tanzania by enhancing the institutional structures including commercial courts as well as the overall culture in the Government.

1.5 Structure of the report

The report is organized in seven chapters. The first chapter presents overall trends and developments of foreign private investments into Tanzania. The second chapter provides the methodology used in carrying out the survey. The third



Giraffe is one of the famous wild animals in Tanzanias' tourist attractions

chapter provides an analysis of FPI in Tanzania between 2001 and 2005. The fourth chapter discusses interaction between foreign private investment and the domestic economy. Chapter five and six covers analysis of sustainability of the investment inflows, main findings of the survey and the related policy implications. Chapter seven contains the conclusion, assessment of the survey, and the way forward.

CHAPTER TWO

METHODOLOGY

2.1 Introduction

This Chapter discusses the activities involved while conducting the third cycle survey on foreign private investment into Tanzania. This includes organization of the project, sampling techniques, survey methodology, coverage and response rate.

2.2 Organization of the project

2.2.1 Institutional set-up and coordination

The PCF project continued to be jointly administered by six institutions in Tanzania. The institutions in Mainland Tanzania are; Bank of Tanzania (BOT), Tanzania Investment Centre (TIC) and the National Bureau of Statistics (NBS). In Zanzibar are; the Zanzibar Investment Promotion Authority (ZIPA), Office of Chief Government Statistician (OCGS) and the Bank of Tanzania - Zanzibar Branch. Respective legislations¹ that establish each of these institutions provide them with legal mandate to obtain information to be used for balance of payments purposes, monitoring of private investments, compilation of National Accounts, and for any other statistical purposes.

2.2.2 Project funding

In this phase, the PCF project was fully funded by the Governments of Tanzania² via contributions from the five collaborating institutions.

2.2.3 Private sector sensitisation and awareness

The response rate of the previous survey was 87 percent. Therefore, to ensure maximum cooperation from the respondents and good quality data, it was important to create awareness and sensitize both public and private sectors. The sensitization exercise also targeted new respondents and addressed changes in the *investors register*³. As in the previous surveys, dissemination workshops for the second phase reports (i.e., Tanzania and Zanzibar Investment Reports of 2004) were organized and used as basis to commence this phase survey.

To compliment the aforementioned efforts, advertisements were also placed in newspapers of wider readership. Zanzibar went further and made a TV programme specifically to publicize the launching of the second cycle survey.

2.2.4 Training and technical assistance

Technical assistance throughout the project was provided by Development Finance International (DFI), a UK consulting firm, and Macroeconomic and Financial Management Institute (MEFMI) based in Zimbabwe of which Tanzania is a member.

Training workshops for the research team out of Tanzania Mainland and Zanzibar were conducted in Dar es Salaam.

The technical team was comprised of members from BOT, TIC, NBS, ZIPA

¹Bank of Tanzania Act no.4/06 of 2006 (amended) section no: 57 (3 & 5), Tanzania Investment Act no: 26 of 1997 section 27 (3), National Bureau of Statistics Act of 2002 Section 47 sub-section (1), (2) & (4) and part II, Zanzibar Investment Protection Act no. 9 of 1999 Section 22 sub-section (1) & (2) and the Office of the Chief Government Statistician Act no 9 of 1999 section 47 sub-sections (1), (2) and (4).

²The funding of the third cycle survey was supplemented by the support from the Government of Denmark. In Zanzibar, the Revolutionary Government of Zanzibar funded 70 percent of the survey costs whereas 30 percent came from the Government of the United Republic of Tanzania.

³See section 2.3.1

and OCGS. There were two training sessions, before and after the survey. The first one was conducted in January 2006 and it covered issues related to private capital flows, balance of payment, survey techniques and methodology. The second was conducted in August 2006 and it focused on data cleaning, checking, processing, analysis, up-rating and report-writing.

2.3 Survey methods and techniques

2.3.1 Compilation of investor s' register

As part of PCF monitoring, the Mainland Tanzania and Zanzibar have established a register of investors operating in Tanzania. The register contains company profiles with information such as establishment date, country of origin of the investment and the proposed share capital. It is continuously updated to accommodate newly established companies with foreign liabilities and any change on the existing ones. The sources of information in Mainland Tanzania with which the register is dependent on are BOT, TIC, BRELA Tanzania Revenue Authority (TRA), and the Ministry of Energy and Minerals. In Zanzibar, the sources are ZIPA, Zanzibar Tourism Commission (ZTC) and the Office of the Registrar of Companies. The register provides a frame (population companies) from which sampling is done. As well, it facilitates easy identification and location of the companies during the survey.

2.3.2 Sample selection and coverage

The third survey cycle for Mainland Tanzania was based on a purposive sampling technique to cover companies with larger shares of the total FPI value as at end of 2005. The technique is in line with the suggested sampling criteria as outlined in the DFI, MEFMI Foreign Private Capital-Capacity Building

Programme (FPC-CBP) Manual. A threshold of investment value above USD 1.0 million was applied to sample from a population of 664 companies with foreign liabilities.

The resulting sample size was 237 companies, representing 36 percent of the population and 90 percent of total value of FPI in Mainland Tanzania. The sample captured companies across all sectors of the economy covering 12 out of 21 regions.

Given the small size of its economy, Zanzibar conducted a census that covered a population of 158 companies⁴. There were no companies with foreign liabilities in the mining, utilities and construction sectors in Zanzibar.

2.3.3 Questionnaire design

The design of the new survey questionnaire was an improvement of the one used in the previous survey. The questionnaire consisted of three parts. Part A covered general information of the company; part B concentrated on investment data during 2002 - 2005; and part C focused on aspects of corporate social responsibility and economic linkages.

In the case of Zanzibar, the questionnaire was similar to that used in Mainland Tanzania but, in addition, there was a section on investors' perceptions. The questionnaires are in **Appendix 5**.

2.3.4 Development of the enumerators' manual

To ensure consistency in data collection and integrity of the results, the research team developed an enumerators' manual for administering questionnaire. The manual contains guidelines on concepts and definitions, question descriptions, procedures on data-checking, editing and other related issues.

⁴ In Zanzibar, only 80 companies were found to have foreign liabilities.

Table 2.1: Survey implementation status: Zonal distribution

| S/n | Zones | Number of companies | Distributed questionnaires | Collected | Collected with financial statements | Percent of collected to total distribution | Percent of collected with financial statements |
|-----|---------------|---------------------|----------------------------|------------|-------------------------------------|--|--|
| 1 | Dar es salaam | 157 | 151 | 134 | 74 | 89 | 55 |
| 2 | Northern | 35 | 37 | 36 | 9 | 97 | 25 |
| 3 | Coast | 14 | 14 | 14 | 7 | 100 | 50 |
| 4 | Lake | 20 | 20 | 18 | 18 | 90 | 100 |
| 5 | Southern | 11 | 12 | 10 | 5 | 83 | 50 |
| | Total | 237 | 234 | 212 | 113 | 91 | 53 |

Source: PCF survey, 2006

2.3.5 Survey implementation

During data collection exercise, the research team divided Mainland Tanzania into five zones. It was optimal this way given the availability of financial and human resources. The zones were Dar es Salaam, Lake (Mwanza, Shinyanga, Kagera and Mara), Coast (Pwani, Tanga and Morogoro), Southern (Iringa and Mbeya) and Northern (Kilimanjaro and Arusha). **Table 2.1** shows that 66.2 percent of the total 237 companies were located in Dar es Salaam. The rest are in the other four zones.

In Zanzibar, all the five regions North Pemba, North Unguja, South Pemba, South Unguja and Urban West were surveyed. More than half of the companies in Zanzibar were found to be located in the Urban West.

2.3.6 Data collection

The data collection exercise was conducted between February and June 2006. Researchers employed face-to-face interviews in filling the questionnaires. In Mainland Tanzania, the collection process was done in two phases. Phase one involved companies located in the Dar es Salaam zone, and phase two covered companies in the other zones. In Zanzibar, the survey started in Unguja thereafter in Pemba.

The face-to-face technique was considered prudent following experience and lessons-learned from the previous surveys. In the past, the questionnaires were left with the respondents and collected in later dates. This approach created delays and unnecessary follow-ups. This time, enumerators briefed the respondents on the objectives of the survey and guiding them through the questionnaire. Where it was not possible to complete a questionnaire in a single visit, enumerators went back on agreed date to finalize.

Field and office editing was frequently done prior to submitting the filled forms to supervisors. The supervisors re-checked and re-edited questionnaires and made immediate follow-ups by phone, e-mail or physical visits to resolve any gaps and inconsistencies.

2.3.7 Survey response rates

As shown in **Table 2.1**, about 212 filled-in questionnaires were collected representing an overall response rate of 91 percent of the distributed questionnaires in Mainland Tanzania. The response rate of the previous survey was 87.1 percent.

Moreover, **Table 2.2** indicates that of the collected forms, 46 percent were from companies wholly owned by foreigners, 50 percent were joint ventures and the remaining 4 percent were 100 percent locally owned but with foreign loans. About 53 percent of the forms collected included company financial statements.

Table 2.2: Survey implementation status: Sectoral distribution

| Sector | Allocated Questionnaires | Collected | Collected With Financial Statements | | 100 percent Foreign Owned | | With Joint Venture | | Local With Foreign Liabilities | | 100 percent Local/Liquidated |
|---------------|--------------------------|------------|-------------------------------------|-----------|---------------------------|-----------|--------------------|-----------|--------------------------------|----------|------------------------------|
| | | | No. | percent | No. | percent | No. | percent | No. | percent | |
| Agriculture | 25 | 21 | 8 | 38 | 11 | 52 | 9 | 43 | 0 | 0 | 1 |
| Community | 5 | 4 | 3 | 75 | 1 | 25 | 3 | 75 | 0 | 0 | 0 |
| Construction | 10 | 8 | 5 | 63 | 4 | 50 | 3 | 38 | 1 | 13 | 0 |
| Finance | 29 | 25 | 13 | 52 | 10 | 40 | 14 | 56 | 1 | 4 | 0 |
| Manufacturing | 83 | 75 | 38 | 51 | 29 | 39 | 43 | 57 | 4 | 5 | 0 |
| Mining | 10 | 8 | 6 | 75 | 7 | 88 | 1 | 13 | 0 | 0 | 0 |
| Transport | 22 | 20 | 11 | 55 | 5 | 25 | 14 | 70 | 1 | 5 | 0 |
| Utilities | 2 | 2 | 2 | 100 | 0 | 0 | 2 | 100 | 0 | 0 | 0 |
| Wholesale | 50 | 48 | 27 | 56 | 29 | 60 | 17 | 35 | 2 | 4 | 0 |
| Other | 1 | 1 | 0 | 0 | 1 | 100 | 0 | 0 | 0 | 0 | 0 |
| Total | 237 | 212 | 113 | 53 | 97 | 46 | 106 | 50 | 9 | 4 | 1 |

Source: PCF survey, 2006

In Zanzibar, the response rate was 89.9 percent compared to 97.0 percent recorded in the previous survey. Of 158 distributed questionnaires, 142 companies responded out of which only 80 had foreign liabilities. The Wholesale sector recorded the highest response rate of 93.3 percent.

2.4 Data processing

2.4.1 Data validation, standardization and checking

Fieldwork was followed by data validation, standardization and checking. The objective being to check for data consistency within the survey cycle 3 and across survey cycles 1, 2 and 3. The exercise lasted for about five weeks involving data sets for Cycle 1 (C_1) and Cycle 2 (C_2), which were reviewed using Cycle 3 (C_3) data.

Most of the respondents had difficulties in determining or reporting the actual market values of their investments in 2002 through 2005. This difficulty is partly caused by the fact that most companies are not listed in the Dar es Salaam Stock Exchange or do not frequently perform asset valuation.

2.4.2 Data up-rating and time series

To circumvent the problem of market value determination, the research team used data up-rating technique and time

series generation to obtain market values for data covering 1999 to 2005. From 2002 to 2005, the market values were obtained using market to book value (MV/BV) ratios based on actual survey data from 2000 and 2001. The book values from 2002 to 2005 were generated by summing-up share capital, share premium reserves, accumulated retained earnings and revaluation reserves. Thereafter, the MV/BV ratios for 2001 were used to develop sectoral ratios, which in turn used to generate the market values for non-surveyed companies from 2002 to 2005. The book values for the non-surveyed companies were office-estimated, and then used to estimate market values using pre-determined sectoral MV/BV ratios. The procedures used in data editing, checking, time series generation and up-rating are provided in detail in the **Appendix 2**. Similar approach was used to obtain market values for companies with foreign liabilities in Zanzibar except that there was no up-rating as they surveyed the population.

The data up-rating was done for three cycles to generate time-series data from 1999 to 2005. The exercise involved examining all the questionnaires in the population of companies with foreign liabilities, 664 for Mainland Tanzania and 80 for Zanzibar. The questionnaires were categorized according to cycles as shown in **Table 2.3**. PCF system was used in data entry, processing and report generation.

Table 2.3: Number of questionnaires for editing, checking and data time series by category

| S/No | 3 Cycles | Number of Questionnaire | Cycle (s) to Estimate/Edit |
|------|--------------|-------------------------|----------------------------|
| 1. | C1 & C2 & C3 | 101 | Edit/ensure consistency |
| 2. | C1 & C2 | 127 | C3 |
| 3. | C1 & C3 | 5 | C2 |
| 4. | C1 | 174 | C2 & C3 |
| 5. | C2 & C3 | 63 | C1 |
| 6. | C2 | 165 | C1 & C3 |
| 7. | C3 | 29 | C1 & C2 |
| | Total | 664 | |

2.5 Adherence to the international standards

Since the inception of the PCF monitoring, there have been considerable methodological improvements on data collection and compilation as outlined in the BPM5. Data reporting time lag

has improved from 36 months in the second cycle to 24 months in the current survey. However, according to General Data Dissemination System (GDDS) requirement, the optimal reporting time lag is between 6 to 9 months. More efforts are being made to meet the timeliness of data dissemination in line with the GDDS.

CHAPTER THREE

ANALYSIS OF FOREIGN PRIVATE INVESTMENTS, 2001 - 2005

3.1 Introduction

This Chapter presents analysis of the survey results on Foreign Private Investments (FPI) in Tanzania as a whole. As depicted below, the main components of FPI are Foreign Direct Investment (FDI), Foreign Portfolio Equity Investment (FPIE), and Other Investments (OI). Apart from highlighting the general results of FPI, this chapter

FDI, FPEI, and OI. It is important to note that the financial data is reported in market values using US dollar. The BOP statistics are reported as flows while the International Investment Position (IIP) statistics are reported as stock.

3.2 Stock of FPI

This section reports the magnitude and composition of FPI stock from 2001

Table 3.1: Stock of FPI, 2001 – 2005

Values in USD million

| Type of FPI | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|----------------|----------------|----------------|----------------|----------------|
| 1. Foreign direct investment (FDI) | 2,959.7 | 3,242.7 | 4,138.6 | 4,758.5 | 5,141.8 |
| Direct equity investment | 1,921.3 | 2,434.2 | 2,992.4 | 3,475.6 | 3,712.5 |
| Long-term inter-company loans | 877.8 | 737.0 | 698.9 | 796.1 | 833.7 |
| Short-term inter-company loans | 62.6 | 52.1 | 423.7 | 463.2 | 585.2 |
| Suppliers' credit from related companies | 98.0 | 19.3 | 23.6 | 23.6 | 10.4 |
| 2. Foreign portfolio equity investment (FPEI) | 44.8 | 28.6 | 38.4 | 44.5 | 31.0 |
| Portfolio equity investment | 44.8 | 28.6 | 38.4 | 44.5 | 31.0 |
| 3. Other investment (OI) | 498.1 | 844.5 | 804.8 | 696.4 | 618.7 |
| Long-term loans from unrelated companies | 395.8 | 812.1 | 770.5 | 667.6 | 601.8 |
| Short-term loans from unrelated companies | 74.8 | 10.9 | 15.4 | 17.7 | 12.7 |
| Suppliers' credit from unrelated companies | 27.5 | 21.5 | 18.8 | 11.1 | 4.1 |
| Total foreign private investments (1+2+3) | 3,502.6 | 4,115.8 | 4,981.8 | 5,499.4 | 5,785.2 |
| Growth rates of FPI | 3.3 | 17.5 | 21 | 10.4 | 5.2 |

Source: PCF survey, 2006

P = Provisional

provides detailed analytical findings on the composition, regional distribution, source country, sector classifications of the components of FDI, return on investment and issues related to the Private Sector External Debt (PSED). For comparison and consistency, the analysis is compared against previous surveys in Mainland Tanzania and Zanzibar.

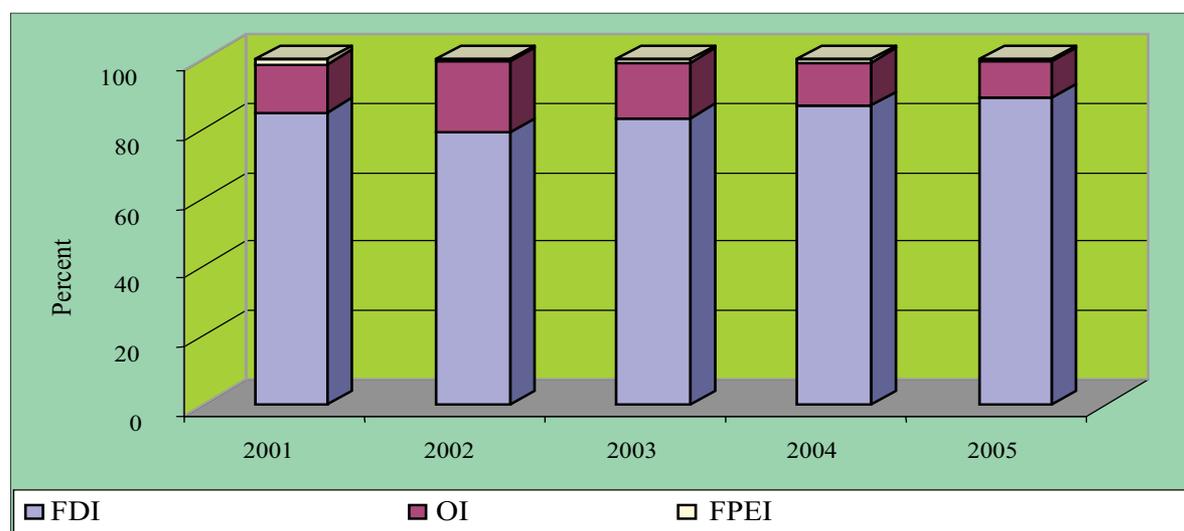
The presentation of the results is in line with the IMF Balance of Payments Manual 5th edition (BPM5) requirements focusing on the financial account of the Balance of Payment (BOP). The financial account has three components of FPI, namely:

to 2005. **Table 3.1** demonstrates that the stock of FPI has been consistently increasing over the five-year period.

In 2005, the FPI stock increased by 65.2 percent from USD 3,502.6 million in 2001 to USD 5,785.2 million in 2005. This represents an average growth rate of 13.6 percent per annum. **Figure 3.1** shows that FDI has the largest share, accounting for 88.9 percent of total stock of FPI in 2005.

The stock of FPEI is insignificant (below 1.0 percent of the total stock of FPI) because there is relatively small number

Figure 3.1: The composition of the Stock of FPI, 2001 – 2005



of companies listed in the Dar es Salaam Stock Exchange (DSE). The stock of OI represents 10.7 percent of total stock of FPI in 2005.

3.3 Flow of FPI

Similar to the FPI stock, FDI flows make up the majority share of FPI flows; about 83.7 between 2001 and 2005. As shown **Table 3.2**, the share of FPI flow to GDP has been around 4.5 percent.

The average annual inflow of FDI as a percentage of GDP over the period is 3.8,

while FPEI and OI together combined to 0.7 percent of GDP. The analysis and discussion in the forthcoming sections focus mainly on FDI since it constitutes the largest share of FPI inflows and stock.

3.4 Foreign Direct Investment (FDI)

In this section, the main focus is on the analysis of both stocks and flows of FDI into Tanzania.

3.4.1 FDI stock

Figure 3.2 shows that the FDI stock

Figure 3.2: FDI stock and growth rates, 2001 – 2005

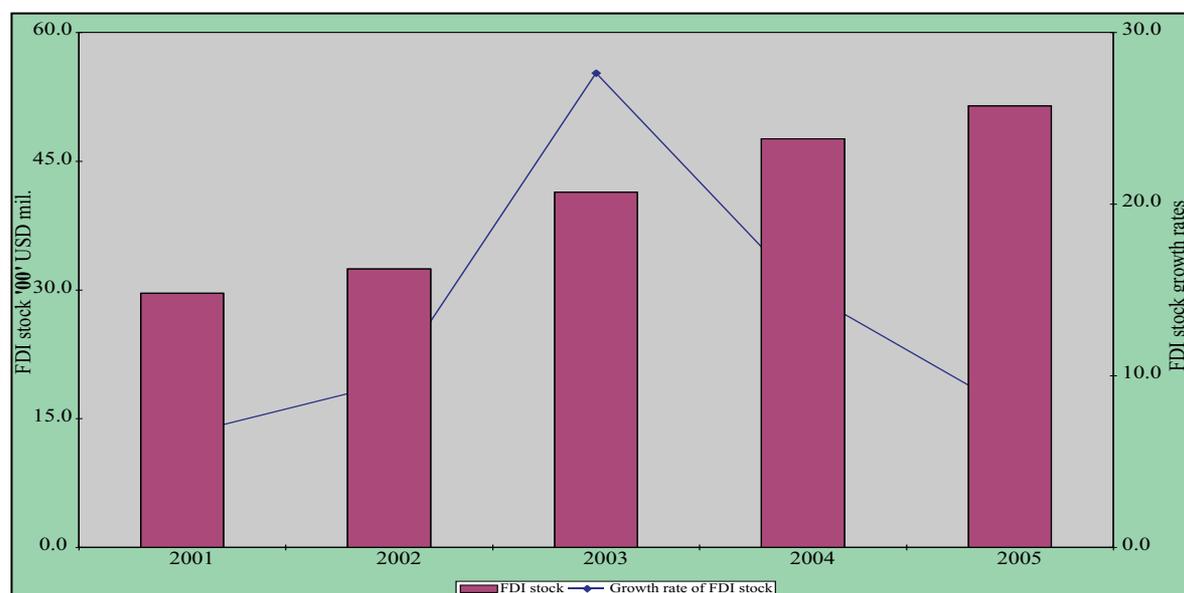


Table 3.2: Flow of FPI, 2001 – 2005

Values in USD million

| Type of FPI | 2001 | 2002 | 2003 | 2004 | 2005p | Average |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| 1 Foreign Direct Investment | 388.8 | 387.6 | 308.2 | 330.6 | 447.6 | 372.6 |
| Direct equity investment | 170.2 | 34.1 | 121.1 | 110.8 | 184.7 | 124.2 |
| Retained earnings attributable to non-residents | -0.6 | 0.1 | 2.1 | 0.1 | 3.7 | 1.1 |
| Long-term shareholder and inter-company loans | 98.1 | 289.5 | 97.8 | 137.0 | 150.2 | 154.5 |
| Short-term shareholder and inter-company loans | 40.2 | 59.3 | 76.0 | 52.6 | 22.7 | 50.2 |
| Suppliers' credits from related companies | 80.9 | 4.6 | 11.2 | 30.1 | 86.3 | 42.6 |
| 2 Foreign Portfolio Equity Investment | 8.2 | -0.2 | 0.0 | -1.8 | -0.6 | 1.1 |
| 3 Other Investments | 131.6 | 79.1 | 91.5 | 24.4 | 31.1 | 71.5 |
| Long-term borrowing from unrelated companies | 74.7 | 48.9 | 58.8 | 15.0 | 23.3 | 44.1 |
| Short-term loans from unrelated companies | 34.5 | 5.0 | 5.5 | 8.2 | 6.5 | 11.9 |
| Suppliers' credit from unrelated companies | 22.4 | 25.2 | 27.2 | 1.2 | 1.3 | 15.5 |
| Total Foreign Private Investment | 528.6 | 466.5 | 399.7 | 353.2 | 478.1 | 445.2 |
| GDP at current prices | 8,699.9 | 9,000.5 | 9,451.5 | 10,758.2 | 11,636.0 | 9,909.2 |
| Flow of FDI as a percent of GDP | 4.5 | 4.3 | 3.3 | 3.1 | 3.8 | 3.8 |
| Flow of FPI as a percent of GDP | 6.1 | 5.2 | 4.2 | 3.3 | 4.1 | 4.5 |

Source: PCF survey, 2006

P = Provisional

GDP figures obtained from BOT publications

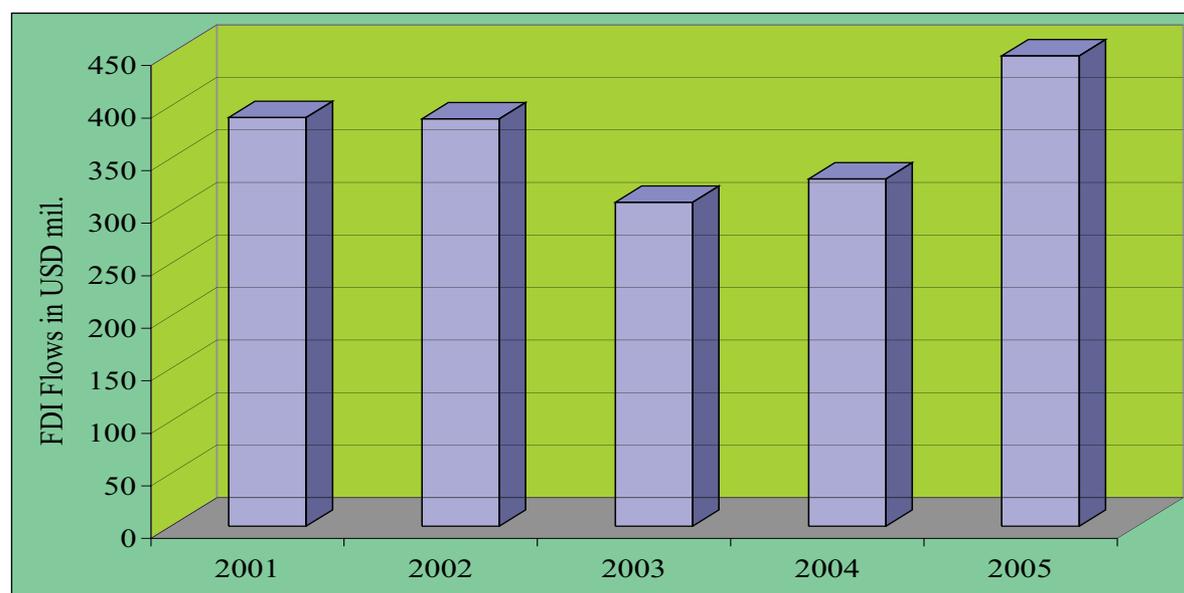
increased from USD 2,959.7 million in 2001 to USD 5,141.8 million in 2005, representing an annual average growth rate of 14.6 percent. The consistent increase in the stock of FDI provides a clear indication of net FDI inflow into Tanzania. Attractive investment climate and sustained macroeconomic and political stability have been the key pillars for attracting and retaining foreign private investments.

3.4.2 FDI Flows

Figure 3.3 shows that between 2001 and

2005, FDI inflows grew by 15.1 percent to USD 447.6 million in 2005. On the other hand, during the period the inflows averaged at USD 372.6 million per annum. The trend of inflows is attributed to increased investments in the Mining and Wholesale and retail trade sectors particularly between 2002 and 2004. Despite the average growth of inflows, between 2003 and 2004 inflows dwindled as a result of decrease in investments in the Manufacturing, Utilities, Finance and Agriculture sectors coupled with modest performance in the Transport and Construction sectors. The good

Figure 3.3: FDI flows, 2001 – 2005



performance of the Tanzanian economy in the recent years coupled with increased commitment to enhance the business environment, have led to the surge in private investments into the country.

As explained earlier, this report seeks to update and revise information reported in TIR04, which was also reported in other publications such as the WIR (2005 & 2006). This is particularly important because information on FDI inflows reported for the period 2002 – 2004 were estimates. The estimates were meant to bridge the gap between the survey period and the time of dissemination of the report in 2005. The estimates were adopted as actual figures by the IMF (International Financial Statistics–IFS of 2007) and UNCTAD (World Investment Reports of 2005 and 2006). This report (TIR06) provides revised and updated FDI position (stocks and flows) for Tanzania from 2001 through 2005.

3.4.3 Types of financing

Similar to the previous surveys, shareholders' equity was a major source of financing the stock of FDI between 2001 and 2005. **Table 3.1** and **Figure 3.4** indicate that the share of direct equity investments to total stock of FDI

is 64.9 and 72.2 percent in 2001 and 2005, respectively. In absolute terms, it increased from USD 1,921.3 million in 2001 to USD 3,712.5 million in 2005, an average growth rate of 18.2 percent per annum.

The second major source of financing is long-term inter-company loans, which in 2005 contributed 16.2 percent of the total FDI stock. Short-term inter-company loans contributed 11.4 percent and almost none from suppliers' credit from the related companies. Higher equity component of FDI stock relative to other types indicates that investors have confidence in Tanzania's investment climate.

The long-term inter-company loans are financing component that is considered more stable and less vulnerable to external shocks that may emanate from global financial instabilities.

In terms of flows, **Figure 3.5** shows that FDI inflows have largely been financed by loans. This financing structure is not a general feature but rather it could be an influence from few sectors especially Mining that tends to be highly leveraged, i.e., debt financed. The trend is likely to continue because of the ongoing investments in the Mining sector.

Figure 3.4: Stock of FDI by type of financing, 2001 - 2005

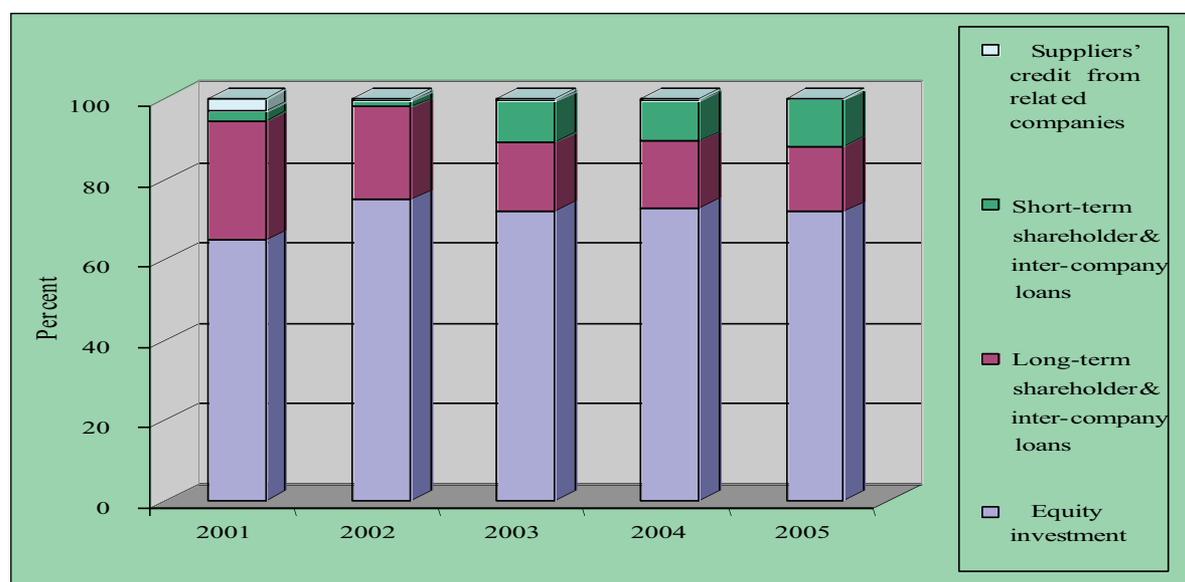
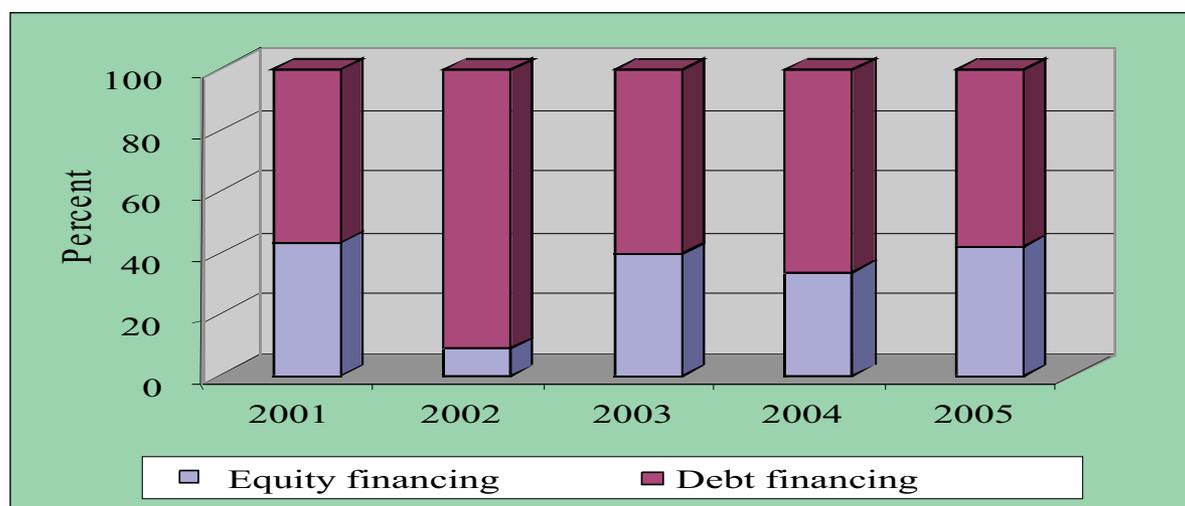


Figure 3.5: Financing pattern of FDI flows, 2001 - 2005

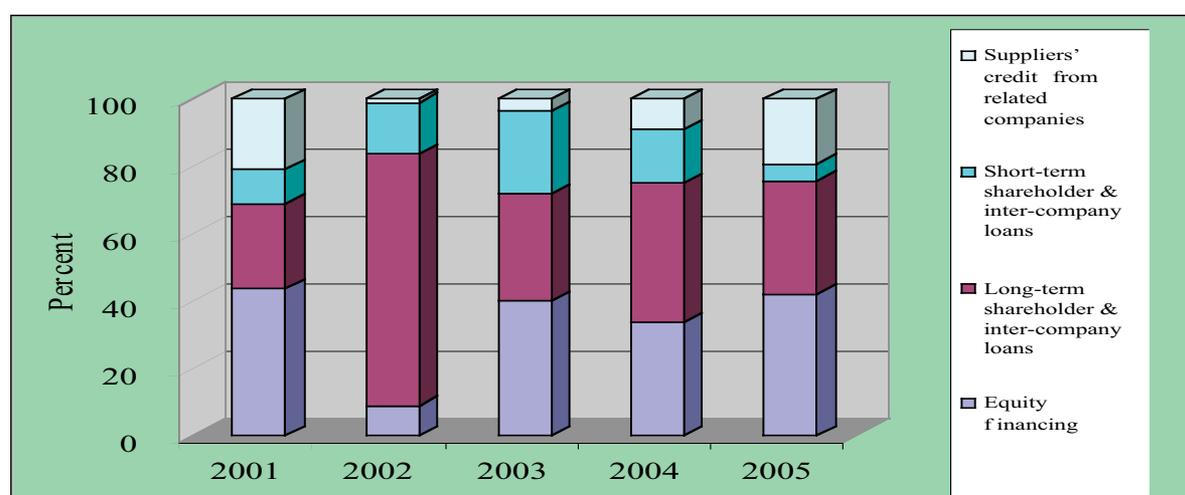


As illustrated in **Figure 3.6**, between 2001 and 2005, long-term loans from the shareholders and related companies accounted for an average of 41.5 percent of FDI flows while direct equity from the shareholders accounted for an average of 33.6 percent. Furthermore, short-term loans from the shareholder and inter-company loans, and the suppliers' credit from the related companies contributed an annual average of 13.5 and 11.4 percent, respectively.

and retail trade combined for 83.1 percent of the total stock of FDI in 2005. Prior to 2002, the Manufacturing sector had the largest share of the stock of FDI but since 2003 the sector was overtaken by the Mining sector following heavy investments in this sector.

The large inflows into the Mining sector are due to country's abundance in mineral resources (particularly gold),

Figure 3.6: Flows of FDI by type of financing, 2001 - 2005



3.4.4 Sectoral distribution of FDI

Table 3.3 and **Figure 3.7** shows the sectoral distribution of the stock of FDI. Four sectors including Mining, Manufacturing, Transport, and Wholesale

which when coupled with conducive investment climate boosted development in that sector. This trend has also been experienced in developing countries that are rich in natural resources particularly minerals (WIR, 2005).

In contrast, the Agriculture sector despite contributing about 45 percent of GDP as well as supporting 80 percent of the population, it continued to receive small share of the total stock of FDI. In 2005, the sector recorded about 2.9 percent. This

In 2001, the Utilities sector recorded an inflow of USD 82.9 million making it the leading sector on that year due to heavy investments in power generation and related activities.

Table 3.3: Stock of FDI by sector, 2001 – 2005

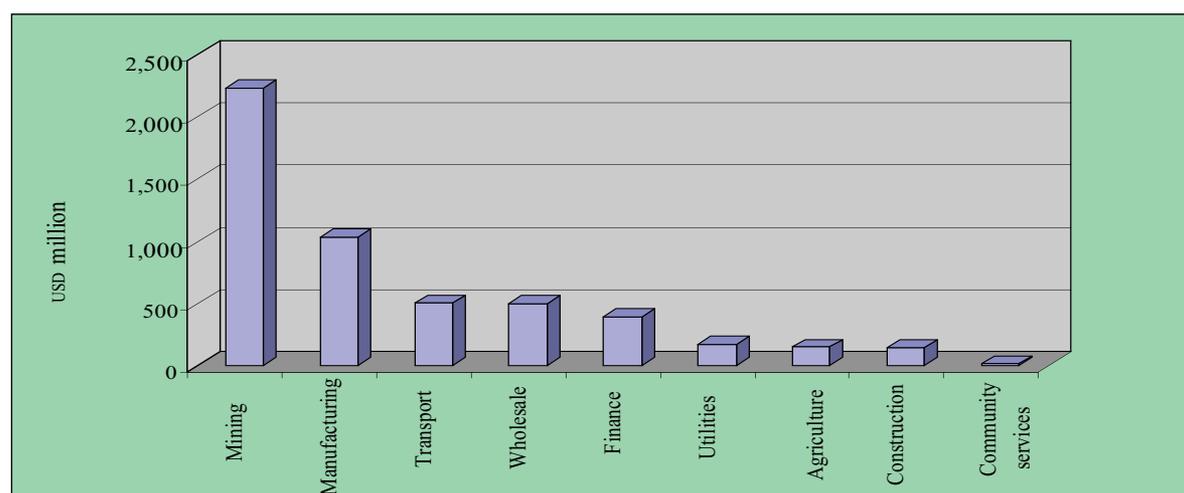
Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Percent of 2005 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Mining and quarrying | 608.2 | 1,037.7 | 1,643.4 | 1,963.3 | 2,228.9 | 43.4 |
| Manufacturing | 767.9 | 813.6 | 974.1 | 1,134.7 | 1,035.2 | 20.2 |
| Transport and communication | 292.1 | 318.7 | 313.8 | 375.0 | 502.6 | 9.8 |
| Wholesale and retail trade | 467.2 | 353.3 | 356.3 | 468.9 | 499.9 | 9.7 |
| Finance and insurance | 259.4 | 261.1 | 328.7 | 378.7 | 395.4 | 7.6 |
| Utilities | 127.5 | 212.1 | 243.4 | 151.1 | 171.3 | 3.3 |
| Agriculture | 235.8 | 88.1 | 101.5 | 128.3 | 148.9 | 2.9 |
| Construction | 195.6 | 139.4 | 158.7 | 139.1 | 145.5 | 2.8 |
| Community and social services | 6.0 | 18.5 | 18.7 | 19.5 | 14.0 | 0.3 |
| Total | 2,959.7 | 3,242.7 | 4,138.6 | 4,758.5 | 5,141.8 | 100.0 |

Source: PCF survey, 2006

P = Provisional

Figure 3.7: Stock of FDI by sector, 2005



may pose a challenge to the Government in its poverty reduction initiatives as this sector has potential in reducing poverty.

Table 3.4 and **Figure 3.8** show that between 2001 and 2005, the sectoral distribution of FDI follows similar pattern to that of stock.

The performance of these sectors is due to the discovery of new mines, increased tourism related activities and positive response on privatization policy where many of the privatized enterprises in the sector were revived.



Tanga Cement Company is among the recipients of FDI inflows into Tanzania's Manufacturing sector

Table 3.4: Flow of FDI by sector, 2001 – 2005

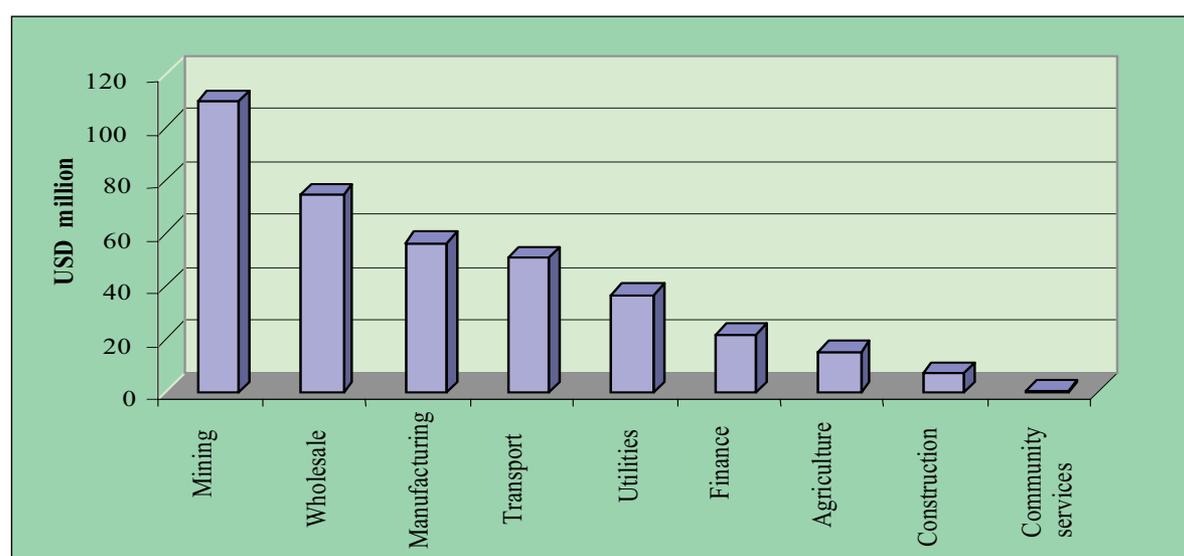
Values in USD million

| Sector ⁵ | 2001 | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Mining and quarrying | 36.0 | 231.3 | 77.1 | 84.5 | 120.2 | 109.8 | 29.5 |
| Wholesale and retail trade | 74.1 | 42.7 | 60.7 | 85.7 | 108.7 | 74.4 | 20.0 |
| Manufacturing | 46.7 | 64.3 | 65.1 | 45.6 | 60.4 | 56.4 | 15.1 |
| Transport and communication | 81.2 | 10.0 | 9.3 | 58.1 | 95.2 | 50.8 | 13.6 |
| Utilities | 82.9 | 25.0 | 23.7 | 5.7 | 46.3 | 36.7 | 9.9 |
| Finance and insurance | 10.5 | 3.8 | 53.2 | 37.6 | 3.3 | 21.7 | 5.8 |
| Agriculture | 34.1 | 6.0 | 15.8 | 9.0 | 11.1 | 15.2 | 4.1 |
| Construction | 22.3 | 4.0 | 2.5 | 4.1 | 2.3 | 7.0 | 1.9 |
| Community and social services | 0.9 | 0.5 | 0.7 | 0.5 | 0.0 | 0.5 | 0.1 |
| Total | 388.8 | 387.6 | 308.2 | 330.6 | 447.6 | 372.6 | 100.0 |

Source: PCF survey, 2006

P = Provisional

Figure 3.8: Annual average FDI flow by sector, 2005



3.4.5 Regional distribution of FDI

Map 1 shows that the pattern of regional distribution of FDI in the country has remained unchanged when compared with the previous survey results. The distribution of FDI has largely been influenced by availability of natural resources, market accessibility, and state of infrastructure across regions.

Table 3.5 shows the regional distribution of FDI ranked by stock position as of 2005. The highest concentration of FDI is in Dar es Salaam (42.5 percent) followed by Mwanza (26.4 percent), and Shinyanga (12.7 percent). The three regions account

for 81.6 percent of the total stock of FDI. The remaining 18 regions contribute less than 20.0 percent. High concentration in Dar es Salaam is attributed to better-developed infrastructure and the fact that it is the commercial center of the country. Huge FDI in Mwanza and Shinyanga is influenced by heavy investments in mining (gold and diamond) and other business activities such as fishery at the Lake Victoria.

In some cases, the results may be biased. Some companies have reported to be based in Dar es Salaam while operational activities are partly or wholly conducted in other regions. For example, Songas

⁵Sector trends for the stock of FDI, 2001 – 2005 are shown in the statistical Appendix 3.

Map 1: Pattern of regional distribution of FDI in Tanzania, 2005

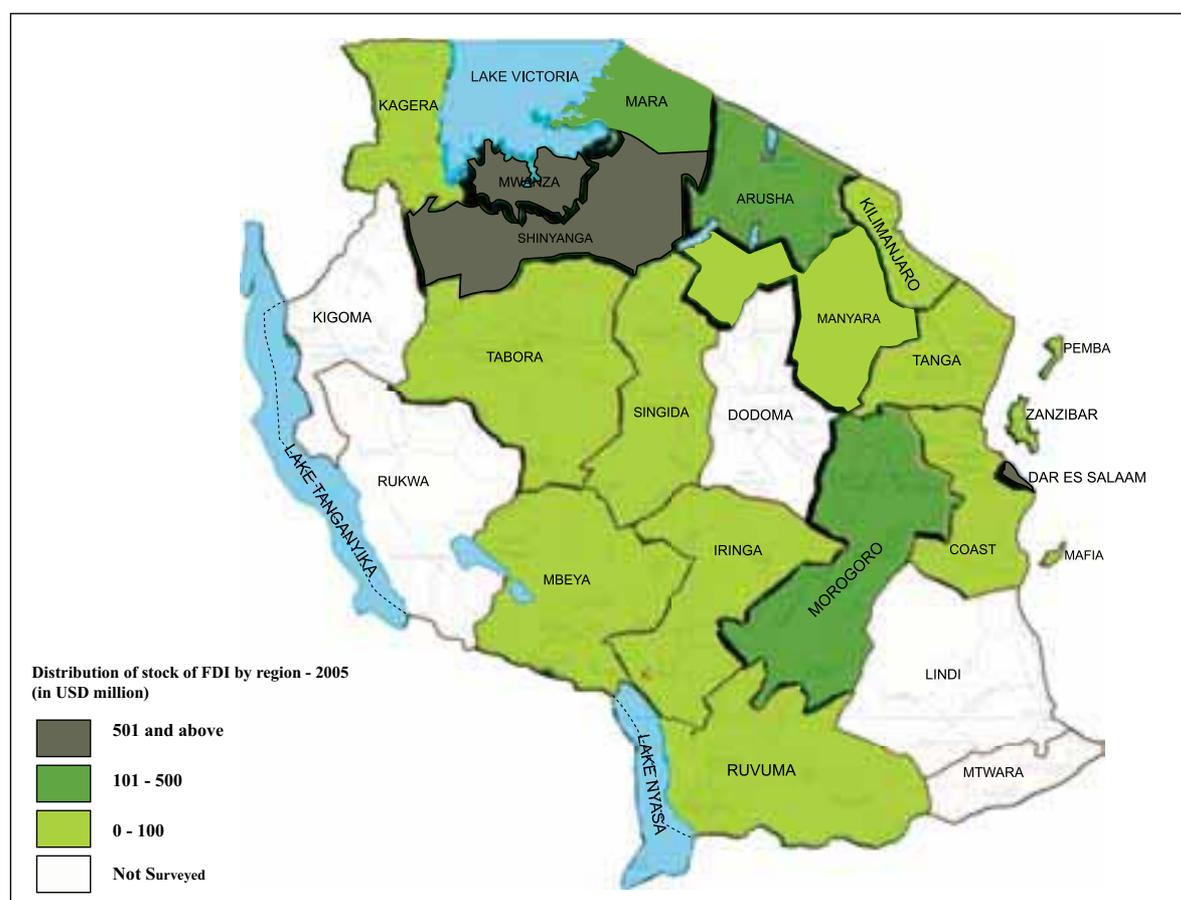


Table 3.5: Stock of FDI by region, 2001 – 2005

Values in USD million

| Region ⁶ | 2001 | 2002 | 2003 | 2004 | 2005p | Percent of total for 2005 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| Dar es Salaam | 1,762.9 | 1,742.8 | 1,973.4 | 2,125.2 | 2,184.4 | 42.5 |
| Mwanza | 332.5 | 400.3 | 770.5 | 1,128.9 | 1,354.9 | 26.4 |
| Shinyanga | 151.0 | 465.3 | 693.7 | 657.6 | 652.4 | 12.7 |
| Arusha | 145.0 | 124.8 | 135.5 | 206.1 | 183.8 | 3.6 |
| Morogoro | 179.5 | 134.3 | 166.7 | 193.6 | 180.7 | 3.5 |
| Mara | 122.1 | 128.6 | 125.3 | 123.9 | 122.3 | 2.4 |
| Iringa | 50.7 | 49.0 | 52.5 | 54.2 | 90.0 | 1.8 |
| Kilimanjaro | 37.6 | 35.4 | 49.1 | 53.2 | 70.2 | 1.4 |
| Kagera | 0.2 | 0.2 | 0.1 | 0.1 | 55.1 | 1.1 |
| Mbeya | 13.2 | 17.9 | 18.0 | 22.7 | 22.8 | 0.4 |
| Manyara | 10.6 | 10.0 | 11.2 | 12.7 | 14.6 | 0.3 |
| Tanga | 27.8 | 14.0 | 13.1 | 13.8 | 13.9 | 0.3 |
| Pwani | 7.5 | 8.6 | 8.6 | 8.9 | 8.8 | 0.2 |
| Tabora | 3.1 | 3.0 | 2.7 | 2.8 | 2.5 | 0.0 |
| Ruvuma | 0.6 | 0.6 | 0.4 | 0.3 | 0.3 | 0.0 |
| Singida | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| Total for Mainland (A) | 2,844.3 | 3,134.9 | 4,021.1 | 4,604.3 | 4,956.7 | 96.5 |
| North Unguja | 44.7 | 38.9 | 43.6 | 75.9 | 92.3 | 1.8 |
| Urban West | 38.2 | 40.3 | 47.5 | 52.4 | 61.4 | 1.2 |
| South Unguja | 31 | 27.3 | 24.1 | 23.6 | 22.7 | 0.4 |
| South Pemba | 0.1 | 0.1 | 1.1 | 1.2 | 1.3 | 0.0 |
| North Pemba | 1.4 | 1.2 | 1.2 | 1.2 | 1.1 | 0.0 |
| Total for Zanzibar (B) | 115.4 | 107.8 | 117.5 | 154.3 | 178.9 | 3.5 |
| Total for Tanzania (A+B) | 2,959.7 | 3,242.7 | 4,138.6 | 4,758.5 | 5,141.8 | 100.0 |

Source: PCF survey, 2006

P = Provisional

⁶Some regions do not appear because the companies in there did not meet sampling criteria.

Table 3.6: Flow of FDI by region, 2001 – 2005

Values in USD million

| Region | 2001 | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Dar es Salaam | 290.2 | 94.3 | 163.1 | 192.4 | 215.0 | 191.0 | 51.3 |
| Shinyanga | 20.9 | 228.0 | 65.9 | 39.7 | 13.2 | 73.5 | 19.7 |
| Mwanza | 11.4 | 6.1 | 9.5 | 44.4 | 54.2 | 25.1 | 6.7 |
| Arusha | 12.8 | 9.9 | 24.7 | 13.4 | 29.9 | 18.1 | 4.9 |
| Morogoro | 30.7 | 29.7 | 3.0 | 1.2 | 1.7 | 13.3 | 3.6 |
| Kilimanjaro | 12.5 | 0.0 | 11.2 | 7.0 | 26.8 | 11.5 | 3.1 |
| Kagera | 0.0 | 0.0 | 0.0 | 0.0 | 55.0 | 11.0 | 3.0 |
| Tanga | 2.2 | 1.1 | 0.0 | 0.1 | 7.1 | 2.1 | 0.6 |
| Manyara | 4.9 | 0.0 | 0.0 | 0.0 | 0.1 | 1.0 | 0.3 |
| Mara | 0.0 | 1.4 | 0.6 | 0.7 | 2.1 | 1.0 | 0.3 |
| Iringa | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Mbeya | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Pwani | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tabora | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Kigoma | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ruvuma | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total for Mainland (A) | 386.0 | 370.5 | 278.0 | 299.1 | 405.3 | 347.8 | 93.4 |
| North Unguja | 0.1 | 10.1 | 16.6 | 24.2 | 33.8 | 17.0 | 4.6 |
| Urban West | 2.4 | 4.2 | 9.5 | 5.5 | 4.9 | 5.3 | 1.4 |
| South Unguja | 0.3 | 2.8 | 3.1 | 1.8 | 3.6 | 2.3 | 0.6 |
| South Pemba | 0.0 | 0.0 | 1.0 | 0.1 | 0.0 | 0.2 | 0.1 |
| North Pemba | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total for Zanzibar (B) | 2.8 | 17.1 | 30.2 | 31.5 | 42.3 | 24.8 | 6.6 |
| Total for Tanzania (A+B) | 388.8 | 387.6 | 308.2 | 330.6 | 447.6 | 372.6 | 100.0 |

Source: PCF survey, 2006

P = Provisional

Company Limited has reported its location in Dar es Salaam because that is where the headquarters and the power plant are located. However, the production of natural gas used in the power generation is taking place in Lindi, and transported

Regions with less natural resource endowment, poor state of infrastructure and unreliable supply of utilities have attracted less FDI inflows. Such regions include Ruvuma and Kigoma in Mainland Tanzania, and North Pemba and South



A gas production plant of Artumas Group Limited at Mnazi Bay in Mtwara region

via a pipeline that passes through Lindi, Coast and Dar es Salaam.

Pemba in Zanzibar.

Table 3.6 shows that the regional concentration of FDI flows follows a similar pattern as that of the stock where the share of Dar es Salaam alone averages about 51.3 percent.

3.4.6 FDI by source country

The source countries of FDI are quite diversified across continents and regional economic communities. Notwithstanding

Table 3.7: Stock of FDI by top ten source countries by 2005

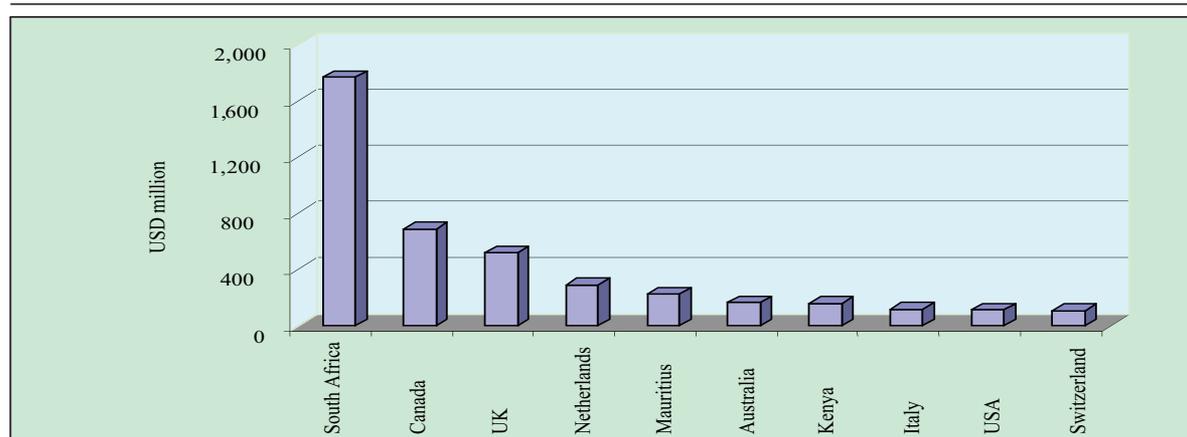
Values in USD million

| Country | 2001 | 2002 | 2003 | 2004 | 2005p | Percent of 2005 |
|-------------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| South Africa | 408.8 | 546.7 | 782.6 | 1,583.00 | 1,767.00 | 34.4 |
| Canada | 369.9 | 469.7 | 688.6 | 659.4 | 690.8 | 13.5 |
| UK | 463.6 | 460.8 | 506.4 | 407 | 518.4 | 10.1 |
| Netherlands | 163.9 | 201.3 | 191.4 | 245.6 | 291.2 | 5.7 |
| Mauritius | 176 | 119.5 | 182.6 | 221.1 | 224.6 | 4.4 |
| Australia | 152.6 | 171 | 174.2 | 167.6 | 166.1 | 3.2 |
| Kenya | 113.7 | 81.4 | 148.8 | 182.9 | 162.9 | 3.2 |
| Italy | 134.7 | 116.1 | 108.4 | 119.5 | 117.5 | 2.3 |
| USA | -65.4 | 142.7 | 124.7 | 118.4 | 114.5 | 2.2 |
| Switzerland | 115.2 | 113.8 | 109.6 | 112.2 | 107 | 2.1 |
| Total for top ten | 2,033.0 | 2,423.0 | 3,017.3 | 3,816.7 | 4,160.0 | 81.1 |
| Others | 926.7 | 819.7 | 1121.3 | 941.8 | 975.5 | 18.9 |
| Total | 2,959.70 | 3,242.70 | 4,138.60 | 4,758.50 | 5,141.8 | 100 |

Source: PCF survey, 2006

P = Provisional

Figure 3.9: Stock of FDI by top ten countries, 2005



the diversification, few countries account for a large proportion of FDI. **Table 3.7** and **Figure 3.9** show that 81.0 percent of the stock of FDI originates from ten (10) countries only with South Africa, Canada and UK together contributing 47.9 percent. UK had the largest share of FDI stock prior to 2001. Three (3) of the top ten (10) are African countries, South

Africa, Mauritius and Kenya suggesting that investors from African countries are increasing their investments in the country.

As illustrated in **Table 3.8**, the concentration of the FDI flows by source country is similar to that of stock with the same three leading countries accounting

Table 3.8: Flow of FDI by top ten source countries for 2001 – 2005 *Values in USD million*

| Country | 2001 | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Canada | 21.5 | 230.2 | 59.0 | 41.0 | 54.5 | 81.3 | 21.8 |
| South Africa | 141.8 | 34.9 | 7.1 | 91.9 | 100.4 | 75.2 | 20.1 |
| UK | 42.9 | 38.3 | 47.0 | 36.3 | 86.8 | 50.3 | 13.5 |
| USA | 32.2 | 29.9 | 2.8 | 1.0 | 5.0 | 14.2 | 3.8 |
| Bermuda | 61.8 | 0.2 | 0.7 | 0.5 | 0.3 | 12.7 | 3.4 |
| Cayman Islands | 0.0 | 0.0 | 44.3 | 14.2 | 3.3 | 12.4 | 3.3 |
| Kenya | 13.1 | 6.7 | 18.5 | 11.8 | 10.5 | 12.1 | 3.2 |
| China | 1.9 | 11.4 | 10.7 | 10.0 | 7.9 | 8.4 | 2.2 |
| Switzerland | 19.5 | 1.9 | 7.9 | 1.6 | 5.3 | 7.3 | 1.9 |
| Total for top ten (A) | 334.7 | 353.5 | 198 | 208.3 | 274.0 | 273.9 | 73.2 |
| Others (B) | 54.1 | 34.1 | 110.2 | 122.3 | 173.6 | 98.7 | 26.8 |
| Total (A+B) | 388.8 | 387.6 | 308.2 | 330.6 | 447.6 | 372.6 | 100.0 |

Source: PCF survey, 2006

P = Provisional

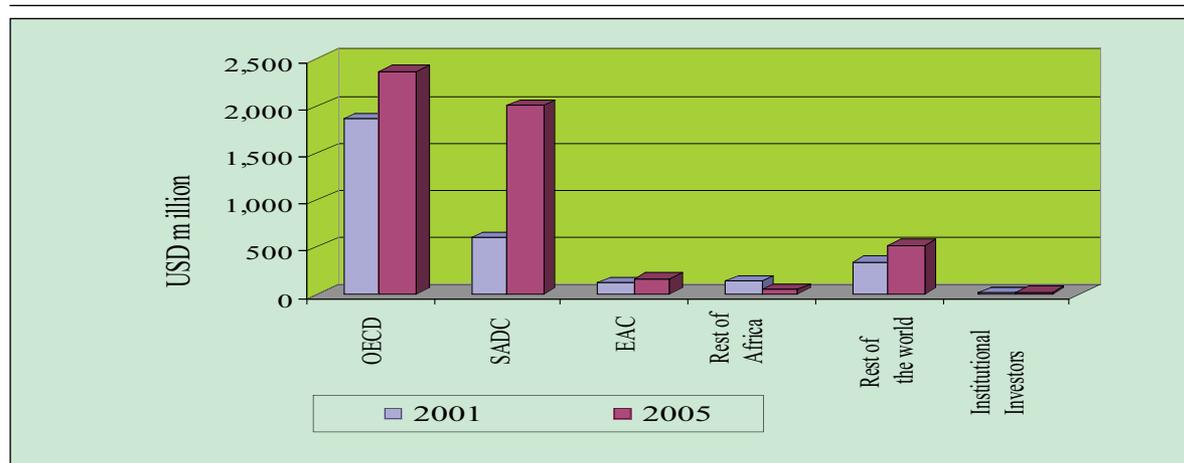
Table 3.9: Sectoral distribution of FDI stock by selected countries, 2005

Values in USD million

| Sector | Canada | | South Africa | | UK | | Netherlands | | Kenya | |
|-------------------------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Value | Share % | Value | Share% | Value | Share % | Value | Share % | Value | Share % |
| Mining and quarrying | 673.8 | 97.0 | 1314.5 | 62.3 | 39.6 | 4.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 10.9 | 1.6 | 184.6 | 18.3 | 78.1 | 16.8 | 37.2 | 13.8 | 90.1 | 58.4 |
| Transport and communication | 0.0 | 0.0 | 126.7 | 8.4 | 11.1 | 4.9 | 211.0 | 70.6 | 14.1 | 4.4 |
| Wholesale and retail trade | 0.1 | 0.1 | 82.0 | 5.9 | 89.7 | 20.3 | 6.6 | 2.8 | 17.1 | 10.0 |
| Finance and insurance | 1.5 | 0.5 | 53.6 | 4.2 | 68.7 | 13.8 | 3.8 | 1.5 | 27.5 | 16.0 |
| Utilities | 0.0 | 0.0 | 0.0 | 0.0 | 144.5 | 26.4 | 22.1 | 4.4 | 0.0 | 0.0 |
| Agriculture | 4.4 | 0.8 | 0.6 | 0.0 | 67.5 | 9.2 | 10.2 | 6.8 | 14.4 | 9.3 |
| Construction | 0.0 | 0.0 | 3.0 | 0.5 | 17.9 | 3.5 | 0.1 | 0.0 | 1.8 | 1.5 |
| Community and social services | 0.0 | 0.0 | 2.0 | 0.4 | 1.2 | 0.3 | 0.1 | 0.1 | 1.1 | 0.5 |
| Total | 690.7 | 100.0 | 1,767.0 | 100.0 | 518.3 | 100.0 | 291.1 | 100.0 | 166.1 | 100.0 |

Source: PCF survey, 2006

Figure 3.10: Comparison of FDI stock by groupings, 2001-2005



for an annual average of 55.4 percent of the total inflows between 2001 and 2005. The largest share of the inflows come from Canada with an annual average of USD 81.3 million (21.8 percent) followed by South Africa with USD 75.2 million (20.1 percent).

The survey results have shown that investors from some countries tend to concentrate in particular sectors as shown in **Table 3.9**. Investors from Canada and South Africa, for example, have directed 97.0 percent and 62.3 percent, respectively, of their total investments in the Mining sector. On the other hand, the UK and Netherlands have diversified their investments in several sectors.

As indicated in the previous reports, determination of the actual source of investment is still a challenge and is being reviewed time after time.

According to **Table 3.10**, OECD has remained the leading source of FDI over the other regional blocks with 63.0 percent of the total stock of FDI in 2001 although its share declined to 46.3 percent in 2005. Within the OECD, UK, Canada and the Netherlands have the highest stock of FDI. The position of UK is perhaps due to historical ties between the two countries, while that of Canada is due to heavy investments in the Mining sector.

Table 3.10 shows that in 2005, the share of stock of FDI from the OECD countries declined while that of SADC significantly increased. FDI from SADC increased from 20.1 percent of the total stock in 2001 (USD 595.6 million) to 39.5 percent in 2005 (USD 2,006.0 million). Within the SADC, South Africa is dominating as its share rose from 68.6 percent (USD 408.8 million) in 2001 to 88.1 percent

Table 3.10: Comparison of FDI stock by groupings, 2001 - 2005

| Country | 2001 | 2002 | 2003 | 2004 | 2005p | Percent of 2005 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| OECD | 1,865.9 | 1,986.2 | 2,253.4 | 2,193.3 | 2,377.5 | 100.0 |
| Canada | 369.9 | 469.7 | 688.6 | 659.4 | 690.8 | 29.1 |
| UK | 463.6 | 460.8 | 506.4 | 407.0 | 518.4 | 21.8 |
| Netherlands | 163.9 | 201.3 | 191.4 | 245.6 | 291.2 | 12.2 |
| Australia | 152.6 | 171.0 | 174.2 | 167.6 | 166.1 | 7.0 |
| Italy | 134.7 | 116.1 | 108.4 | 119.5 | 117.5 | 4.9 |
| Switzerland | 115.2 | 113.8 | 109.6 | 112.2 | 107.0 | 4.5 |
| USA | (65.4) | 142.7 | 124.7 | 118.4 | 114.5 | 4.8 |
| Other OECD | 531.5 | 310.9 | 350.2 | 363.7 | 372.0 | 15.6 |
| SADC | 595.6 | 682.2 | 980.3 | 1,820.9 | 2,006.0 | 100.0 |
| South Africa | 408.8 | 546.7 | 782.6 | 1,583.0 | 1,767.0 | 88.1 |
| Mauritius | 176.0 | 119.5 | 182.6 | 221.1 | 224.6 | 11.2 |
| Other SADC | 10.8 | 16.0 | 15.1 | 16.8 | 14.4 | 0.7 |
| EAC | 114.9 | 83.2 | 150.5 | 184.9 | 165.5 | 100.0 |
| Kenya | 113.7 | 81.4 | 148.8 | 182.9 | 162.9 | 98.4 |
| Uganda | 1.3 | 1.7 | 1.7 | 2.0 | 2.6 | 1.6 |
| Rest of Africa | 138.8 | 193.2 | 363.4 | 51.0 | 49.8 | 100.0 |
| Ghana | 125.8 | 171.9 | 342.3 | 19.1 | 19.1 | 38.4 |
| Cote D'Ivoire | 6.5 | 6.9 | 7.4 | 8.7 | 8.6 | 17.3 |
| Others | 6.5 | 14.5 | 13.8 | 23.2 | 22.1 | 44.3 |
| Rest of the world | 338.5 | 277.3 | 365.0 | 486.3 | 516.7 | 100.0 |
| Institutional Investors | 8.7 | 20.5 | 26.0 | 22.1 | 20.0 | 100.0 |
| IFC | 2.6 | 12.8 | 11.6 | 10.2 | 9.1 | 45.4 |
| PTA BANK | 0.0 | 0.0 | 10.1 | 10.3 | 8.9 | 44.3 |
| EIB | 3.7 | 7.5 | 4.1 | 1.4 | 0.6 | 3.0 |
| EU | 4.7 | 0.0 | 0.0 | 0.1 | 1.5 | 7.3 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - |
| EADB | (2.3) | 0.2 | 0.2 | 0.2 | 0.0 | - |
| Total | 2,959.7 | 3,242.7 | 4,138.6 | 4,758.5 | 5,141.8 | 100.0 |

Source: PCF survey, 2006

P = Provisional

(USD 1,767.0 million) in 2005. Although, the stock of FDI from EAC member countries increased in absolute terms, its share to total stock decreased slightly from 3.9 percent in 2001 to 3.2 percent in 2005. Kenya has continued to lead with the largest share over 98.0 percent while Uganda has invested less than 2.0 percent. Most of the investments from Kenya are concentrated in the Manufacturing (58.4

percent) and Finance and insurance (16.0 percent) sectors.

Outside the SADC and EAC regions, other major sources of FDI within Africa include West African region (particularly Ghana and Cote d'Ivoire). However, the share of Ghana declined sharply in 2004 caused by the merger of Ashanti Goldfield with AngloGold Limited and

Table 3.11: Stock of FPEI by sector, 2001 – 2005

Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Percent of 2005 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-----------------|
| Manufacturing | 13.9 | 17.5 | 24.1 | 30.9 | 18.0 | 58.2 |
| Finance and insurance | 9.6 | 8.4 | 12.1 | 11.0 | 10.3 | 33.2 |
| Wholesale and retail trade | 11.1 | 0.9 | 1.0 | 1.2 | 1.3 | 4.0 |
| Agriculture | 1.1 | 1.2 | 1.0 | 0.9 | 0.9 | 2.9 |
| Construction | 0.1 | 0.3 | 0.1 | 0.2 | 0.2 | 0.6 |
| Community and social services | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 | 0.4 |
| Transport and communications | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Mining and quarrying | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 |
| Utilities | 8.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 44.8 | 28.6 | 38.4 | 44.5 | 31.0 | 100.0 |

Source: PCF survey, 2006

P = Provisional

the subsequent sale of Ghana's shares in Ashanti Goldfield to South Africa.

3.5 Foreign Portfolio Equity Investment (FPEI)

Table 3.11 demonstrates that the total stock of FPEI as a share of total FPI in 2001 was 1.3 percent (USD 44.8 million) and declined to 0.5 percent (USD 31.0 million) in 2005. The Mining sector that leads in terms of the stock of FDI in 2005 has a very low level of FPEI stock compared to other sectors like Manufacturing whose share of FPEI in 2005 was 58.2 percent. Manufacturing and Finance sectors together combined for 91.4 percent of the total stock of FPEI in 2005.

Offer (IPO) only in the event that there are remaining shares after being offered to Tanzanians. In addition, foreigners are eligible to transact on shares and corporate bonds but not on government bonds and treasury bills.

3.6 Other Investments (OI)

This type of investments consist of mainly long-term and short-term borrowings from unrelated companies. The external loans form a significant component of foreign private capital in the country.

As shown in **Table 3.12**, the magnitude of foreign borrowing varies across sectors depending on the nature of the investment. Investors in the Mining and

Table 3.12: Stock of other investments, 2001 – 2005

Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Percent of 2005 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Mining and quarrying | 200.5 | 541.4 | 483.5 | 379.6 | 343.8 | 55.6 |
| Utilities | 85.9 | 85.8 | 85.8 | 85.9 | 85.8 | 13.9 |
| Manufacturing | 69.2 | 95.6 | 85.8 | 80.5 | 61.2 | 9.9 |
| Transport and communication | 69.3 | 7.7 | 53.0 | 57.2 | 44.0 | 7.1 |
| Agriculture | 13.8 | 53.9 | 40.5 | 45.7 | 42.6 | 6.9 |
| Wholesale and retail trade | 25.0 | 39.9 | 31.9 | 25.2 | 21.6 | 3.5 |
| Finance and insurance | 14.0 | 8.8 | 13.7 | 11.6 | 10.2 | 1.6 |
| Construction | 16.3 | 10.2 | 9.3 | 9.5 | 8.4 | 1.4 |
| Community and social services | 4.3 | 1.2 | 1.1 | 1.2 | 1.1 | 0.2 |
| Total | 498.2 | 844.5 | 804.7 | 696.4 | 618.7 | 100.0 |

Source: PCF survey, 2006

P = Provisional

Low FPEI is partly attributed to restrictions on participation of foreign investors in the Dar es Salaam Stock Exchange (DSE). Currently, foreigners are allowed to purchase shares traded in the DSE up to a limit of 60 percent, and can acquire shares during Initial Public

quarrying, Utilities and Manufacturing lead in borrowing mostly from unrelated companies. The large stock of loans in the Mining sector is explained by the nature of the investments, which tend to be sizable, long-term and capital intensive.

Table 3.13: Composition of PSED stock, 2001 - 2005

Values in USD million

| Type of PSED | 2001 | 2002 | 2003 | 2004 | 2005 ^p | Percent of 2005 |
|---|----------------|----------------|----------------|----------------|-------------------|-----------------|
| Long-Term Inter-company loans | 877.8 | 737.0 | 698.9 | 796.1 | 833.7 | 40.7 |
| Long-Term loans from unrelated companies | 395.8 | 812.1 | 770.5 | 667.6 | 601.8 | 29.4 |
| Short-term Inter-company loans | 62.6 | 52.1 | 423.7 | 463.2 | 585.2 | 28.6 |
| Short-term loans from unrelated companies | 74.8 | 10.9 | 15.4 | 17.7 | 12.7 | 0.6 |
| Supplier credits from related companies | 98.0 | 19.3 | 23.6 | 23.6 | 10.4 | 0.5 |
| Supplier credits from unrelated companies | 27.5 | 21.5 | 18.8 | 11.1 | 4.1 | 0.2 |
| Total | 1,536.5 | 1,652.9 | 1,950.9 | 1,979.3 | 2,047.9 | 100.0 |

Source: PCF survey, 2006

P = Provisional

3.7 Private Sector External Debt (PSED)

The PSED form important component of FDI and OI. The PSED components of FDI consists of long and short-term shareholder and inter-company loans, and suppliers' credit from the related companies. Findings from the survey show that the stock of PSED continues to form a large part of the total FPI although its share has fallen by 8.3 percent to 35.7 percent in 2005 from 44.0 in 2001.

more favorable. Short-term PSED makes up less than 1.0 percent share of the PSED stock.

3.7.1 Sectoral distribution of PSED stock

The need for external borrowing varies across sectors. As depicted in **Table 3.14**, in 2005 Mining, Wholesale and retail trade, and Manufacturing contributed 81.8 percent of the total stock of loans.

Table 3.14: Classification of stock of loans by sector, maturity and loan type, 2005
Values in USD million

| Sector | LTR | LTU | STR | STU | SCR | SCU | Total | Percent of total |
|-------------------------------|--------------|--------------|--------------|------------|-------------|------------|----------------|------------------|
| Mining and quarrying | 360.5 | 343.8 | 506.0 | 0.0 | 0.0 | 0.0 | 1,210.2 | 59.3 |
| Wholesale and retail trade | 217.4 | 17.3 | 14.1 | 3.2 | 1.8 | 4.1 | 257.9 | 12.6 |
| Manufacturing | 126.6 | 58.2 | 4.2 | 6.0 | 6.9 | 0.0 | 201.9 | 9.9 |
| Transport and communication | 56.2 | 34.6 | 48.6 | 0.0 | 0.1 | 0.0 | 139.5 | 6.8 |
| Utilities | 4.7 | 85.8 | 0.0 | 0.0 | 0.0 | 0.9 | 91.4 | 4.5 |
| Agriculture | 18.0 | 42.3 | 0.1 | 0.4 | 1.5 | 0.2 | 62.6 | 3.1 |
| Construction | 39.2 | 8.4 | 6.3 | 0.0 | 0.0 | 0.0 | 54.0 | 2.6 |
| Finance and insurance | 10.5 | 10.2 | 5.8 | 0.0 | 0.0 | 2.9 | 29.4 | 1.4 |
| Community and social services | 0.6 | 1.1 | 0.2 | 0.0 | 0.0 | 0.0 | 1.9 | 0.1 |
| Total | 833.7 | 601.8 | 585.3 | 9.6 | 10.3 | 0.0 | 2,040.7 | 100.0 |

Source: PCF survey, 2006

This indicates that, on average, foreign investments are increasingly financed through equity, implying an increase in confidence by investors on the country's investment climate.

As shown in **Table 3.13**, the stock of PSED increased by 33.3 percent to USD 2,047.9 million of which 69.3 percent was sourced from the shareholders and related companies. The survey results suggest that investors prefer this type of financing because it offers terms that are

- NB:
- Columns represent share of each sector in the loan type
 - Rows represent share of each loan type in the sector

Where:

- LTR = Long-term loans from shareholder & inter-company
- LTU = Long-term loans from unrelated companies
- STR = Short-term loans from shareholder and inter-company
- STU = Short-term loans from unrelated companies
- SCR = Suppliers' credit from related companies
- SCU = Suppliers' credit from unrelated companies

Table 3.15: Loan inflows, 2001- 2005 Values in USD million

| Type of loan | 2001 | 2002 | 2003 | 2004 | 2005p |
|---|--------------|--------------|--------------|--------------|--------------|
| Long-term inter-company loans | 98.1 | 289.5 | 97.8 | 137 | 150.2 |
| Long-term loans from unrelated companies | 74.7 | 48.9 | 58.8 | 15 | 23.3 |
| Short-term inter-company loans | 40.2 | 59.3 | 76 | 52.6 | 22.7 |
| Short-term loans from unrelated companies | 34.5 | 5 | 5.5 | 8.2 | 6.5 |
| Suppliers' credits from related companies | 80.9 | 4.6 | 11.2 | 30.1 | 86.3 |
| Suppliers' credits from unrelated companies | 22.4 | 25.2 | 27.2 | 1.2 | 1.2 |
| Total | 350.8 | 432.5 | 276.5 | 244.1 | 290.2 |

Source: PCF survey, 2006

P = Provisional

The Mining sector was the major borrower accounting for 59.3 percent of total stock of PSED. Within the sector, 71.6 percent of total loans were sourced from the shareholders and related companies. In contrast, the Utilities and Agricultural sectors sourced 93.9 percent and 67.6 percent of their loans, respectively, from the unrelated companies.

3.7.2 Loan inflows

Although the stock of loans has been growing over time, the rate of growth has been decreasing as annual inflows

3.7.3 Loan inflows by sector

Table 3.16 shows that the inflow of loans during 2001 and 2002 were higher compared to the period between 2003 and 2005. Transport and Communication, Mining, Wholesale and retail trade, and Manufacturing sectors contributed an average of 91.5 percent of the total inflows between 2001 and 2005.

Mining was the leading sector with annual average of 35.5 percent. The second leading sector was Wholesale and retail trade with an average of 21.7 percent.

Table 3.16: Loan inflows by sector, 2001 - 2005

Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Mining and quarrying | 84.2 | 259.5 | 75.1 | 84.2 | 62.8 | 113.1 | 35.5 |
| Wholesale and retail trade | 79.3 | 44.7 | 60.8 | 74.1 | 86.4 | 69.1 | 21.7 |
| Transport and communication | 34.1 | 36.0 | 76.8 | 50.2 | 101.7 | 59.8 | 18.7 |
| Manufacturing | 75.1 | 74.5 | 46.1 | 19.7 | 33.5 | 49.8 | 15.6 |
| Agriculture | 36.7 | 9.6 | 9.2 | 10.1 | 2.5 | 13.6 | 4.3 |
| Construction | 26.1 | 3.9 | 2.5 | 4.0 | 0.2 | 7.3 | 2.3 |
| Financing and insurance | 12.9 | 3.8 | 5.4 | 1.5 | 3.2 | 5.3 | 1.7 |
| Community and social services | 2.0 | 0.4 | 0.7 | 0.2 | 0.0 | 0.7 | 0.2 |
| Utilities | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Total | 350.9 | 432.5 | 276.5 | 244.1 | 290.2 | 318.8 | 100.0 |

Source: PCF survey, 2006

P = Provisional

have been shrinking. As shown in **Table 3.15**, new contracted debt decreased by 17.3 percent from USD 350.5 million in 2001 to USD 290.2 million in 2005. As explained earlier, financing of foreign private investments in the country is largely through equity rather than debt.

Table 3.16 and **Figure 3.11** indicate that borrowing in the Mining sector in 2002 increased sharply by USD 175.3 million (208.2 percent) but fell by USD 184.4 million (71.1 percent) in 2003. This is explained by increased FDI inflows into

Figure 3.11: PSED inflows, 2001 - 2005

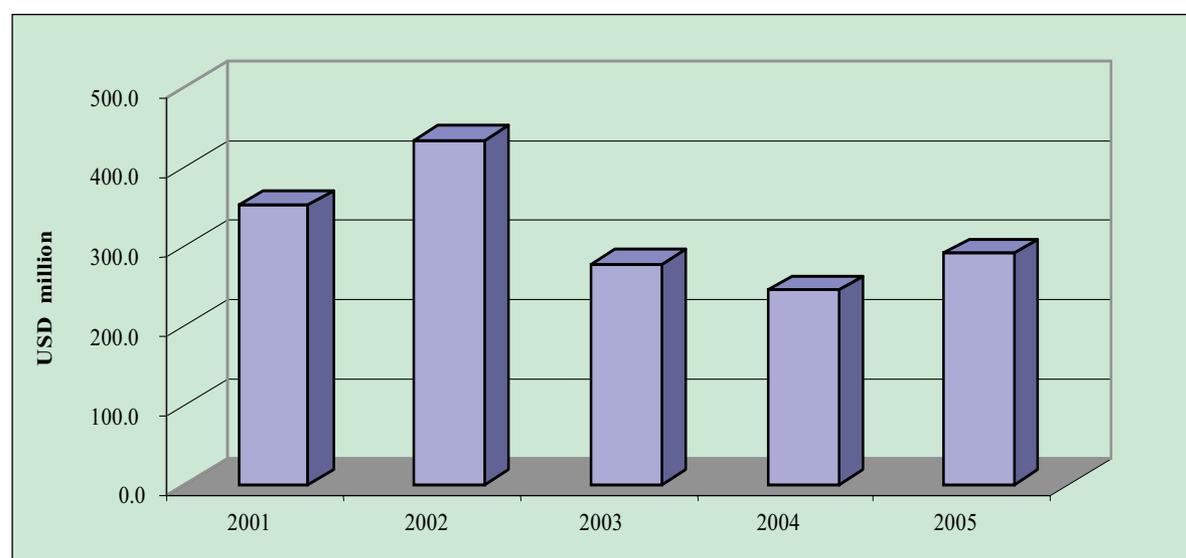


Table 3.17: Principal repayments by sector, 2001 - 2005

Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Mining and quarrying | 15.8 | 28.5 | 73.0 | 120.1 | 42.8 | 56.0 | 27.0 |
| Wholesale and retail trade | 122.8 | 33.2 | 55.6 | 19.7 | 38.7 | 54.0 | 26.0 |
| Transport and communication | 1.6 | 77.6 | 15.0 | 28.4 | 72.2 | 39.0 | 18.8 |
| Manufacturing | 35.7 | 38.5 | 16.4 | 15.6 | 14.7 | 24.2 | 11.7 |
| Agriculture | 46.9 | 3.0 | 16.6 | 2.2 | 8.7 | 15.5 | 7.5 |
| Finance and insurance | 8.3 | 8.3 | 5.8 | 5.9 | 5.0 | 6.7 | 3.2 |
| Construction | 12.8 | 14.2 | 1.9 | 1.4 | 0.6 | 6.2 | 3.0 |
| Utilities | 0.0 | 0.0 | 5.1 | 11.7 | 13.7 | 6.1 | 2.9 |
| Community and social services | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 244.0 | 203.2 | 189.5 | 204.9 | 196.4 | 207.6 | 100.0 |

Source: PCF survey, 2006

P = Provisional

the sector because of new discoveries. A decline in loan inflows (as well as FDI inflows) into the sector implies that higher inflows in 2002 were used to finance mining activities in the subsequent years.

3.7.4 Principal repayments

Table 3.17 indicates that the Mining, Wholesale and retail trade, Transport

and Manufacturing sectors accounted for 83.5 percent of average repayments from 2001 to 2005. Huge repayments by these sectors could be because of high debt and increased profitability that enhanced ability to service their respective debts.

On the other hand, Agriculture, Finance and insurance, Construction, Utilities and Community and social services

Table 3.18: Interest payment by sector, 2001 – 2005

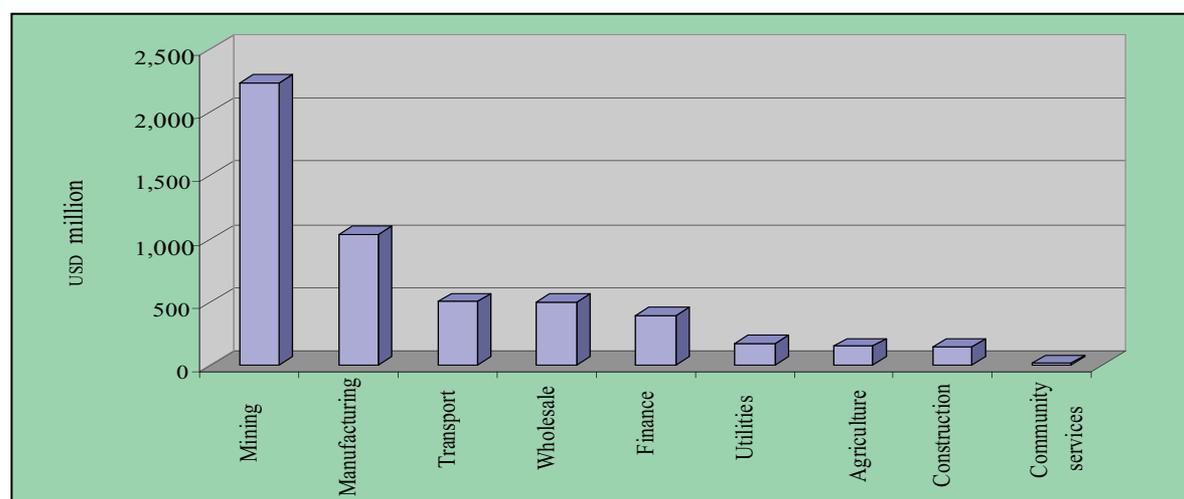
Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Average |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Mining and quarrying | 14.7 | 12.0 | 9.8 | 9.3 | 9.0 | 11.0 |
| Wholesale and retail trade | 5.8 | 4.9 | 5.3 | 5.4 | 4.4 | 5.2 |
| Manufacturing | 3.7 | 2.4 | 4.6 | 3.9 | 5.9 | 4.1 |
| Utilities | 0.0 | 0.0 | 5.9 | 5.1 | 4.7 | 3.1 |
| Transport and communication | 1.0 | 0.0 | 1.3 | 2.8 | 4.1 | 1.8 |
| Finance and insurance | 0.5 | 0.6 | 0.6 | 0.7 | 1.3 | 0.7 |
| Agriculture | 1.7 | 0.0 | 0.1 | 0.1 | 0.3 | 0.4 |
| Construction | 0.5 | 0.1 | 0.0 | 0.4 | 0.2 | 0.2 |
| Community and social services | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 28.0 | 19.9 | 27.7 | 27.6 | 29.9 | 26.6 |

Source: PCF survey, 2006

P = Provisional

Figure 3.12: Average net flow of PSED, 2001 - 2005



have recorded low repayments. This could partly be explained by the low debt they received and low profitability they register.

3.7.5 Interest payments

Table 3.18 shows that there has been insignificant change with respect to interest payments. The payments increased marginally from USD 28.0 million in 2001 to USD 29.9 million in 2005. An annual average of 41.4 percent of the total interest payments were from the Mining sector, which however, is the sector with the largest stock of external debt.

3.7.6 Net debt flows

Figure 3.12 presents the net flows of debt from 2001 to 2005. The net figures were

Finance and insurance sector has the highest annual average net debt inflows despite the fact that the Mining sector received highest inflows. This scenario can perhaps be explained by the fact that mining companies have mostly borrowed from the related companies, thus, do not require immediate interest payments. Typically, loans from related companies tend to have softer terms.

3.8. Income on investments

3.8.1 Profitability

Survey results indicate that some sectors have registered losses and others profits consistently, throughout the period. For instance, **Table 3.19** reveals that in absolute terms, the Manufacturing sector

Table 3.19: Sector profitability, 2001 - 2005

Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Average |
|-------------------------------|-------------|-------------|--------------|-------------|--------------|--------------|
| Manufacturing | 57.8 | 51.5 | 62.6 | 82.3 | 87.3 | 68.3 |
| Finance and insurance | 35.2 | 36.2 | 44.3 | 66.7 | 78.2 | 52.1 |
| Mining and quarrying | -6.4 | 28.9 | 69.7 | 61.7 | 5.1 | 31.8 |
| Transport and communication | 5.9 | -5.5 | 7.2 | 25.5 | 50.6 | 16.8 |
| Construction | 5.0 | 4.1 | 1.3 | 2.7 | 3.9 | 3.4 |
| Utilities | -1.5 | -5.3 | -3.5 | 15.4 | -11.4 | -1.3 |
| Community and social services | -0.7 | -1.2 | -1.3 | -1.9 | -1.7 | -1.4 |
| Wholesale and retail trade | -10.0 | -29.2 | -24.2 | -26.8 | -21.0 | -22.3 |
| Agriculture | -26.5 | -7.5 | -7.1 | -136.1 | -1.0 | -35.6 |
| Total | 58.7 | 71.9 | 148.9 | 89.5 | 190.0 | 111.8 |

Source: PCF survey, 2006

P = Provisional

obtained by deducting annual principal repayments, interest and other payments from annual debt disbursements. It can be observed from the table that the

recorded the highest profits with an annual average of USD 68.3 million (61 percent). This represents an average growth rate of 12.1 percent except in 2003 when the

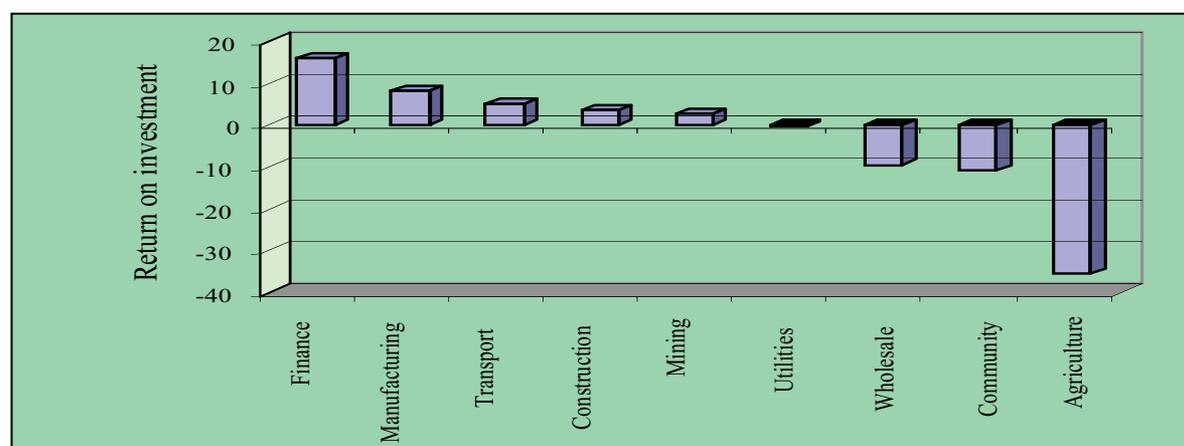
Table 3.20: Return on equity investment by sector (in percentages), 2001 - 2005

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Average |
|-------------------------------|------------|------------|------------|------------|------------|------------|
| Financing and insurance | 14.2 | 14.4 | 13.5 | 17.4 | 20.4 | 16.0 |
| Manufacturing | 8.4 | 7.5 | 7.5 | 8.1 | 9.5 | 8.2 |
| Transport and communication | 3.1 | -2 | 2.7 | 8 | 12.8 | 4.9 |
| Construction | 5.2 | 4.4 | 1.2 | 3 | 3.9 | 3.5 |
| Mining and quarrying | -3.2 | 4.1 | 7.2 | 5.1 | 0.4 | 2.7 |
| Utilities | -1.5 | -3 | -1.7 | 11.8 | -6.9 | -0.3 |
| Wholesale and retail trade | -3.3 | -14.6 | -11.5 | -10.6 | -7.9 | -9.6 |
| Community and social services | -13.8 | -7.8 | -8.5 | -11.6 | -12.7 | -10.9 |
| Agriculture | -20.1 | -11.1 | -8.9 | -135.9 | -0.8 | -35.4 |
| Total | 3.0 | 2.9 | 4.9 | 2.5 | 5.2 | 3.7 |

Source: PCF survey, 2006

P = Provisional

Figure 3.13: Average return on equity investment by sector, 2001 – 2005



Mining sector recorded the highest profits equivalent to USD 69.7 million.

3.8.2 Return on equity investment

Table 3.20 shows that on average, the return on equity investments for the surveyed companies was 3.7 percent but varies across sectors. Finance and insurance sector has the highest annual average return on equity investments (16.0 percent). Other sectors with relatively high return on equity investment are Manufacturing (8.2 percent) and Transport (4.9 percent).

Although the Mining sector had the highest stock of FDI in 2005, it is not among the sectors with high return on equity investment (2.7 percent). The Agriculture sector has the lowest with -35.7 percent. Huge losses in the sector may be one of the reasons for attracting least FDI during the period.

3.8.3 Dividend payments

As shown in **Table 3.21**, the average annual dividend paid to non-residents by sector between 2001 and 2005 amounted to USD 40.1 million. The Manufacturing sector accounted for 71.7 percent of the total dividends paid to non-residents in 2001 and 69.7 percent in 2005. The sector has the highest share of dividends with an annual average of USD 28.0 million followed by Finance and insurance sector with an average of USD 9.9 million per annum. The two sectors accounted for an annual average of 94.5 percent of the total dividends paid to non-residents.

On the other hand, since Agriculture is the least profitable, it has become one of the sectors with the lowest dividends of below 1.0 percent of the annual average. Despite that the Wholesale and retail trade sector reported consistently negative return on equity investment, it accounted for an average of 1.5 percent of the dividends.

Table 3.21: Dividends paid to non-residents by sector, 2001-2005 Values in USD million

| Sector | 2001 | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| Manufacturing | 41.2 | 20.5 | 21.8 | 26.9 | 29.4 | 28.0 | 69.7 |
| Finance and insurance | 11.6 | 13.4 | 14.7 | 5.1 | 4.9 | 9.9 | 24.8 |
| Wholesale and retail trade | 3.6 | 1.2 | 0.7 | 1.0 | 1.1 | 1.5 | 3.8 |
| Mining and quarrying | 0.1 | 1.7 | 0.0 | 0.0 | 0.0 | 0.4 | 0.9 |
| Community and social services | 0.3 | 0.2 | 0.2 | 0.2 | 0.0 | 0.2 | 0.4 |
| Transport and communication | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 |
| Agriculture | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Construction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 57.4 | 37.1 | 37.4 | 33.3 | 35.5 | 40.1 | 100.0 |

Source: PCF survey, 2006

P = Provisional

CHAPTER FOUR

LINKAGES OF FOREIGN PRIVATE INVESTMENTS TO THE DOMESTIC ECONOMY AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

4.0 Introduction

The objective of this Chapter is to provide highlights on issues related to linkages of foreign private investments to the domestic economy and corporate social responsibility.

The focus is on the impact of FPI on the economy in terms of sourcing of raw materials, destination of the final products, employment opportunities, sourcing of finance and corporate obligations to the local communities.

with foreign liabilities remained steady averaging 20.7 percent between 2002 and 2005. However, in absolute terms, the value of domestic investments increased by USD 398.9 million in 2002 to USD 1,342.4 million in 2004 but declined to USD 1,196.8 million in 2005 due to change of ownership.

Table 4.2 shows that DDI in companies with foreign liability varies across sectors. The average DDI component in total investments was 18.3 percent between 2003 and 2005. During the same

Table 4.1: Magnitude of FDI and DDI stocks, 2002-2005

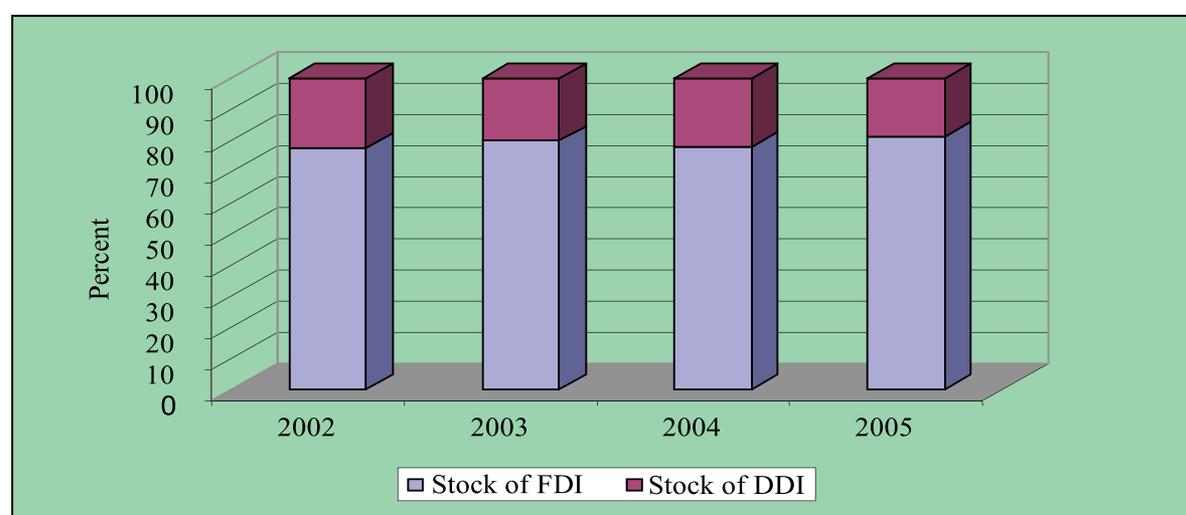
Values in USD million

| Type of stock | 2002 | | 2003 | | 2004 | | 2005p | |
|---------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Amount | Percent | Amount | Percent | Amount | Percent | Amount | Percent |
| FDI | 3,242.7 | 77.5 | 4,138.6 | 79.8 | 4,758.5 | 78.0 | 5,141.8 | 81.8 |
| DDI | 943.5 | 22.5 | 1,050.3 | 20.2 | 1,342.4 | 22.0 | 1,196.8 | 18.2 |
| Total | 4,186.2 | 100.0 | 5,188.9 | 100.0 | 6,100.9 | 100.0 | 6,338.6 | 100.0 |

Source: PCF survey, 2006

P = Provisional

Figure 4.1: Proportion of FDI and DDI, 2002 – 2005



4.1 Partnership between foreign and domestic investors

Table 4.1 and **Figure 4.1** indicate that the proportion of Domestic Direct Investments (DDI) in the companies

period, high concentration was mainly in Transport and Manufacturing sectors with an average of 48.4 percent and 28.3 percent of total investments, respectively. DDI in the Agriculture sector was 8.4 percent of total investments.

Table 4.2: Distribution of stock of DDI by sector, 2003-2005

Values in USD million

| Sector | 2003 | | | 2004 | | | 2005 ^p | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|----------------|
| | DDI | DDI + FDI | Percent of DDI | DDI | DDI + FDI | Percent of DDI | DDI | DDI + FDI | Percent of DDI |
| Agriculture | 14.6 | 157.5 | 9.3 | 17.2 | 192.0 | 9.0 | 14.2 | 206.5 | 6.9 |
| Community & social services | 5.6 | 25.5 | 22.0 | 5.9 | 26.7 | 22.1 | 6.0 | 21.2 | 28.3 |
| Construction | 6.7 | 174.8 | 3.8 | 6.9 | 9.6 | 71.9 | 6.3 | 160.4 | 3.9 |
| Finance and insurance | 77.6 | 432.2 | 18.0 | 93.0 | 494.3 | 18.8 | 97.8 | 507.5 | 19.3 |
| Manufacturing | 401.2 | 1485.2 | 27.0 | 497.3 | 1743.4 | 28.5 | 463.3 | 1577.8 | 29.4 |
| Mining and quarrying | 4.5 | 2131.5 | 0.2 | 5.1 | 2348.1 | 0.2 | 5.7 | 2578.5 | 0.2 |
| Transport and communication | 394.3 | 761.2 | 51.8 | 478.3 | 910.6 | 52.5 | 379.2 | 925.9 | 41.0 |
| Utilities | 90.9 | 420.1 | 21.6 | 172.9 | 409.9 | 42.2 | 154.2 | 411.3 | 37.5 |
| Wholesale and retail trade | 54.8 | 443.9 | 12.3 | 65.6 | 560.9 | 11.7 | 70.1 | 592.9 | 11.8 |
| Total | 1,050.2 | 6,031.9 | 17.4 | 1,342.2 | 6,695.5 | 20.0 | 1,196.8 | 6,982.0 | 17.1 |

Source: PCF survey, 2006

P = Provisional

4.2 Borrowing from domestic sources

Survey results show that domestic borrowings by companies with foreign liabilities have improved. At the same time, foreign borrowing declined especially in 2003 and 2004. **Table 4.3** and **Figure 4.2** show that level of the domestic borrowing almost doubled increasing from 26.7 percent in 2001 to 50.0 percent of total borrowing in 2005.

institutions have been registered compared to 3 and 2 respectively in 1990;

- Improved provision of financial services and products;
- Decline in domestic lending rates from an average of 18.0 percent in 2001 to 14.0 percent in 2005;
- The review of the Land law in 1999

Table 4.3: Foreign and domestic borrowing by companies with foreign liabilities, 2001-2005

Values in USD million

| Source | 2001 | Percent | 2002 | Percent | 2003 | Percent | 2004 | Percent | 2005 ^p | Percent |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|--------------|
| Foreign | 350.9 | 73.3 | 432.5 | 79.2 | 275.5 | 53.3 | 244.1 | 54.1 | 290.2 | 50.0 |
| Domestic | 127.8 | 26.7 | 113.3 | 20.8 | 241.8 | 46.7 | 206.9 | 45.9 | 289.8 | 50.0 |
| Total | 478.6 | 100.0 | 545.7 | 100.0 | 517.3 | 100.0 | 451.0 | 100.0 | 580.0 | 100.0 |

Source: PCF survey, 2006

P = Provisional

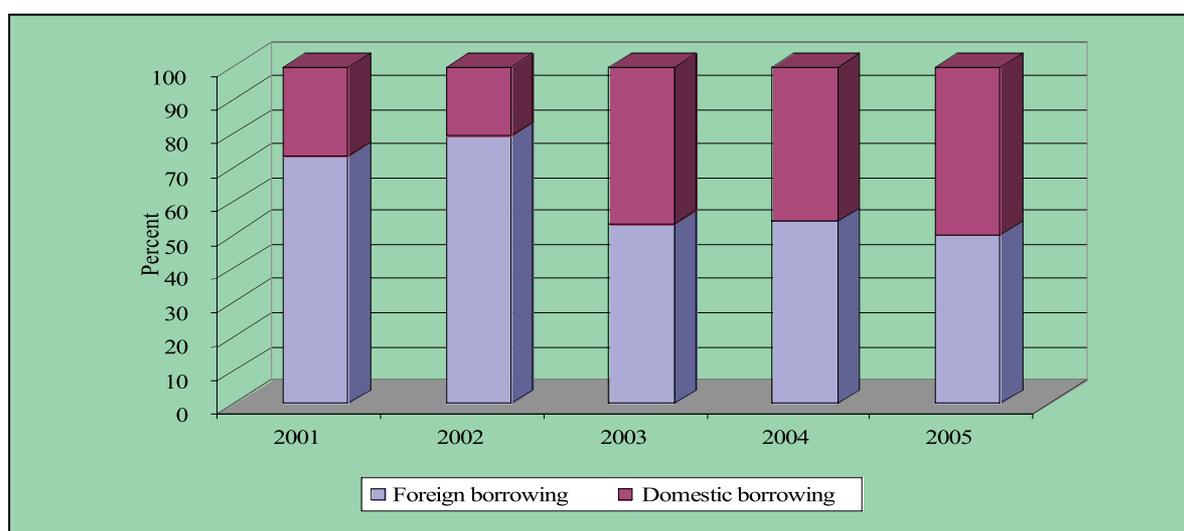
This trend is considered favourable since increase in domestic borrowing reduces the country's external debt burden, stimulates financial sector operations and development, and increases efficient utilization of domestic resources. The increase in the domestic borrowing has resulted from measures such as:

(as amended in 2004) that strengthen property rights for credit access; and

- The liberalization of the financial sector in 1990s that lead to an increase in the number of financial institutions. By December 2006, 22 banks and 3 non-bank financial

- The establishment of a commercial court for resolving and fast tracking settlement of commercial disputes.

Figure 4.2: Foreign and domestic borrowing, 2001-2005



4.3 Domestic labour market

One of the benefits of FPI is creation of both direct and indirect employment. **Table 4.4** indicates that direct employment increased by 42.2 percent to 61,179 employees in 2005 from 43,017 in 2002. During the same period, the number of Tanzanians in the management positions increased by 17.4 percent from 1,440 in 2002 to 2,013 in 2005.

Table 4.5 illustrates the variation in employment across all sectors of the economy. Increase in FPI has led to creation of jobs particularly in the Manufacturing (49.0 percent), Wholesale (15.3 percent) and Agriculture (12.7 percent). The Mining sector despite receiving more investments, it created relatively fewer job opportunities (6.3 percent) because the sector is traditionally a capital intensive. Although the Agriculture sector attracted

Table 4.4: Structure of employments in surveyed companies, 2002-2005

| Origin of employees | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|---------------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| Foreigners | 1,345 | 1,561 | 1,712 | 1,931 | 1,637 | 3.2 |
| Skilled | 1,345 | 1,561 | 1,712 | 1,931 | 1,637 | 3.2 |
| Management | 681 | 764 | 850 | 930 | 806 | 49.2 |
| Tanzanians | 41,672 | 47,229 | 51,006 | 59,248 | 49,789 | 96.8 |
| Skilled | 22,827 | 26,328 | 27,335 | 33,058 | 27,387 | 53.3 |
| Management | 1,440 | 1,552 | 1,756 | 2,013 | 1,690 | 6.2 |
| Unskilled | 18,845 | 20,901 | 23,671 | 26,190 | 22,402 | 43.6 |
| Total | 43,017 | 48,790 | 52,718 | 61,179 | 51,426 | 100 |

Source: PCF survey, 2006 P = Provisional

*Note: Management is a subset of the skilled category

Table 4.5: Employment by sector for the surveyed companies, 2002-2005

| Sector | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| Manufacturing | 22,239 | 25,029 | 24,693 | 28,915 | 25,219 | 49.0 |
| Wholesale and retail trade | 6,696 | 7,048 | 8,465 | 9,268 | 7,869 | 15.3 |
| Agriculture | 4,767 | 5,923 | 7,346 | 8,044 | 6,520 | 12.7 |
| Finance and insurance | 2,986 | 3,230 | 3,703 | 3,898 | 3,454 | 6.7 |
| Mining and quarrying | 2,551 | 2,889 | 3,004 | 4,517 | 3,240 | 6.3 |
| Transport and communication | 1,427 | 1,941 | 2,336 | 2,709 | 2,103 | 4.1 |
| Construction | 1,508 | 1,796 | 2,037 | 2,648 | 1,997 | 3.9 |
| Community and social services | 822 | 848 | 1,036 | 1,090 | 949 | 1.8 |
| Utilities | 21 | 86 | 98 | 90 | 74 | 0.1 |
| Total | 43,017 | 48,790 | 52,718 | 61,179 | 51,426 | 100.0 |

Source: PCF survey, 2006

P = Provisional



Workers of Artumas Group Limited during construction of gas pipeline from Mnazi Bay to power generation plant in Mtwara region

the least amount of FPI, on the average, it is third in terms of employment creation accounting for 12.7 percent.

Apart from employment creation, inflow of FPI encourages transfer of new technologies and modern approaches of doing businesses. In essence, foreign

4.4 Market for products and sourcing of raw materials

The presence of FPI in the country has created market linkages and enhanced value chain within the domestic economy from input to the end product as well as the market development. The use of more raw materials and other inputs from the

Table 4.6: Sourcing of raw materials for the surveyed companies in 2005

| Source | Number of companies responded | | | Total response |
|--------------------|-------------------------------|----------------------|---------------------|----------------|
| | 100 percent domestic | Domestic and foreign | 100 percent foreign | |
| Mainland | 50 | 57 | 14 | 121 |
| Zanzibar | 21 | 15 | 3 | 39 |
| Total for Tanzania | 71 | 72 | 17 | 160 |
| Total | 44.4 | 45 | 10.6 | 100 |

Source: PCF survey, 2006

Table 4.7a: Product type and number of companies in 2005

| Product type | No. of companies | Percent |
|--------------|------------------|--------------|
| Final | 158 | 86.8 |
| Intermediate | 24 | 13.2 |
| Total | 182 | 100.0 |

Source: PCF survey, 2006

investors have been contributing towards human capacity development through in-house and formal training. Out of 292 surveyed companies, 64 percent indicated to have staff development plans especially for local employees. Between 2001 and 2005, the number of staff that attended training increased from 187 to 278.

Table 4.7b: Product destination in 2005

| Product type | Domestic (percent) | Foreign (percent) | Total (percent) |
|--------------|--------------------|-------------------|-----------------|
| Final | 67 | 33 | 100 |
| Intermediate | 72 | 28 | 100 |

domestic sources stimulates production and generates income to producers and suppliers. Findings show that 44.4 percent of the surveyed companies sourced all raw materials domestically while 45.0 percent sourced from both domestic and foreign (**Table 4.6**). The companies that source raw materials from abroad which

Table 4.8: Companies contributions as part of CSR, 2002-2005 Values in USD million

| Area of support | 2002 | 2003 | 2004 | 2005p | Average | Percent of average |
|---------------------|------------|------------|-------------|-------------|-------------|--------------------|
| Safety and security | 1.5 | 1.6 | 2.3 | 3.5 | 2.2 | 18.6 |
| Health and welfare | 0.9 | 1.7 | 2.0 | 2.8 | 1.9 | 15.4 |
| Education | 0.5 | 1.2 | 1.7 | 3.4 | 1.7 | 13.9 |
| Environment | 0.4 | 0.4 | 0.4 | 3.9 | 1.3 | 10.4 |
| Road | 0.6 | 0.7 | 0.8 | 2.2 | 1.1 | 8.8 |
| Sports development | 0.3 | 0.4 | 0.6 | 1.7 | 0.8 | 6.4 |
| Water | 0.1 | 0.3 | 0.6 | 1.4 | 0.6 | 4.9 |
| Arts and culture | 0.0 | 0.1 | 0.2 | 0.2 | 0.1 | 0.8 |
| Other | 0.5 | 1.1 | 3.2 | 5.2 | 2.5 | 20.8 |
| Total | 4.7 | 7.5 | 11.7 | 24.3 | 12.1 | 100.0 |

Source: PCF survey, 2006

P = Provisional

accounts for 10.6 percent of the total cited unavailability, poor quality and high prices of domestic inputs as main reasons for not sourcing internally.

Table 4.7 a and b show that 86.8 percent of the surveyed companies produce final products and the rest produce intermediate goods. About 67.0 percent and 72.0 percent of the final products and intermediate goods, respectively, were sold in the domestic market. This implies that most of the foreign private companies depend on the domestic market.

4.5 Corporate Social Responsibility (CSR)

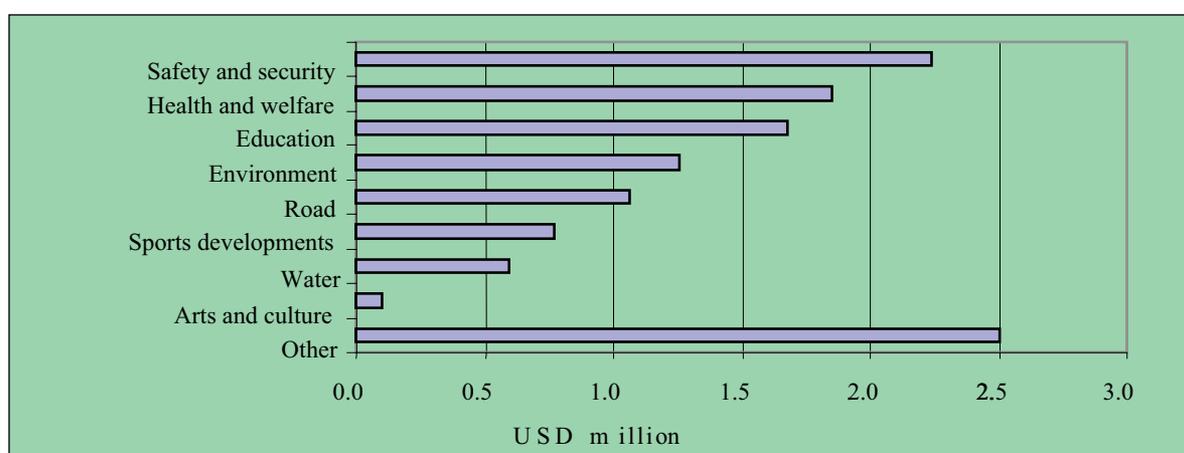
Other benefits associated with existence of FPI in the country include support extended to the local communities around the areas surrounding the investments. Most of the support has been directed into

safety and security, health and welfare, education and environmental related activities (see **Appendix 4**).

Table 4.8 and **Figure 4.4** show that surveyed companies spent an average of USD 12.1 million as contributions to the local communities between 2002 and 2005. In 2005, for instance, these contributions increased by 417.0 percent to USD 24.3 million from USD 4.7 million in 2002.

Most of the investors' support to the local communities concentrated in social services and infrastructure development. Arguably, support in the construction of rural roads and provision of better education, health and water services would have long-term effects on improving the socio-economic well-being of the rural communities.

Figure 4.4: Average companies' contributions as part of CSR, 2002-2005



CHAPTER FIVE

SUSTAINABILITY AND FUTURE PROSPECT FOR INFLOWS OF FOREIGN PRIVATE INVESTMENT TO TANZANIA

5.0 Introduction

This chapter discusses the sustainability of FPI inflows and the expected direction in Tanzania by examining both financial and economic leverages. Analysis in this chapter focuses on FDI flows given that it has the largest share of FPI.

5.1 Financial leverage

5.1.1 Debt-equity ratio

Figure 5.1 shows that the debt-to-equity ratio is above 1.0 throughout the

period under review indicating that most investments are financed through debt. However, the ratio declined from over 10.3 in 2002 to below 2 through 2005. The rise in the ratio in 2002 was mainly caused by large investments in the Mining sector.

Figure 5.2 shows that average debt-equity ratio being skewed towards the Mining, Wholesale and retail trade and Manufacturing sectors, reflecting high level of debt relative to equity in those sectors. Nonetheless, investments in these sectors are mainly financed by long-term

Figure 5.1: Debt-equity ratio for FDI, 2001 - 2005

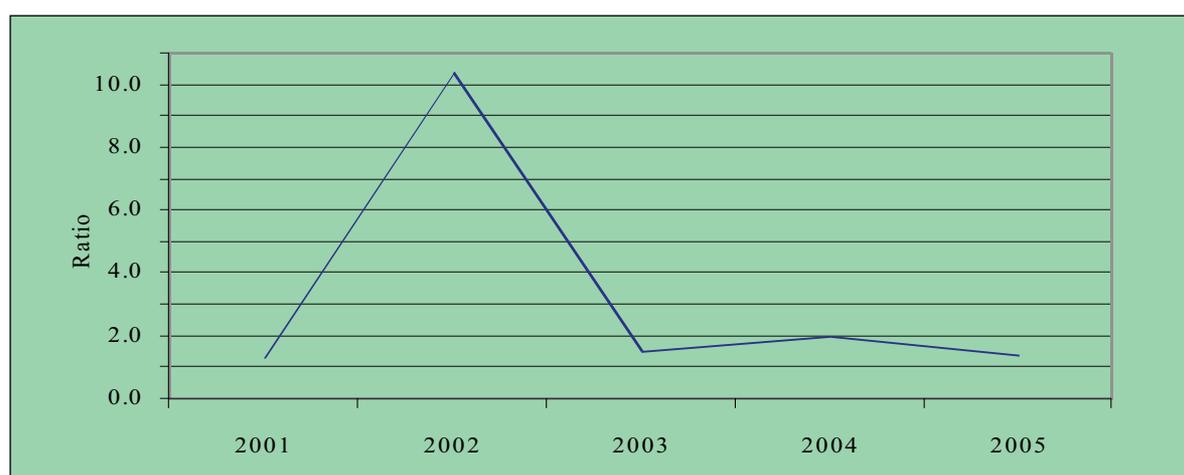
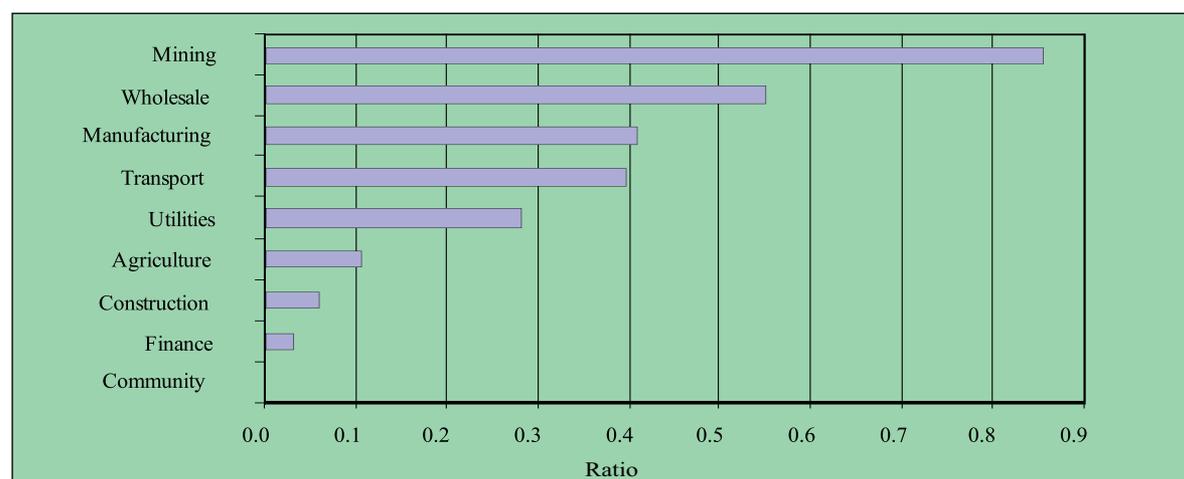


Figure 5.2: Average debt-equity ratio for FDI by sectors, 2001-2005



loans. Long-term loans are relatively stable because of the longer repayment period and considerable interest rate payable.

The Mining, Wholesale and retail trade, and the Manufacturing sectors also have relatively higher contribution in the domestic economy in terms of export earnings. For example, the increased mining activities have also improved the share of mineral exports to the total exports from 37.7 percent in 2001 to 44.5 percent in 2005. This implies that mining companies despite having higher debt-equity ratio, can use export proceeds to

honour their external obligations.

5.1.2 Long-term debt-equity ratio

Figure 5.3 reveals that the pattern of the long-term debt-to-equity ratio is similar to that of the debt-to-equity ratio except in 2003 and 2005 whereby the former is below 1.0 indicating that FDI inflows were mainly in the form of equity.

In comparison, the short-term debt-equity is less sustainable since they tend to be volatile and hence more likely to cause instabilities in the financial sector during economic crisis.

Figure 5.3: Comparison between debt-equity and long-term debt-equity ratios for FDI, 2001-2005

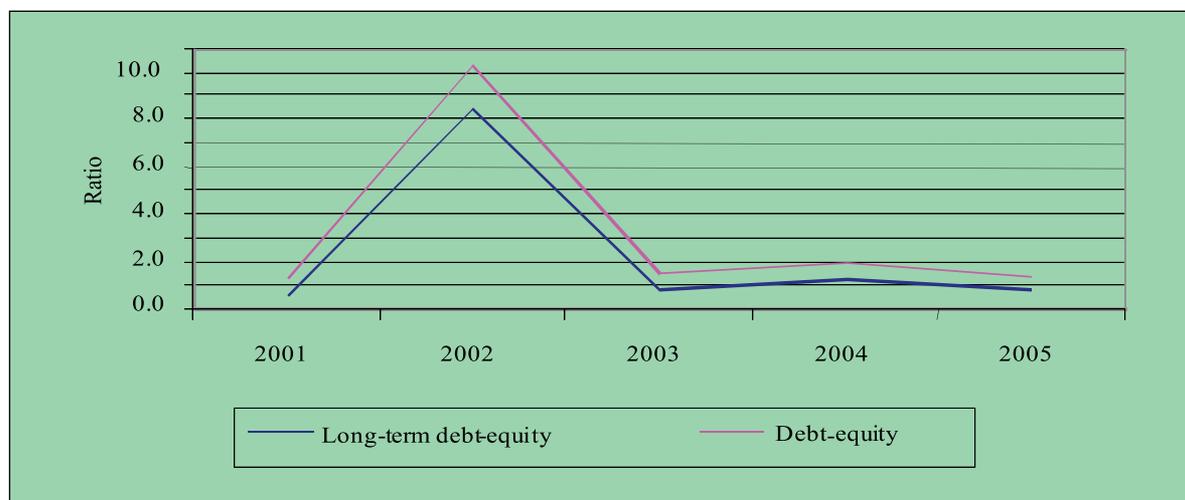
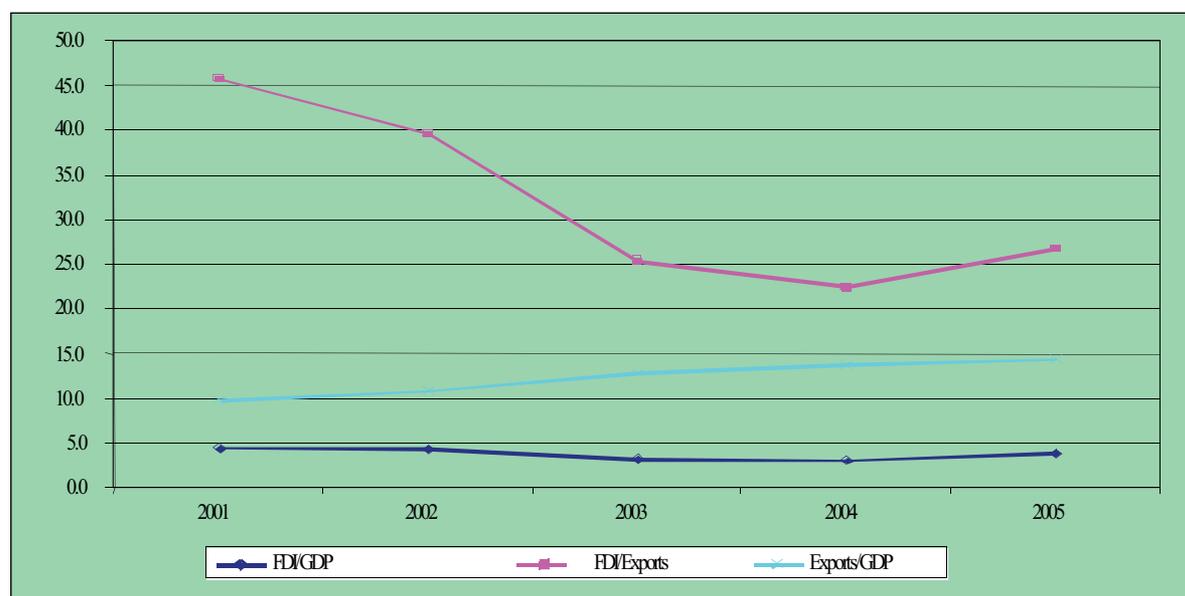


Figure 5.4: FDI, GDP and export ratios, 2001 – 2005



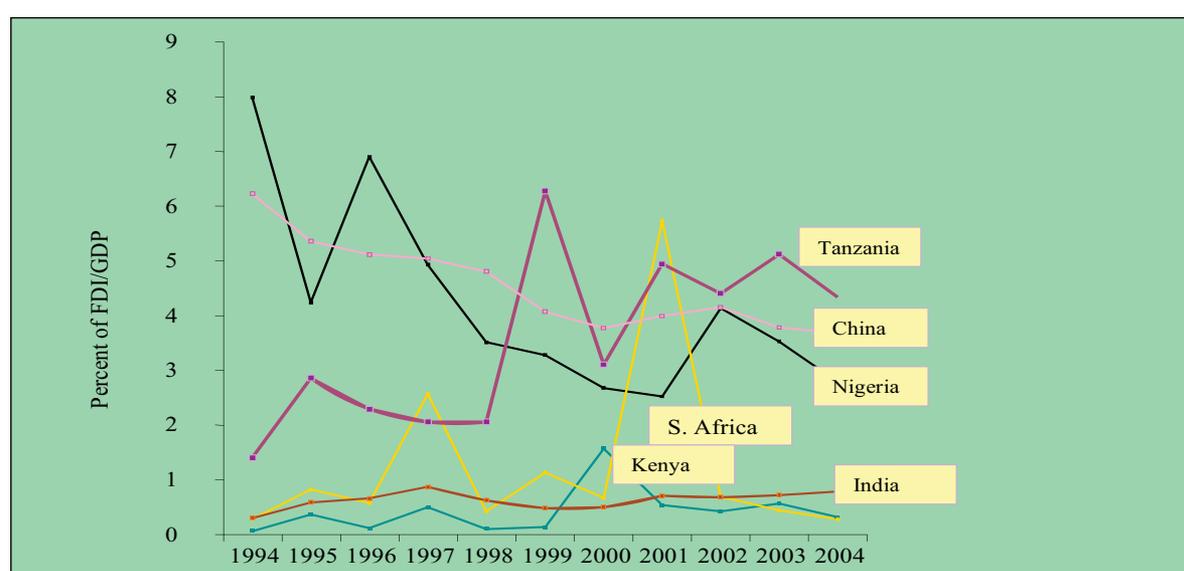
5.2 Economic Leverage

One of the objectives of attracting FDI, according to the Tanzania National Trade and Investment Promotion Policies, is to achieve high growth of the economy with exports being a major drive. **Figure 5.4** indicates that on average, the share of FDI inflows to GDP remained stable at 4.5 percent between 2001 and 2005; both grew at almost the same rate of around 8 percent for FDI and 7 percent GDP.

overtime and across sectors. In addition, FDI inflows have shown a positive contribution to growth of exports in the economy. Thus, increasing the country's capacity to generate foreign exchange and contribute to GDP growth.

Furthermore, the Global Business Council (2004) has shown that Tanzania is one of the top ten FDI destinations in the Sub-Saharan Africa. The Council indicates that Nigeria and Angola were the largest recipients with over USD 2,000 million.

Figure 5.5: FDI inflows as a percentage of GDP for selected countries, 1994-2004



Source: Global Business Council, A. T. Kearney (Pty) Ltd

The ratio of FDI to exports continued to decline implying that growth of exports was faster (at 19 percent) relative to FDI (at 8 percent).

Figure 5.5 compares the ratio of FDI to GDP flows between Tanzania and other countries. Tanzania has experienced a consistent rising ratio relative to China and Nigeria, while India, Kenya and South Africa have experienced lower ratios comparatively.

5.3 Future prospects and direction of investment

The analysis of the financial and economic leverages suggests that FDI inflows in Tanzania are sustainable overtime. Debt financing of FDI has been decreasing

However, the prospects for further inflows into Tanzania are positive because of the following reasons:

- The continuing promotional efforts through TIC including regional promotional initiatives, Tanzania embassies abroad, etc;
- Availability of abundant unexploited natural resources e.g. minerals, national parks for tourism, and vast arable land; and
- The ongoing efforts to improve country's business environment including the implementation of deliberations out of the International and Local Investors' Round Table and Business Environment Strengthening for Tanzania (BEST) programme.

CHAPTER SIX

MAIN FINDINGS AND POLICY IMPLICATIONS

6.0 Introduction

This Chapter underscores the main findings of survey results and the related policy implications including identifying areas that need intervention and recommends possible remedial actions.

6.1 FPI continues to increase with FDI dominating relative to FPEI and OI

The FPI stock in Tanzania has steadily increased over the reference period, growing at an average rate of 13.6 percent. In 2005, the FDI stock constituted 88.9 percent of FPI. The FPEI stock was the lowest (at 1.0 percent) largely because of the infancy and size of the country's capital market. The increasing stock of FPI reflects the Government's efforts to promote investment opportunities abroad, improved investment climate, and commitment towards a private sector led economic growth.

It is recommended that locally-owned companies be encouraged to list in the stock exchange in order to attract more foreign investments.

6.2 FDI stock largely financed by equity relative to loans

The main form of FDI financing in Tanzania is foreign direct equity, representing 55.1 percent of the total stock of FDI in 2001 and increased to 71.9 percent in 2005; an average growth rate of 17.5 percent per annum. Higher equity relative to debt is an indication that investors' confidence on country's investment environment is increasing, as investors are willing to use own resources to finance investments.

The Government needs to continue with its effort to improve further the country's investment climate.

6.3 FDI skewed towards natural resource-based activities

The distribution of FDI in Tanzania varies across sectors. Mining, Wholesale and retail trade, and Manufacturing sectors are leading in terms of stock and flows. Most inflows went into the natural resource-based activities especially mining. In 2005, the Mining sector accounted for 42.3 percent of the total stock of FDI. The Agriculture sector in spite of being the main stay of the economy (contributing about 46 percent to the GDP and supports about 80 percent of the population), attracted only 2.9 percent of the total FDI stock in 2005.

In order to attract more foreign investments in the Agriculture sector, the Government is advised to improve the infrastructure (roads, railways, ports), utilities (water, power, etc) and specific sector incentive package like those offered in other attractive sectors like Mining. Furthermore, the government is advised to re-examine and improve the Land bank strategy by undertaking mapping, land categorization and issuing title deeds of identified land parcels to TIC to be readily available for investors. The Government should also speed up the establishment of the Economic Processing Zones (EPZ) and Special Economic Zones (SEZ).

6.4 FDI concentrated in well-developed infrastructure and mineral rich regions

The distribution of FDI across regions follows a similar pattern to that of previous surveys. Dar es Salaam continued to

receive the lion's share because it is the commercial centre of the country. Other areas that attracted substantial amount of FDI are the mineral-rich regions of Mwanza, Shinyanga and Arusha. In Zanzibar, North Unguja received the largest amount of FDI and ranked seventh in the nation. Since 2004, North Unguja replaced Urban West in attracting more FDI in Zanzibar following increased investments in the hotel business.

The Government is urged to enhance the efforts that are already in place to improve road conditions, power supply using gas, water supply and telecommunication services especially in the regions that attract the least FDI. Regional authorities are encouraged to take pro-active role in promoting potential investment opportunities in their respective regions.

6.5 FDI originates mainly from ten countries

Survey results show that about 81.0 percent of FDI were sourced from only 10 countries. Since 2002, South Africa has been the leading country, replacing the traditional-source countries like the UK and Canada. On average, from 2001 to 2005, South Africa had about 35 percent of the total FDI stock, Canada had 12.5 percent and the UK had 10.2 percent.

One of the key developments derived from the study is the increase of investments from the SADC and EAC countries relative to the OECD countries. Most investments from the SADC (South Africa and Mauritius) and EAC (Kenya) went into Finance and insurance, Manufacturing, Transport and Agriculture sectors.

It is important to note that high concentration of investments from few sources exposes the country to risks in the event these countries experience financial or economic crisis. It is recommended that promotional efforts be more diversified in order to attract foreign investment from northern Europe, Asia and America as well.

6.6 Finance, Manufacturing and Transport recorded higher return on investment

The average return on investment across sectors is 3.7 percent. The highest average return on investment was recorded for investments in the Finance and insurance services (16.0 percent) followed by Manufacturing (8.2 percent), and Transport and communication (4.9 percent) sectors. The high rates indicate that these sectors are more profitable when compared to others. Notwithstanding, the mining and tourist related activities which attracted more investments, registered low and negative return on investment, respectively.

6.7 There is a strong and growing link between FDI inflows and domestic credit, labour and product markets

FPI in the country has enhanced growing linkages with the domestic economy, particularly in the financial sector, labour market, and the product markets for both domestic and foreign.

The joint venture between the domestic and foreign investors is notable mostly in the Manufacturing and Transport sectors. However, the participation of domestic investors is still low, averaging 20.0 percent of total investments during the period under review.

A notable development is also observed in the Finance and insurance sector where domestic borrowing has increased during the past three years to almost 50.0 percent of total borrowing in 2005. Such an increase indicates that the sector reforms have been successful in restoring investors' confidence in the domestic financial system.

The surveyed companies export 33.0 percent of their products to foreign markets, therefore, increasing the country's capacity in foreign exchange

earnings. In addition, 44.4 percent of the surveyed companies source their raw materials within the domestic economy, 45.5 percent source both from domestic and foreign markets. These companies sell 67.0 percent of their products to the domestic market; hence, creating positive backward and forward linkages to the economy.

The Government is, thus, advised to promote production of goods and services for export, particularly, by providing special incentives to export-oriented investments through schemes like EPZ and SEZ. In addition, the private sector is advised to employ modern technology in ensuring quality of their products for export.

6.8 *CSR contributions concentrates on security, education and health*

Most of the CSR contributions went into safety and security, health and welfare, education and environment with average contribution of about USD 12.1 million to the local communities. In 2005, the contributions increased by 417.0 percent

to USD 24.3 million from USD 4.7 million in 2002. Donation contributions in 2005 are equivalent to 12.8 percent of total profits generated.

The Government is advised to recognize CSR contributions by issuing awards to the major contributors.

6.9 *FDI inflows are sustainable*

The analysis of financial and economic leverages has shown that FDI inflows are sustainable. This is due to the fact that financing of FDI in the form of debt has been decreasing overtime and across the sectors. In addition, inflows have shown a positive contribution to growth of exports in the economy that has increased the country's capacity to generate foreign exchange and also contributed to the GDP growth. Furthermore, the continuing investment promotional efforts, availability of abundant unexploited natural resources and the ongoing efforts to improve the country's business environment provide for positive expectation about future flow of FDI in the country.

CHAPTER SEVEN

ASSESSMENT OF THE SURVEY AND THE WAY FORWARD

7.0 Introduction

This Chapter provides an overview of the implementation of the third cycle survey and examines the extent to which the set objectives are achieved. In addition, it points out some implementation gaps, problems (methodological and analytical) experienced, lessons learnt and the way forward.

7.1 Assessment of the results in relation to set objectives

Objective one: *To update the FDI data covering the period 1999-2004 reported in TIR04 and review PCF System to concept-based from questionnaire-based.*

Achievements under objective one:

- The survey data on FDI from 2002 to 2005 were obtained to revise the estimates made in TIR04 and update the survey data captured for period 1999-2001;
- The PCF System was reviewed from questionnaire-based to concept-based; and
- Information obtained from all the three cycles was migrated, processed and analyzed using the reviewed system.

Objective two: *To collect and analyze data on all types of foreign private capital flows for monitoring balance of payments, enhancing investment promotion strategies and macroeconomic policy review and formulation*

Achievements under objective two:

- Information captured from the current survey as well as revised data from the previous two survey cycles was used to generate time series data from 1999 to 2005;
- In terms of General Data Dissemination System (GDDS),

Tanzania has managed to achieve international best practice in PCF data dissemination. The PCF data necessary for compilation of BOP and IIP is now available in time series with 24-month lag; and

- Data up-rating that involved population of 664 companies from all the three cycles was done using a team of researchers from the Tanzania National Task Force (TZ-NTF) to generate time series data.

Objective three: *To enhance public-private sector dialogue by providing feedback on Government efforts to the private sector and capturing their views on country's investment climate*

Achievements under objective three:

- The survey information was obtained in a period of less than six months. This is clear evidence that the public-private sector partnership continue to improve compared to the first two survey cycles conducted in 2000 and 2003;
- The overall response rate was 90.3 percent, of which, in the Mainland was 90.6 percent (an improvement from 87.0 percent in 2003 survey) and in Zanzibar was 89.9 percent (compared with 97.0 percent in 2003 survey). This good performance is attributable to the maximum cooperation from the private sector (respondents); and
- Collection of large number of financial statements alongside the filled questionnaire without much difficulty. Survey results indicate that 112 (or 53 percent) out of 212 respondents submitted financial statement and a significant number of well filled questionnaire.

Objective four: *To come up with appropriate recommendations to improve strategies in the implementation of investment policies with the aim to provide conducive country's investment climate*

Achievements under objective four:

The report has provided various recommendations on respective areas that need to be addressed as derived from the main findings from this survey. The recommendations revolve around; policy reviews and formulation, and strategic measures to be adopted with regard to attracting FDI, FPEI, OI, PSED, and linkage with domestic economy as well as investors' perceptions.

Objective five: *To strengthen institutional framework among the collaborating institutions of PCF project*

Achievements under objective five:

- The PCF project implementing institutions, namely BOT, TIC and NBS have continued to collaborate by sharing expertise, financial obligations and manpower resources in the course of conducting surveys, data processing and report writing.
- The Technical, Steering and Executive Committee meetings constituting members from the collaborating institutions were successfully convened to deliberate on key decisions and monitor progress of the preparations of this report.

7.2 Identified problems

Despite the achievements in section 7.1, there were several problems identified including:

- most of the companies could not provide or estimate market value of their equity because they are not listed in the DSE and do not undertake regular investment valuations;
- some respondents were not cooperative in providing information;
- some companies were difficult to locate because of mergers and acquisition, closure or liquidation, change of name, location, or line of business; and

- most of the companies with headquarters located abroad took much time to respond to the questionnaire, and at times did not respond at all.

7.3 Lessons from the survey implementation

The following are lessons learnt during implementation of the survey:

- Institutional co-ordination has continued to improve in terms of sharing resources, technical expertise and capacity building;
- The response rate in the Mainland improved to 90.6 percent from 87.0 percent obtained during the second round surveys although that of Zanzibar fell to 89.9 percent from 97.0 percent in the previous survey. The improvement is due to;
 - o high level of sensitization and awareness to the respondents
 - o use of collective legal mandates for the collaborating institutions, and
 - o good timing of the survey
- Continued cooperation with Development Finance International (DFI) and Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in providing technical support has helped to improve quality of the report; and
- The concept-based PCFS Oracle software has enabled easy capture, process and analyze the current survey information.

7.4 The Way Forward

The survey generated useful information for addressing gaps in the data particularly in the Balance of Payment as well as providing feedback on policy implications. The obtained data will be used for compilation of Tanzania's BOP and IIP, investment promotion and macroeconomic policy formulation. It is recommended that similar exercises be undertaken on a regular basis as part of PCF monitoring mechanism.

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APPENDIX 1

GLOSSARY OF KEY CONCEPTS

The following terminologies are important for a better understanding of the report:

Balance of Payments (BOP) is an accounting statement designed to provide, for a specific period, a systematic record of an economy's transactions with the rest of the world. BOP refers to transactions between residents and non-residents for a period of one year. The BOP is a statistical statement that brings together inflows and outflows of transactions classified under appropriate components, in two accounts – the current account and capital & financial accounts. BOP data, therefore, are concerned with transactions between residents and non-residents and NOT with the currency of transaction. Typically, a transaction in foreign currency between two residents of any country would not be considered a BOP transaction.

Book values Value of an asset as recorded in the books of account of an organization, usually the historical cost of the asset reduced by the amounts written off for depreciation. If the asset has ever been revalued, the book value will be the amount of the revaluation less amounts subsequently written off for depreciation. Except at the time of purchase of the asset, the book value will rarely be the same as the market value of the asset.

Country of origin (of investment) is associated with the residence of the shareholders where main decisions on the operations of a company are made.

Debt equity ratio is total debt divided by equity and it measures the extent to which investments are financed by either loan and/or equity.

Direct investment (foreign direct investment) is defined as international

investment by a resident entity in one economy (“direct investor”) in an enterprise resident in another economy (“direct investment enterprise”), made with the objective of obtaining a lasting interest in the direct investment enterprise. The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence by the direct investor on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated.

Direct investor is an individual, an incorporated or unincorporated private or public enterprise, a government, or a group of related enterprises (incorporated or unincorporated) or individuals, that have a direct investment enterprise (that is, a subsidiary, associate or branch) operating in an economy other than the economy of residence of the direct investor.

Direct investment enterprise is an incorporated enterprise in which a direct investor owns 10 per cent or more of the ordinary shares or voting power, or an unincorporated enterprise in which a direct investor has equivalent ownership. Direct investment enterprises comprise:

- Subsidiaries (enterprises in which a non-resident investor owns more than 50 per cent).
- Associates (enterprises in which a non-resident investor owns between 10 and 50 per cent).
- Branches (unincorporated enterprises wholly or jointly owned by a non-resident investor) that are either directly or indirectly owned by the direct investor.

Dividends are income on equity.

Equity means shares in companies, and equivalent ownership interest in unincorporated enterprises. Foreign Direct Equity Investment denotes ownership of 10 percent or more of the ordinary shares, voting power, or equivalent in an enterprise, by someone resident in another economy.

Estimated market value is used for valuing transactions. This is the amount of money that a willing buyer pays to acquire something from a willing seller, when such an exchange is one between independent parties and on the basis of commercial considerations only. This is the best measure of economic value. The actual price at which transactions are recorded in the books of the transactors will be the market price – or a close approximation thereof. However, these transactions may be between related companies – which could impact on the “commercial consideration” of market values. Related companies in different countries may charge transfer prices to each other (different to what they would have charged independent parties) so as to shift profits between enterprises and countries, and minimize taxes. Market values are usually difficult to estimate. The Preferred techniques of calculating market values (particular to equity) include stock exchange valuations of listed companies, auditor’s estimates of market values, a recent purchase or sale between directors of the company, Director’s estimate, Financial Manager’s estimate, and accountant’s estimate.

FDI flow is a movement of private investments between two countries in a specified period.

- *FDI inflow* is an increase in international indebtedness (liabilities) to a country’s private sector during a specified period of time, usually one year.

- *FDI outflow* is an increase in country’s investment (assets) abroad usually one year. This also implies investments abroad by a domestic enterprise.

Financial instruments are instruments/special documents that are used to facilitate financial transactions e.g. treasury bills, bonds, debentures, stocks etc.

Foreign direct equity investment (FDEI) denotes ownership of 10 percent or more of the ordinary shares, voting power, or equivalent in an enterprise, by someone resident in another economy.

Foreign direct investment (FDI) is defined as a case where a resident entity in one economy (creditor) acquires lasting interest in an enterprise in another economy (recipient) with significant degree of influence. Usually FDI is in the form of ownership of means of production like factories or equity share including equity purchase, reinvested earnings and inter-company loans and debt transactions. FDI in the census form is obtained by summing up: new equity investment Q5 plus reinvested earnings in Q6 plus the sum of {shareholder and intra-company loan (long term) + shareholder and intra-company borrowing (short-term) + suppliers’ credit from related company (short term)} in Q8.

Foreign portfolio equity investment (FPEI) is defined as a case where a shareholder owns less than 10 percent of equities in an enterprise. They also include purely financial assets, such as investments in bonds, money market instruments and financial derivatives other than the items included in the definition of foreign direct investment.

International standard industrial classification (ISIC) is a standardized way of disaggregating economic activities for international data comparison purposes.

For the current census, this has been modified with further disaggregation to better cover activities in Tanzania but keeping consistent with international norms.

Net asset value is the difference between assets and liabilities.

Non-equity means all other financial instruments including loans, trade credit and supplier credit (for goods and services), bonds, debentures, notes, money market instruments, shareholder and inter-company loans, arrears of debt or interest, and deposits.

Private Sector External Debts (PSED) are loans contracted by the domestic private sector and it covers long and short-term loans from related and unrelated companies; and suppliers' credit from related and unrelated companies.

Other Investments are borrowings mainly long and short term loans from unrelated companies.

Reinvested (or retained) earnings are the direct investors' shares of the earnings (after tax on earnings) that are not distributed as dividends.

Related companies are subsidiaries (where a non-resident owns more than 50 percent of the shares), associates (where a non-resident owns 50 percent or less) or branches (where unincorporated enterprises is wholly owned by non-residents).

Resident is any individual, enterprise, or other organisation ordinarily residing in Tanzania. In other words, its centre of economic activity is in Tanzania. All other entities are regarded as non-residents. For statistical purposes, an individual who lives in Tanzania for more than a year is considered a resident, regardless of the individual's citizenship or nationality.

An enterprise incorporated in Tanzania is considered a resident of Tanzania irrespective of the domicile of the owners of the enterprise. A branch of a foreign company operating in Tanzania for more than a year is treated as a resident company.

Return on investment is calculated by dividing net profit/loss by the total foreign equity. The rate is used to show money gained or lost relative to the amount of equity invested.

Shareholder and inter-company borrowing: This is the borrowing or lending of funds (among related companies) between the direct investor (non-resident) and the direct investment enterprise (resident). These transactions can create or dissolve investment as well as maintain, expand or contract it.

Stock refers to assets and liabilities position at a point in time (e.g. end of year position).

Suppliers' credit are claims from the direct extension of credit by suppliers of goods and services to buyers and are liabilities of buyers of goods and services. In addition, this concept include advance payments for work in progress, or to be undertaken, associated with such transactions. Most of them are of short-term nature.

Unrelated companies are companies that do not have financial relationship with borrowing company (non-FDI companies).

APPENDIX 2

UP-RATING GUIDE AND PROCEDURES

GUIDE USED IN EDITING, CHECKING, UPRATING AND DATA TIME SERIES EXERCISE

1. Book Value

Book value figures for the year 2002 through 2005 were calculated using authorised and issued share capital at historical cost, plus share premium reserves, accumulated retained earnings and revaluation reserves as reported in the financial statements.

2. Retained earnings

Retained earnings were calculated assuming that RE will grow in line with sectoral GDP growth ratios. The following formulas were applied:

a) Working RE forward (e.g. from C1 or C2 to C3)

$$RE_t = RE_{t-1} \left(1 + \frac{r_t}{100}\right)$$

b) Reworking RE backwards (e.g. from C3 or C2 to C3)
This was done in four scenarios as follows:

- ❑ Positive RE with a positive sectoral growth rate (r)

$$RE_{t-1} = \frac{RE_t}{\left(1 + \left(\frac{r_t}{100}\right)\right)}$$

such that the t-1 level will be smaller,

- ❑ Positive RE with a negative sectoral growth rate (r)

$$RE_{t-1} = \frac{RE_t}{\left(1 - \left(\frac{r_t}{100}\right)\right)}$$

such that the t-1 level will be higher,

- ❑ Negative RE with a positive sectoral growth rate (r)

$$RE_{t-1} = RE_t * \left(1 + \left(\frac{r_t}{100}\right)\right)$$

such that the t-1 level will be higher,

- ❑ Negative RE with a negative sectoral growth rate (r)

$$RE_{t-1} = RE_t * \left(1 - \left(\frac{r_t}{100}\right)\right)$$

, such that the t-1 level will be smaller.

3. Private Sector External Debt (PSED)

If stocks, disbursements and principal repayments were all reported, consistency were checked by looking at the following equation, FOR EXAMPLE:

$$\text{Stock}_{t-1} + \text{disbursement}_t - \text{principal repayments}_t = \text{Stock}_t$$

Arrears were considered in the formula, stock (principal outstanding in year t-1, principal arrears t-1 and interest arrears t-1 and outstanding penalties t-1). For transactions included were arrears paid (principal and interest paid in year t) and arrears created (principal and interest in t). Any discrepancies were considered to be due to valuation changes.

Inter-company borrowing (LT and ST) and all involving affiliates, if only stocks are indicated for year t and t-1, first reflect disbursements in t-1, assume that there are no valuation changes, and take the difference in stocks as repayments (if stock t > stock t-1) and as new disbursements (if stock t < stock t-1) etc.

What was reported in the table was accepted for Interest.

In the uprating exercise, the loan section was uprated using the following scenarios:

- ❑ Reworking loans backwards

Financial statements were used to determine if the loan were reported in previous years. In situations where there was no financial statement, the reported stock was regarded as disbursement in that particular year.

- ❑ Working loans forward

Companies that had no repayments and or disbursement in the reference period, the reported stock were carried forward. In cases where there were repayments or disbursements in the reference period, the reported figures were carried forward assuming that in each year the company made the same commitments with respect to borrowing.

4. Market Value

- ❑ Company MV/BV ratio (2001) were applied to the relevant BV to get the MV for the years 2002 through 2005 and then the resulting figure was apportioned according to the percentage shareholding both for direct equity and portfolio. Companies without corresponding information in 2001, sectoral averages was used to compute MV.
- ❑ Where the BV was negative, the MV for that particular year was equated to Zero (0)

- Where the BV was negative, the MV for that particular year was equated to Zero (0)
- Where the MV/BV ratio was considered an outlier or where the MV/BV ratio of a particular company for 2001 was zero (0), sector average MV/BV ratio was applied from 2001 through 2005 according to the following table:

| Sector | No Companies with outliers | Maximum MV/BV ratio | Accepted | Applied average ratio | Sector MV/BV |
|-------------------------------|----------------------------|------------------------|----------|-----------------------------|-----------------|
| Agriculture | 3 | 10 | | | 1.49 |
| Community social and personal | 1 | 5 | | | 1.32 |
| Construction | 1 | 5 | | | 1.18 |
| Finance and Insurance | 1 | 5 | | | 1.47 |
| Manufacturing | 3 | 10 | | | 1.93 |
| Mining and quarrying | 0 | 6 | | | 1.48 |
| Transport storage and com | 0 | 5 | | | 1.45 |
| Utility | 0 | 6 | | | 3.35 |
| Wholesale and retail | 5 | 5 | | | 1.65 |
| Other sectors | 0 | 1.7 | | | 1.7 |
| TOTAL | 14 | | | | |

- To get the MVs for 2000 and 2001 for the companies that are in C1 only with C2 estimates, the following was done:

$$-MV_{2000} = BV_{2000} \times MV/BV_{2001} + (\text{Total Short \& Long term loans})_{2000}$$

$$-MV_{2001} = BV_{2001} \times MV/BV_{2001} + (\text{Total Short \& Long term loans})_{2001}$$

APPENDIX 3

STATISTICAL TABLES

Table 1: Tanzania's stock and flow of foreign private investments, 1999 – 2005

Values in USD million

| Type of FPI | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | | Average Flows |
|---|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|---------------|
| | Flows | Stock | |
| 1 Foreign Direct Investments | 496.6 | 1,993.8 | 261.6 | 2,855.3 | 388.8 | 2,972.6 | 387.6 | 3,242.4 | 308.2 | 4,138.4 | 330.6 | 4,759.1 | 447.6 | 5,141.6 | 372.6 |
| Direct equity investments | 167.6 | 1,241.0 | 85.0 | 1,912.4 | 170.2 | 1,934.2 | 34.1 | 2,433.9 | 121.1 | 2,992.2 | 110.8 | 3,476.2 | 184.7 | 3,712.3 | 124.2 |
| Retained earnings attributable to non-residents | 0.6 | - | 0.7 | - | -0.6 | - | 0.1 | - | 2.1 | - | 0.1 | - | 3.7 | - | 1.1 |
| Long-term shareholder and inter-company loans | 234.8 | 637.2 | 62.5 | 772.5 | 98.1 | 877.8 | 289.5 | 737.0 | 97.8 | 698.9 | 137.0 | 796.1 | 150.2 | 833.7 | 154.5 |
| Short-term shareholder and inter-company loans | 40.8 | 63.7 | 57.1 | 89.5 | 40.2 | 62.6 | 59.3 | 52.1 | 76.0 | 423.7 | 52.6 | 463.2 | 22.7 | 585.2 | 50.2 |
| Suppliers' credits from related companies | 52.8 | 52.0 | 56.3 | 84.0 | 80.9 | 98.0 | 4.6 | 19.3 | 11.2 | 23.6 | 30.1 | 23.6 | 86.3 | 10.4 | 42.6 |
| 2 Foreign Portfolio Equity Investments | 0.6 | 17.5 | 0.0 | 37.2 | 8.2 | 44.8 | -0.2 | 28.6 | 0.0 | 38.4 | -1.8 | 44.5 | -0.6 | 31.0 | 1.1 |
| Foreign Portfolio Equity Investments | 0.6 | 17.5 | 0.0 | 37.2 | 8.2 | 44.8 | -0.2 | 28.6 | 0.0 | 38.4 | -1.8 | 44.5 | -0.6 | 31.0 | 1.1 |
| 3 Other Investments | 202.3 | 484.9 | 204.7 | 573.9 | 131.6 | 498.1 | 79.1 | 844.5 | 91.5 | 804.8 | 24.4 | 696.4 | 31.1 | 618.7 | 71.5 |
| Long-term borrowing from unrelated companies | 113.3 | 292.1 | 152.8 | 471.8 | 74.7 | 395.8 | 48.9 | 812.1 | 58.8 | 770.5 | 15.0 | 667.6 | 23.3 | 601.8 | 44.1 |
| Short-term loans from unrelated companies | 62.7 | 133.5 | 4.7 | 76.7 | 34.5 | 74.8 | 5.0 | 10.9 | 5.5 | 15.4 | 8.2 | 17.7 | 6.5 | 12.7 | 11.9 |
| Suppliers' credit from unrelated companies | 26.3 | 59.3 | 47.2 | 25.4 | 22.4 | 27.5 | 25.2 | 21.5 | 27.2 | 18.8 | 1.2 | 11.1 | 1.3 | 4.1 | 15.5 |
| Total Foreign Private Investments | 699.5 | 2,491.4 | 466.3 | 3,388.9 | 528.6 | 3,502.6 | 466.5 | 4,115.8 | 399.7 | 4,981.8 | 353.2 | 5,499.4 | 478.1 | 5,785.2 | 445.2 |

Source: PCF survey, 2006 P = Provisional

Table 2: Stock of FDI by sector for Zanzibar and Tanzania, 1999 – 2005

Values in USD million

| Sector | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | |
|---|----------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
| | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania |
| Agriculture, hunting, forestry and fishing | na | 163.5 | 0.3 | 279.2 | 0.1 | 235.8 | 0.5 | 88.1 | 0.5 | 101.5 | 0.6 | 128.3 | 0.6 | 148.9 |
| Community, social and personal services | na | 9.4 | 0.2 | 6.0 | 0.2 | 6.0 | 0.0 | 18.5 | 0.0 | 18.7 | 0.0 | 19.5 | 0.0 | 14.0 |
| Construction | na | 128.2 | 0.4 | 185.9 | 0.5 | 195.6 | 0.0 | 139.4 | 0.0 | 158.7 | 0.0 | 139.1 | 1.0 | 145.5 |
| Financing, insurance, real estate and business services | na | 316.6 | 0.4 | 264.7 | 0.5 | 259.4 | 0.0 | 261.1 | 6.3 | 328.7 | 6.5 | 378.7 | 5.8 | 395.4 |
| Manufacturing | na | 555.8 | 7.6 | 896.3 | 7.8 | 780.8 | 4.6 | 813.3 | 5.1 | 973.9 | 5.2 | 1,135.3 | 4.9 | 1,035.0 |
| Mining and quarrying | na | 367.2 | 0.0 | 472.6 | 0.0 | 608.2 | 0.0 | 1037.7 | 0.0 | 1643.4 | 0.0 | 1963.3 | 0.0 | 2228.9 |
| Transport, storage & communication | na | 40.0 | 18.9 | 149.8 | 18.6 | 292.1 | 18.9 | 318.7 | 19.1 | 313.8 | 18.4 | 375.0 | 26.9 | 502.6 |
| Utilities | na | 35.3 | 0.0 | 36.0 | 0.0 | 127.5 | 0.0 | 212.1 | 0.0 | 243.4 | 0.0 | 151.1 | 0.0 | 171.3 |
| Wholesale & retail trade, catering & accommodation | na | 377.8 | 91.1 | 564.8 | 87.8 | 467.2 | 83.9 | 353.3 | 86.4 | 356.3 | 123.5 | 468.9 | 139.6 | 499.9 |
| Total | na | 1,993.8 | 119.0 | 2,855.3 | 115.4 | 2,972.6 | 107.8 | 3,242.4 | 117.4 | 4,138.4 | 154.1 | 4,759.1 | 178.8 | 5,141.6 |

Source: PCF survey, 2006 P = Provisional Note: Figures for Tanzania includes Zanzibar

Table 3: Flow of FDI by sector for Zanzibar and Tanzania, 1999 – 2005

Values in USD million

| Sector | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | |
|---|----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania | Zanzibar | Tanzania |
| Agriculture, hunting, forestry and fishing | na | 23.6 | 0.3 | 47.6 | 0.1 | 34.1 | 0.6 | 6.0 | 0.5 | 15.8 | 1.0 | 9.0 | 0.9 | 11.1 |
| Community, social and personal services | na | 2.3 | 0.2 | 0.6 | 0.2 | 0.9 | 0.0 | 0.5 | 0.0 | 0.7 | 0.0 | 0.5 | 0.0 | 0.0 |
| Construction | na | 27.1 | 0.4 | 14.3 | 0.5 | 22.3 | 0.0 | 4.0 | 0.0 | 2.5 | 0.0 | 4.1 | 1.0 | 2.3 |
| Financing, insurance, real estate and business services | na | 33.8 | 0.4 | 3.7 | 0.5 | 10.5 | 0.0 | 3.8 | 6.3 | 53.2 | 6.5 | 37.6 | 5.8 | 3.3 |
| Manufacturing | na | 82.3 | 8.0 | 53.7 | 8.1 | 46.7 | 4.6 | 64.3 | 5.1 | 65.1 | 5.5 | 45.6 | 5.3 | 60.4 |
| Mining and quarrying | na | 263.6 | 0.0 | 8.1 | 0.0 | 36.0 | 0.0 | 231.3 | 0.0 | 77.1 | 0.0 | 84.5 | 0.0 | 120.2 |
| Transport, storage & communication | na | 15.5 | 21.9 | 62.6 | 21.3 | 81.2 | 18.9 | 10.0 | 20.9 | 9.3 | 19.7 | 58.1 | 29.8 | 95.2 |
| Utilities | na | 0.0 | 0.0 | 0.0 | 0.0 | 82.9 | 0.0 | 25.0 | 0.0 | 23.7 | 0.0 | 5.7 | 0.0 | 46.3 |
| Wholesale & retail trade, catering & accommodation | na | 45.3 | 95.9 | 71.2 | 95.1 | 74.1 | 93.0 | 42.7 | 100.7 | 60.7 | 130.0 | 85.7 | 145.3 | 108.7 |
| Total | na | 493.5 | 127.1 | 261.7 | 125.7 | 388.8 | 117.0 | 387.6 | 133.6 | 308.2 | 162.7 | 330.6 | 188.0 | 447.6 |

Source: PCF survey, 2006 P = Provisional Note: Figures for Tanzania includes Zanzibar

Table 4: Tanzania's borrowing by sector, 1999 – 2005

| Sector | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | |
|---|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | Inflow | Stock |
| Agriculture, hunting, forestry and fishing | 18.9 | 102.6 | 50.9 | 157.2 | 47.8 | 137.4 | 12.0 | 89.7 | 18.6 | 85.0 | 19.2 | 102.8 | 11.0 | 91.0 |
| Community, social and personal services | 1.6 | 3.6 | 2.3 | 5.7 | 2.7 | 6.8 | 0.4 | 4.3 | 0.7 | 4.3 | 0.2 | 4.4 | 0.1 | 2.1 |
| Construction | 24.6 | 96.1 | 15.6 | 93.8 | 30.4 | 119.9 | 3.9 | 58.4 | 3.9 | 55.6 | 5.4 | 58.3 | 0.2 | 54.0 |
| Financing, insurance, real estate and business services | 20.7 | 53.3 | 16.6 | 38.1 | 16.0 | 45.8 | 11.5 | 239.6 | 14.1 | 239.9 | 5.3 | 358.8 | 28.9 | 40.0 |
| Manufacturing | 103.2 | 241.5 | 99.6 | 267.1 | 158.0 | 299.9 | 107.3 | 368.4 | 91.0 | 394.1 | 57.4 | 414.8 | 69.4 | 348.7 |
| Mining and quarrying | 236.5 | 364.1 | 143.0 | 535.4 | 84.6 | 606.1 | 259.5 | 871.5 | 75.1 | 1162.4 | 84.2 | 1131.0 | 62.8 | 1210.3 |
| Transport, storage & communication | 72.3 | 90.7 | 52.3 | 166.0 | 40.5 | 190.1 | 76.1 | 133.3 | 163.5 | 220.1 | 125.7 | 266.2 | 298.1 | 302.6 |
| Utilities | 1.9 | 121.2 | - | 121.9 | 0.5 | 122.4 | 17.5 | 139.9 | 73.5 | 208.3 | 66.7 | 262.9 | 3.4 | 244.7 |
| Wholesale & retail trade, catering & accommodation | 54.0 | 175.6 | 104.6 | 328.0 | 98.1 | 232.7 | 57.5 | 210.5 | 77.9 | 203.7 | 86.9 | 268.8 | 106.3 | 285.0 |
| Total | 533.6 | 1248.6 | 485.0 | 1713.1 | 478.6 | 1761.1 | 545.7 | 2115.6 | 518.3 | 2573.5 | 451.0 | 2868.1 | 580.0 | 2578.3 |

Source: PCF survey, 2006 P = Provisional

Table 5: Tanzania's payments by sector, 1999 – 2005

Values in USD million

| Sector | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | | | | |
|---|----------------|-------------|----------------|-------------|----------------|------------|----------------|-------------|----------------|--------------|----------------|--------------|----------------|------------|--------------|-------------|------------|
| | Principal loan | Interest | Principal loan | Interest | Principal loan | Interest | Principal loan | Interest | Principal loan | Interest | Principal loan | Interest | Principal loan | Interest | | | |
| Agriculture, hunting, forestry & fishing | 0 | 0.8 | 33.4 | 2.7 | 0.1 | 0.1 | 5.3 | 0.9 | 0.0 | 1.3 | 0.1 | 6.8 | 1.2 | 0.2 | 11.7 | 1.3 | 0.2 |
| Community, social and personal services | 0 | 0.4 | 0.6 | 0.1 | - | - | 1.2 | 0.0 | - | 0.1 | 0.0 | 0.1 | 0.0 | - | 0.1 | 0.0 | - |
| Construction | 0.6 | 1.2 | 8.0 | 0.8 | 0.0 | 0.0 | 15.7 | 0.1 | 0.1 | 0.0 | 1.0 | 1.4 | 0.4 | 0.2 | 0.6 | 0.2 | 0.2 |
| Financing, insurance, real estate and business services | 0 | 1.9 | 11.3 | 1.3 | 0.4 | 0.4 | 15.9 | 2.1 | - | 10.9 | 2.3 | 7.7 | 3.0 | - | 11.8 | 4.4 | - |
| Manufacturing | 0.8 | 10.9 | 35.3 | 12.7 | 6.3 | 6.0 | 70.3 | 7.0 | 0.2 | 14.3 | 0.2 | 52.5 | 13.2 | 0.5 | 38.0 | 14.4 | 0.4 |
| Mining and quarrying | 0 | 9 | 41.5 | 4.8 | 7.7 | 1.4 | 28.5 | 12.0 | 3.6 | 9.8 | 3.8 | 120.1 | 9.3 | 4.4 | 42.8 | 9.0 | 4.2 |
| Transport, storage & communication | 0.3 | 2 | 5.2 | 3.4 | 0.9 | 0.9 | 94.4 | 0.1 | - | 29.7 | 3.6 | 78.4 | 7.3 | - | 400.2 | 17.7 | - |
| Utilities | 0 | 0 | 0.0 | 0.0 | - | - | 0.0 | 0.0 | - | 5.1 | 5.9 | 12.7 | 10.5 | - | 19.4 | 18.7 | - |
| Wholesale & retail trade, catering & accommodation | 0.5 | 5.2 | 161.4 | 26.3 | 0.1 | 0.2 | 38.4 | 5.8 | 0.6 | 6.6 | 0.7 | 23.2 | 6.9 | 0.7 | 41.8 | 6.1 | 0.8 |
| Total | 2.2 | 31.4 | 296.8 | 52.1 | 15.6 | 9.0 | 320.7 | 50.1 | 9.0 | 224.8 | 5.8 | 302.8 | 51.8 | 6.0 | 566.3 | 71.8 | 5.8 |

P = Provisional

Source: PCF survey, 2006

Table 6: Tanzania's dividend payment by sector, 1999 – 2005

Values in USD million

| | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | |
|---|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| | 10% shares or above | Shares less than 10% | 10% shares or above | Shares less than 10% | 10% shares or above | Shares less than 10% | 10% shares or above | Shares less than 10% | 10% shares or above | Shares less than 10% | 10% shares or above | Shares less than 10% | 10% shares or above | Shares less than 10% |
| Agriculture, hunting, forestry and fishing | 0.6 | - | 0 | - | 0 | - | - | - | 0 | - | 0 | - | 0 | - |
| Community, social and personal services | - | 0.4 | 0.1 | - | 0.3 | - | 0.2 | - | 0.2 | - | 0.2 | - | - | - |
| Construction | - | - | 0 | 0 | 0 | 0 | - | - | - | - | - | - | - | - |
| Financing, insurance, real estate and business services | 10.7 | 3.8 | 16.5 | 0.1 | 11.6 | 0 | 13.4 | - | 14.7 | 4.9 | 5.1 | 16.5 | 4.9 | 10.4 |
| Manufacturing | 27 | 0.2 | 28.6 | 2.7 | 41.2 | 8.5 | 20.5 | 17 | 21.8 | 19.1 | 26.9 | 18.9 | 29.4 | 6.7 |
| Mining and quarrying | - | - | - | - | 0.1 | - | 1.7 | - | - | - | - | - | - | - |
| Transport, storage & communication | - | - | 0.5 | - | 0.5 | - | 0 | - | 0 | - | 0 | - | 0 | - |
| Utilities | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Wholesale & retail trade, catering & accommodation | 1.6 | - | 4.3 | 0 | 3.6 | - | 1.2 | - | 0.7 | - | 1 | 0 | 1.1 | 0 |
| Total | 40 | 4.4 | 50.2 | 2.9 | 57.4 | 8.5 | 37.1 | 17 | 37.4 | 24 | 33.3 | 35.4 | 35.5 | 17.1 |

Source: PCF survey, 2006 P = Provisional

Table 7: Rate of return on investment by sector, 1999 – 2005

Values in USD million

| | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | |
|---|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Net profit/ loss | Total Foreign equity |
| Agriculture, hunting, forestry and fishing | -6.1 | 69.6 | -12.6 | 145.5 | -26.5 | 132.0 | -7.5 | 68.0 | -7.1 | 79.8 | -136.1 | 100.1 | -1.0 | 130.2 |
| Community, social and personal services | 1.2 | 6.2 | 0.1 | 5.0 | -0.7 | 4.9 | -1.2 | 15.9 | -1.3 | 15.8 | -1.9 | 16.5 | -1.7 | 13.3 |
| Construction | 0.4 | 56.8 | 1.4 | 105.6 | 5.0 | 96.5 | 4.1 | 91.8 | 1.3 | 113.7 | 2.7 | 91.1 | 3.9 | 100.1 |
| Financing, insurance, real estate and business services | 32.2 | 285.3 | 38.7 | 255.9 | 35.2 | 248.1 | 36.2 | 252.3 | 44.3 | 328.5 | 66.7 | 382.5 | 78.2 | 389.4 |
| Manufacturing | 64.6 | 468.8 | 57.9 | 736.7 | 57.8 | 684.5 | 51.5 | 685.8 | 62.6 | 835.8 | 82.3 | 1,014.8 | 87.3 | 915.6 |
| Mining and quarrying | -2.9 | 99.1 | -2.5 | 228.1 | -6.4 | 204.5 | 28.9 | 709.8 | 69.7 | 964.7 | 61.7 | 1,212.0 | 5.1 | 1,362.6 |
| Transport, storage & communication | 8.5 | 23.5 | 5.6 | 77.6 | 5.9 | 192.5 | -5.5 | 263.0 | 7.2 | 270.0 | 25.5 | 319.9 | 50.6 | 397.8 |
| Utilities | | 0.0 | -0.6 | 0.0 | -1.5 | 99.8 | -5.3 | 175.6 | -3.5 | 211.9 | 15.4 | 130.6 | -11.4 | 166.6 |
| Wholesale & retail trade, catering & accommodation | -21.0 | 244.4 | 9.3 | 314.8 | -10.0 | 303.4 | -29.2 | 200.7 | -24.2 | 210.8 | -26.8 | 252.4 | -21.0 | 267.9 |
| Total | 77.0 | 1,253.7 | 97.3 | 1,869.0 | 58.7 | 1,966.1 | 71.9 | 2,462.8 | 148.9 | 3,030.8 | 89.5 | 3,520.1 | 190.0 | 3,743.6 |

Source: PCF survey, 2006 P = Provisional

Table 8: Tanzania's flow and stock of FDI by region, 1999 - 2005

| Region | 1999 | | 2000 | | 2001 | | 2002 | | 2003 | | 2004 | | 2005p | | Average Flows |
|---------------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|---------------|
| | Flows | Stock | |
| Arusha | 18.8 | 175.2 | 12.7 | 151.3 | 12.8 | 145.0 | 9.9 | 124.8 | 24.7 | 135.5 | 13.4 | 206.1 | 29.9 | 183.8 | 17.5 |
| Dar es Salaam | 320.2 | 1,184.9 | 156.7 | 1,613.8 | 290.2 | 1,775.6 | 94.3 | 1,742.5 | 163.1 | 1,973.4 | 192.4 | 2,125.9 | 215.0 | 2,190.4 | 204.6 |
| Iringa | 4.7 | 88.5 | 0.6 | 66.6 | 0.5 | 50.7 | 0.0 | 49.0 | 0.0 | 52.5 | 0.0 | 54.2 | 0.0 | 90.0 | 0.8 |
| Kagera | 0.0 | 0.1 | 0.0 | 0.2 | 0.0 | 0.2 | 0.0 | 0.2 | 0.0 | 0.1 | 0.0 | 0.1 | 55.0 | 55.1 | 7.9 |
| Kilimanjaro | 14.0 | 43.0 | 42.4 | 151.5 | 12.5 | 37.6 | 0.0 | 35.4t | 11.2 | 49.1 | 7.0 | 53.2 | 26.8 | 70.2 | 16.3 |
| Manyara | 0.0 | - | 0.0 | 6.7 | 4.9 | 10.6 | 0.0 | 10.0 | 0.0 | 11.2 | 0.0 | 12.7 | 0.1 | 14.6 | 0.7 |
| Mara | 11.5 | 4.5 | 1.1 | 123.5 | 0.0 | 122.1 | 1.4 | 128.6 | 0.6 | 125.3 | 0.7 | 123.9 | 2.1 | 122.3 | 2.5 |
| Mbeya | 0.3 | 9.4 | 0.0 | 17.0 | 0.1 | 13.2 | 0.1 | 17.9 | 0.0 | 18.0 | 0.0 | 22.7 | 0.1 | 22.8 | 0.1 |
| Morogoro | 12.0 | 153.8 | 31.9 | 214.9 | 30.7 | 179.5 | 29.7 | 134.3 | 3.0 | 166.7 | 1.2 | 193.6 | 1.7 | 180.7 | 15.7 |
| Mwanza | 21.4 | 201.8 | 6.4 | 176.3 | 11.4 | 332.5 | 6.1 | 400.3 | 9.5 | 770.5 | 44.4 | 1128.9 | 54.2 | 1354.9 | 21.9 |
| North Pemba | 0.0 | - | 0.0 | 1.0 | 0.0 | 1.4 | 0.0 | 1.2 | 0.0 | 1.2 | 0.0 | 1.2 | 0.0 | 1.1 | 0.0 |
| North Unguja | 0.0 | - | 2.5 | 39.5 | 0.1 | 44.7 | 10.1 | 38.9 | 16.6 | 43.6 | 24.2 | 75.9 | 33.8 | 92.3 | 12.5 |
| Pwani | 0.1 | 2.7 | 0.3 | 7.6 | 0.1 | 7.5 | 0.0 | 8.6 | 0.0 | 8.6 | 0.0 | 8.9 | 0.0 | 8.8 | 0.1 |
| Ruvuma | 0.0 | 0.4 | 0.0 | 0.6 | 0.0 | 0.6 | 0.0 | 0.6 | 0.0 | 0.4 | 0.0 | 0.3 | 0.0 | 0.3 | 0.0 |
| Shinyanga | 84.5 | 85.7 | 0.0 | 173.9 | 20.9 | 151.0 | 228.0 | 465.3 | 65.9 | 693.7 | 39.7 | 657.6 | 13.2 | 652.4 | 64.6 |
| Singida | 0.0 | - | 0.0 | 0.2 | 0.0 | 0.2 | 0.0 | 0.1 | 0.0 | 0.1 | 0.0 | 0.1 | 0.0 | 0.1 | 0.0 |
| South Pemba | 0.0 | - | 0.0 | 0.1 | 0.0 | 0.1 | 0.0 | 0.1 | 1.0 | 1.1 | 0.1 | 1.2 | 0.0 | 1.3 | 0.2 |
| South Unguja | 0.0 | - | 0.3 | 34.8 | 0.3 | 31.0 | 2.8 | 27.3 | 3.1 | 24.1 | 1.8 | 23.6 | 3.6 | 22.7 | 1.7 |
| Tabora | 0.0 | 3.3 | 0.0 | 3.6 | 0.0 | 3.1 | 0.0 | 3.0 | 0.0 | 2.7 | 0.0 | 2.8 | 0.0 | 2.5 | 0.0 |
| Tanga | 5.8 | 40.5 | 3.3 | 28.6 | 2.2 | 27.8 | 1.1 | 14.0 | 0.0 | 13.1 | 0.1 | 13.8 | 7.1 | 13.9 | 2.8 |
| Urban West | 0.0 | - | 3.4 | 43.6 | 2.4 | 38.2 | 4.2 | 40.3 | 9.5 | 47.5 | 5.5 | 52.4 | 4.9 | 61.4 | 4.3 |
| Total | 493.3 | 1,993.8 | 261.6 | 2,855.3 | 389.1 | 2,972.6 | 387.7 | 3,242.4 | 308.2 | 4,138.4 | 330.5 | 4,759.1 | 447.5 | 5,141.6 | 374.0 |

Table 9: Stock of FDI by source country for Tanzania, 1999 – 2005*Values in USD million*

| Country | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 ^P |
|--------------------------------|-------|---------|-------|-------|-------|-------|-------------------|
| Australia | 89.1 | 155.2 | 152.6 | 171.0 | 174.2 | 167.6 | 166.1 |
| Austria | 8.6 | 5.2 | 3.6 | 7.3 | 23.6 | 40.2 | 28.4 |
| Bahamas | 2.8 | 9.2 | 8.3 | 4.0 | 4.0 | 4.0 | 4.0 |
| Bahrain | - | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Bangladesh | - | - | - | - | 0.0 | 0.0 | - |
| Belgium | 3.6 | 4.2 | 3.6 | 3.7 | 3.1 | 2.9 | 2.9 |
| Bermuda | 3.7 | 0.4 | 68.6 | 11.3 | 27.3 | 31.8 | 39.2 |
| Bosnia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Botswana | - | - | - | 3.6 | 3.2 | 3.9 | 2.4 |
| British Indian Ocean Territory | - | - | - | - | 0.1 | 0.8 | 0.7 |
| British Virgin Island | 4.1 | (2.2) | (1.0) | 7.8 | 8.9 | 54.8 | 88.7 |
| Croatia | - | 0.7 | 3.8 | 6.9 | 7.8 | 9.5 | 1.2 |
| Canada | 95.6 | 341.6 | 369.9 | 469.7 | 688.6 | 659.4 | 690.8 |
| Cayman Islands | - | 0.0 | 0.7 | 0.3 | 69.0 | 81.7 | 83.5 |
| Channel Islands | 8.5 | 6.1 | 6.6 | 27.5 | 4.6 | 10.8 | 12.6 |
| China | 25.7 | 30.7 | 27.2 | 47.6 | 51.6 | 45.6 | 41.5 |
| Cote D'Ivoire | 1.9 | 4.9 | 6.5 | 6.9 | 7.4 | 8.7 | 8.6 |
| Cyprus | 0.3 | 1.2 | 1.6 | 1.4 | 1.4 | 1.6 | 1.3 |
| Denmark | 56.8 | 48.9 | 47.4 | 36.2 | 40.7 | 34.9 | 30.4 |
| Dominica | 0.1 | - | - | - | - | - | - |
| East African Development Bank | - | (2.6) | (2.3) | 0.2 | 0.2 | 0.2 | - |
| European Investment Bank | - | 3.7 | 3.7 | 7.5 | 4.1 | 1.4 | 0.6 |
| European Union | - | (127.9) | 4.7 | - | - | 0.1 | 1.5 |
| Egypt | 11.5 | 2.5 | 3.9 | 1.7 | 2.0 | 12.6 | 10.9 |
| Ethiopia | - | 0.4 | 0.5 | - | - | - | 0.0 |
| Finland | 0.3 | 1.1 | 1.0 | 0.6 | 0.5 | 0.5 | 0.4 |
| Foreign-Not Specified | 49.2 | 14.4 | 17.9 | 11.6 | 11.2 | 4.5 | 51.5 |
| France | 36.6 | 27.6 | 34.9 | 15.2 | 15.2 | 18.9 | 19.3 |
| GHANA | 156.6 | 118.7 | 125.8 | 171.9 | 342.3 | 19.1 | 19.1 |
| Germany | 8.8 | 28.1 | 48.7 | 42.5 | 44.8 | 48.7 | 64.7 |
| Gibraltar | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Greece | 2.0 | 3.0 | 3.4 | 1.2 | 1.1 | 1.5 | 1.9 |
| Guinea | - | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Hong Kong | 0.0 | 0.0 | 0.0 | - | - | - | - |
| IDA | (3.0) | - | - | - | - | - | - |
| IFC | 4.6 | 5.5 | 2.6 | 12.8 | 11.6 | 10.2 | 9.1 |
| India | 3.3 | 6.8 | 8.5 | 5.2 | 5.4 | 15.6 | 15.1 |
| Indonesia | 0.1 | 2.0 | 1.5 | - | - | - | 0.7 |
| Iran | - | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Ireland | 0.8 | 4.2 | 4.6 | 5.6 | 6.4 | 7.7 | 8.7 |
| Isle of Man | 10.0 | 3.4 | 3.0 | 8.8 | 8.2 | 8.4 | 7.5 |
| Israel | 0.1 | 0.3 | 0.8 | 0.3 | 0.4 | 0.5 | 0.5 |
| Italy | 63.9 | 135.9 | 134.7 | 116.1 | 108.4 | 119.5 | 117.5 |
| Jamaica | - | - | - | - | - | 6.0 | - |
| Japan | 3.9 | 190.1 | 171.2 | 13.2 | 12.0 | 3.7 | 9.7 |
| Kenya | 56.4 | 130.2 | 113.7 | 81.4 | 148.8 | 182.9 | 166.0 |
| Korea | 67.2 | 135.2 | 16.8 | 86.5 | 77.1 | 79.2 | 66.9 |
| Kuwait | 6.0 | 2.7 | 2.6 | 4.6 | 8.0 | 13.4 | 9.2 |
| Lebanon | 4.0 | 7.9 | 7.5 | 8.3 | 6.4 | 6.6 | 6.0 |
| Libya | 0.7 | 0.7 | 0.7 | 0.5 | 0.4 | 0.3 | 1.9 |
| Liechtenstein | 15.2 | 3.0 | 2.3 | 4.7 | 5.2 | 6.2 | 6.5 |

Table 9 continues..... (2)

| Country | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005^P |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------|
| Luxembourg | 24.6 | 53.6 | 50.9 | 34.4 | 30.7 | 29.6 | 31.5 |
| Macedonia | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| Malawi | 8.8 | 7.6 | 6.6 | 9.1 | 8.3 | 8.5 | 7.6 |
| Malaysia | 11.0 | 69.3 | 69.8 | 37.1 | 32.2 | 59.5 | 5.9 |
| Mauritius | 106.4 | 170.2 | 176.0 | 119.5 | 182.6 | 221.1 | 224.6 |
| Netherlands Antilles | (0.0) | 1.0 | 0.6 | - | - | - | - |
| Netherlands | 99.0 | 155.8 | 163.9 | 201.3 | 191.4 | 245.6 | 291.2 |
| Nigeria | - | - | - | 9.1 | 8.6 | 7.1 | 6.4 |
| Norway | 20.7 | 27.7 | 22.0 | 26.0 | 50.9 | 49.6 | 72.8 |
| Oman | 0.2 | 6.0 | 5.2 | 2.2 | 2.7 | 2.7 | 2.8 |
| PTA Bank | (1.1) | - | - | - | 10.1 | 10.3 | 8.9 |
| Pakistan | 1.6 | 5.1 | 5.1 | 5.5 | 5.9 | 5.7 | 5.9 |
| Palestine | - | - | - | - | - | - | 0.4 |
| Panama | 3.5 | 20.4 | 25.2 | 21.7 | 21.7 | 21.9 | 21.6 |
| Qatar | - | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Russia | 0.4 | 35.7 | 34.6 | 1.0 | 1.0 | 1.2 | 1.2 |
| Rwanda | - | 0.4 | 0.4 | 0.7 | 0.6 | 0.6 | 0.5 |
| Saudi Arabia | (1.7) | 6.2 | 6.0 | 6.9 | 6.8 | 7.5 | 9.9 |
| Senegal | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Seychelles | 1.6 | - | - | - | - | - | - |
| Sierra Leone | - | 0.1 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Singapore | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 |
| Somalia | 1.3 | 0.3 | 0.3 | 2.0 | 1.8 | 2.1 | 2.0 |
| South Africa | 74.2 | 337.7 | 408.8 | 546.7 | 782.6 | 1,583.0 | 1,767.0 |
| Spain | - | (0.1) | 0.0 | 14.6 | 18.3 | 22.5 | 25.6 |
| Sri Lanka | 0.4 | 0.3 | 0.3 | 0.5 | 0.5 | 0.6 | 0.6 |
| Sudan | 0.1 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Swaziland | 0.2 | 0.3 | 0.2 | - | - | - | - |
| Sweden | 15.9 | 26.0 | 33.4 | 23.8 | 25.7 | 23.9 | 8.8 |
| Switzerland | 69.7 | 121.3 | 115.2 | 113.8 | 109.6 | 112.2 | 110.2 |
| Taiwan | 0.4 | - | 8.5 | 21.1 | 29.8 | 42.2 | 49.9 |
| Thailand | 1.0 | 1.2 | 1.2 | 0.5 | 0.8 | 1.0 | 0.9 |
| Turkey | - | (0.1) | (0.1) | - | - | - | - |
| USA | 265.4 | (2.5) | (65.4) | 142.7 | 124.7 | 118.4 | 114.5 |
| Uganda | 0.9 | 1.3 | 1.3 | 1.7 | 1.7 | 2.0 | 2.6 |
| Ukrainian SSR | - | - | - | - | - | - | 5.6 |
| United Arab Emirates | 7.0 | 16.8 | 13.1 | 18.3 | 32.1 | 33.4 | 33.3 |
| United Kingdom | 470.7 | 477.1 | 463.6 | 460.8 | 506.4 | 407.0 | 518.4 |
| Virgin Islands (U.S.) | 4.3 | - | - | 3.0 | 3.0 | - | - |
| Yemen | 4.5 | 4.1 | 4.4 | 4.5 | 4.3 | 4.6 | 4.3 |
| Zambia | 1.5 | 3.5 | 3.7 | 3.3 | 3.2 | 3.7 | 3.9 |
| Zimbabwe | 1.4 | 0.9 | 0.3 | - | 0.3 | 0.7 | 0.4 |
| Total | 1,993.8 | 2,855.3 | 2,972.6 | 3,242.4 | 4,138.4 | 4,759.1 | 5,141.6 |

Source: PCF survey, 2006

P = Provisional

Table 10: Stock of FDI by source country for Zanzibar, 1999 – 2005*Values in USD million*

| Country | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Australia | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Austria | 0.1 | 0.1 | - | - | - | - |
| Bahamas | 4.1 | 3.6 | - | - | - | - |
| Bahrain | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Belgium | 0.3 | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 |
| British Virgin Island | - | - | - | 0.4 | 8.7 | 26.8 |
| China | - | - | 0.1 | 0.1 | 0.1 | 1.1 |
| Denmark | 0.5 | 0.5 | 0.4 | 0.3 | 0.3 | 0.3 |
| European Union | 0.1 | 1.0 | - | - | - | - |
| Ethiopia | 0.4 | 0.5 | - | - | - | 0.0 |
| Foreign-Not Specified | (0.1) | - | - | - | - | - |
| France | 0.0 | 0.0 | 0.7 | 0.7 | 0.7 | 0.7 |
| Germany | 1.5 | 1.3 | 2.3 | 2.0 | 3.6 | 4.1 |
| Greece | 0.4 | 0.4 | 0.7 | 0.6 | 0.6 | 0.6 |
| IFC | (0.3) | (0.3) | - | - | - | - |
| Italy | 41.9 | 41.1 | 32.3 | 26.1 | 37.4 | 36.5 |
| Japan | 0.4 | 0.4 | 0.3 | 0.4 | 0.6 | 0.8 |
| Kenya | 0.5 | 0.6 | 1.3 | 1.8 | 4.2 | 8.4 |
| Kuwait | - | - | 2.0 | 5.5 | 10.3 | 5.8 |
| Mauritius | 0.0 | 0.0 | - | - | - | - |
| Netherlands | 0.1 | 0.1 | 0.0 | 0.0 | 0.5 | 1.7 |
| Norway | 0.3 | 0.3 | 0.3 | 0.3 | 0.5 | 0.4 |
| Oman | 1.8 | 2.3 | 2.0 | 2.5 | 2.6 | 2.4 |
| Pakistan | - | - | - | - | 0.5 | 0.5 |
| Palestine | - | - | - | - | - | 0.4 |
| Panama | - | - | - | - | 0.2 | 0.2 |
| Rwanda | 0.4 | 0.4 | 0.7 | 0.6 | 0.6 | 0.5 |
| South Africa | 10.7 | 10.1 | 3.6 | 4.1 | 4.6 | 4.5 |
| Spain | (0.1) | (0.1) | 14.5 | 18.1 | 22.3 | 25.5 |
| Sweden | 1.4 | 1.4 | 1.0 | 0.7 | 0.7 | 0.7 |
| Switzerland | 9.4 | 8.1 | 2.7 | 2.2 | 2.7 | 3.1 |
| USA | 1.2 | 0.8 | 0.6 | 0.4 | 0.4 | 0.3 |
| Uganda | - | - | - | - | 0.1 | 0.6 |
| Ukrainian SSR | - | - | - | - | - | 5.6 |
| United Arab Emirate | 9.6 | 10.1 | 10.2 | 15.8 | 14.8 | 14.7 |
| United Kingdom | 35.2 | 34.8 | 27.9 | 30.6 | 33.3 | 28.6 |
| Zambia | 0.4 | 0.3 | 0.4 | 0.1 | 0.1 | 0.2 |
| Total | 123.3 | 121.2 | 107.5 | 117.1 | 154.1 | 178.6 |

*Source: PCF survey, 2006**P = Provisional*

Table 11: Stock of FDI by sector and source country for Tanzania, 1999 – 2005
Values in USD million

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Australia | | | | | | | |
| Community, social and personal services | 0.0 | 0.0 | 0.8 | 0.5 | 0.5 | 0.5 | 0.4 |
| Construction | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 3.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Mining and Quarrying | 85.3 | 154.9 | 151.6 | 169.2 | 172.5 | 165.8 | 164.5 |
| Wholesale and Retail trade | 0.0 | 0.2 | 0.1 | 1.2 | 1.1 | 1.2 | 1.1 |
| Total | 89.1 | 155.2 | 152.6 | 171.0 | 174.2 | 167.6 | 166.1 |
| Austria | | | | | | | |
| Agriculture, hunting, forestry and fishing | 8.6 | 5.1 | 3.5 | 7.3 | 23.6 | 40.2 | 28.4 |
| Wholesale and Retail trade | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 8.6 | 5.2 | 3.6 | 7.3 | 23.6 | 40.2 | 28.4 |
| Bahamas | | | | | | | |
| Financing and Insurance | 0.0 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Manufacturing | 2.6 | 4.1 | 4.1 | 3.5 | 3.5 | 3.5 | 3.5 |
| Wholesale and Retail trade | 0.2 | 4.6 | 3.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 2.8 | 9.2 | 8.3 | 4.0 | 4.0 | 4.0 | 4.0 |
| Bahrain | | | | | | | |
| Wholesale and Retail trade | 0.0 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Total | 0.0 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 | 3.3 |
| Belgium | | | | | | | |
| Financing and Insurance | 5.0 | 3.5 | 3.1 | 2.7 | 2.1 | 1.9 | 1.9 |
| Manufacturing | 0.3 | 0.5 | 0.4 | 0.3 | 0.3 | 0.3 | 0.2 |
| Transport, storage & communication | 0.4 | 0.5 | 0.3 | 0.3 | 0.3 | 0.4 | 0.5 |
| Wholesale and Retail trade | -2.2 | -0.2 | -0.2 | 0.4 | 0.4 | 0.3 | 0.3 |
| Total | 3.6 | 4.2 | 3.6 | 3.7 | 3.1 | 2.9 | 2.9 |
| Bermuda | | | | | | | |
| Manufacturing | -14.2 | 0.0 | 0.0 | 11.3 | 27.3 | 31.8 | 39.2 |
| Transport, storage & communication | -0.3 | -0.2 | -0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Utilities | 0.0 | 0.0 | 68.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 18.2 | 0.6 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 3.7 | 0.4 | 68.6 | 11.3 | 27.3 | 31.8 | 39.2 |
| Botswana | | | | | | | |
| Financing and Insurance | 0.0 | 0.0 | 0.0 | 2.1 | 1.9 | 3.9 | 2.4 |
| Mining and Quarrying | 0.0 | 0.0 | 0.0 | 1.5 | 1.3 | 0.0 | 0.0 |
| Total | | | | 3.6 | 3.2 | 3.9 | 2.4 |
| British Indian Ocean Territory | | | | | | | |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.8 | 0.7 |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.8 | 0.7 |
| British Virgin Island | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.4 | 0.0 | 0.0 | 6.5 | 3.7 | 9.0 | 8.8 |
| Financing and Insurance | 0.0 | (1.2) | 0.0 | 0.2 | 0.3 | 0.5 | 0.5 |
| Manufacturing | 3.7 | 0.0 | 0.0 | 1.1 | 0.1 | 14.9 | 17.5 |
| Wholesale and Retail trade | 0.0 | (1.0) | (1.0) | 0.0 | 4.8 | 30.4 | 61.9 |
| Total | 4.1 | (2.2) | (1.0) | 7.8 | 8.9 | 54.8 | 88.7 |
| Croatia | | | | | | | |
| Manufacturing | 0.0 | 0.7 | 3.8 | 6.9 | 7.8 | 9.5 | 1.2 |
| Total | 0.0 | 0.7 | 3.8 | 6.9 | 7.8 | 9.5 | 1.2 |

Table 11 continues..... (2)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Canada | | | | | | | |
| Agriculture, hunting, forestry and fishing | 2.8 | 5.4 | 6.3 | 5.7 | 5.2 | 5.3 | 4.4 |
| Community, social and personal services | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.2 | 4.1 | 4.4 | 3.3 | 2.2 | 2.2 | 1.5 |
| Manufacturing | 7.6 | 6.4 | 8.7 | 6.2 | 6.8 | 12.1 | 10.9 |
| Mining and Quarrying | 84.7 | 324.5 | 349.1 | 454.1 | 674.1 | 639.6 | 673.8 |
| Transport, storage & communication | 0.6 | 0.3 | 0.2 | 0.2 | 0.1 | 0.1 | 0.0 |
| Wholesale and Retail trade | -0.2 | 0.9 | 1.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | 95.6 | 341.6 | 369.9 | 469.7 | 688.6 | 659.4 | 690.8 |
| Cayman Islands | | | | | | | |
| Community, social and personal services | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.0 | 0.0 | 0.0 | 64.1 | 69.9 | 69.7 | 0.0 |
| Manufacturing | 0.0 | 0.0 | 0.0 | 4.9 | 0.0 | 0.0 | 0.0 |
| Mining and Quarrying | 0.0 | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 0.0 | 11.8 | 13.8 | 0.0 |
| Total | 0.0 | 0.7 | 0.3 | 69.0 | 81.7 | 83.5 | 0.0 |
| Channel Islands | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Community, social and personal services | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 |
| Financing and Insurance | 0.2 | 0.7 | 0.8 | 0.3 | 0.4 | 0.5 | 0.6 |
| Manufacturing | 8.3 | 5.4 | 5.6 | 26.0 | 2.6 | 7.8 | 8.7 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.2 | 1.2 | 1.5 | 2.4 | 3.4 |
| Total | 8.5 | 6.1 | 6.6 | 27.5 | 4.6 | 10.8 | 12.6 |
| China | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.5 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Community, social and personal services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Construction | 0.0 | 2.0 | 2.1 | 3.5 | 2.7 | 7.1 | 12.6 |
| Financing and Insurance | 0.0 | 0.0 | 0.0 | 0.9 | 0.9 | 1.0 | 1.1 |
| Manufacturing | 25.0 | 25.1 | 20.8 | 40.7 | 45.3 | 35.2 | 25.5 |
| Wholesale and Retail trade | 0.6 | 3.1 | 3.2 | 2.6 | 2.7 | 2.3 | 2.3 |
| Total | 25.7 | 30.7 | 27.2 | 47.6 | 51.6 | 45.6 | 41.5 |
| Cote D'Ivoire | | | | | | | |
| Manufacturing | 1.9 | 4.9 | 6.5 | 6.9 | 7.4 | 8.7 | 8.6 |
| Total | 1.9 | 4.9 | 6.5 | 6.9 | 7.4 | 8.7 | 8.6 |
| Cyprus | | | | | | | |
| Financing and Insurance | 0.0 | 0.6 | 1.0 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mining and Quarrying | 0.0 | 0.0 | 0.0 | 0.7 | 0.7 | 0.7 | 0.5 |
| Transport, storage & communication | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 0.7 | 0.6 | 0.2 | 0.2 | 0.3 | 0.3 |
| Total | 0.3 | 1.2 | 1.6 | 1.4 | 1.4 | 1.6 | 1.3 |
| Denmark | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| Construction | 32.5 | 29.4 | 27.6 | 13.5 | 13.5 | 13.5 | 13.5 |
| Financing and Insurance | 7.8 | 15.1 | 15.2 | 15.1 | 15.4 | 20.8 | 16.3 |
| Manufacturing | 0.4 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| Transport, storage & communication | 0.0 | 2.0 | 2.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Wholesale and Retail trade | 16.1 | 2.1 | 2.1 | 7.2 | 11.5 | 0.3 | 0.2 |
| Total | 56.8 | 48.9 | 47.4 | 36.2 | 40.7 | 34.9 | 30.4 |
| Dominica | | | | | | | |
| Financing and Insurance | 0.1 | | | | | | |
| Total | 0.1 | | | | | | |
| East African Development Bank | | | | | | | |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0.2 | 0.2 | 0.2 | 0.0 |
| Wholesale and Retail trade | 0.0 | -2.6 | -2.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | -2.6 | -2.3 | 0.2 | 0.2 | 0.2 | 0.0 |

Table 11 continues..... (3)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|--------------|---------------|--------------|--------------|--------------|-------------|-------------|
| European Investment Bank | | | | | | | |
| Financing and Insurance | 1.6 | 1.6 | 7.5 | 4.1 | 1.4 | 0.6 | 0.0 |
| Manufacturing | 2.1 | 2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 3.7 | 3.7 | 7.5 | 4.1 | 1.4 | 0.6 | 0.0 |
| European Union | | | | | | | |
| Financing and Insurance | 0.0 | 7.3 | 4.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | -0.2 | 0.7 | 0.0 | 0.0 | 0.1 | 1.5 |
| Mining and Quarrying | 0.0 | -135.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | -127.9 | 4.7 | 0.0 | 0.0 | 0.1 | 1.5 |
| Egypt | | | | | | | |
| Financing and Insurance | 0.0 | 0.0 | 0.0 | 1.7 | 2.0 | 12.6 | 10.9 |
| Wholesale and Retail trade | 11.5 | 2.5 | 3.9 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 11.5 | 2.5 | 3.9 | 1.7 | 2.0 | 12.6 | 10.9 |
| Ethiopia | | | | | | | |
| Construction | 0.0 | 0.4 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | 0.4 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Finland | | | | | | | |
| Manufacturing | 0.3 | 0.9 | 0.8 | 0.4 | 0.3 | 0.4 | 0.3 |
| Wholesale and Retail trade | 0.0 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 |
| Total | 0.3 | 1.1 | 1.0 | 0.6 | 0.5 | 0.5 | 0.4 |
| Foreign-Not Specified | | | | | | | |
| Agriculture, hunting, forestry and fishing | 3.0 | -0.4 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Community, social and personal services | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Construction | -13.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 4.9 | -1.4 | 3.5 | 3.4 | 1.6 | 1.7 | 0.7 |
| Manufacturing | 1.2 | -0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Transport, storage & communication | 0.0 | 0.0 | 0.0 | 5.2 | 6.8 | 0.0 | 48.3 |
| Utilities | 36.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 17.0 | 16.2 | 14.3 | 2.7 | 2.4 | 2.4 | 2.1 |
| Total | 49.2 | 14.4 | 17.9 | 11.6 | 11.2 | 4.5 | 51.5 |
| France | | | | | | | |
| Agriculture, hunting, forestry and fishing | -1.9 | -0.8 | -0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Financing and Insurance | 1.5 | 1.4 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.2 | 6.2 | 18.5 | 3.7 | 2.5 | 3.2 | 3.6 |
| Transport, storage & communication | 3.5 | 3.3 | 0.0 | 8.1 | 8.7 | 10.8 | 9.0 |
| Wholesale and Retail trade | 33.3 | 17.4 | 15.4 | 3.2 | 3.8 | 4.6 | 6.4 |
| Total | 36.6 | 27.6 | 34.9 | 15.2 | 15.2 | 18.9 | 19.3 |
| Ghana | | | | | | | |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining and Quarrying | 155.0 | 118.7 | 125.8 | 171.9 | 342.3 | 19.1 | 19.1 |
| Transport, storage & communication | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 156.6 | 118.7 | 125.8 | 171.9 | 342.3 | 19.1 | 19.1 |
| Germany | | | | | | | |
| Agriculture, hunting, forestry and fishing | 4.9 | 11.9 | 10.2 | 0.4 | 0.4 | 1.8 | 1.7 |
| Community, social and personal services | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 | 0.2 | 0.2 |
| Construction | 4.7 | 4.7 | 30.4 | 2.5 | 1.8 | 1.2 | 0.6 |
| Financing and Insurance | 28.0 | 17.8 | 17.8 | 17.6 | 16.7 | 17.3 | 16.3 |
| Manufacturing | -2.4 | 6.3 | 2.9 | 5.3 | 9.4 | 9.6 | 20.5 |
| Mining and Quarrying | -2.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | -27.4 | -19.2 | -19.2 | 8.7 | 8.7 | 8.7 | 8.7 |
| Wholesale and Retail trade | 3.0 | 6.6 | 6.6 | 8.0 | 7.6 | 9.8 | 16.7 |
| Total | 8.8 | 28.1 | 48.7 | 42.5 | 44.8 | 48.7 | 64.7 |

Table 11 continues..... (4)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|-------------|------------|------------|-------------|-------------|-------------|-------------|
| Gibraltar | | | | | | | |
| Financing and Insurance | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Greece | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 1.4 | 1.6 | 0.1 | 0.1 | 0.1 | 0.1 |
| Community, social and personal services | 1.3 | 0.0 | 0.0 | 0.1 | 0.2 | 0.1 | 0.1 |
| Construction | 0.0 | 0.1 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 |
| Financing and Insurance | 0.0 | 0.2 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 0.4 | 0.4 | 0.8 | 0.8 | 0.8 | 0.7 |
| Transport, storage & communication | 0.7 | 0.8 | 0.7 | 0.1 | 0.0 | 0.4 | 0.8 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 2.0 | 3.0 | 3.4 | 1.2 | 1.1 | 1.5 | 1.9 |
| Guinea | | | | | | | |
| Manufacturing | 0.0 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Total | 0.0 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Hong Kong | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining and Quarrying | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IDA | | | | | | | |
| Wholesale and Retail trade | -3.0 | | | | | | |
| Total | -3.0 | | | | | | |
| IFC | | | | | | | |
| Agriculture, hunting, forestry and fishing | -0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | -0.2 | 3.2 | 0.8 | 2.0 | 1.6 | 0.0 | 0.0 |
| Manufacturing | -1.9 | -1.9 | -1.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | -0.5 | 0.7 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 7.6 | 3.5 | 3.2 | 10.8 | 10.0 | 10.2 | 9.1 |
| Total | 4.6 | 5.5 | 2.6 | 12.8 | 11.6 | 10.2 | 9.1 |
| Agriculture, hunting, forestry and fishing | 0.5 | 0.6 | 0.7 | 0.4 | 0.5 | 0.6 | 0.7 |
| Community, social and personal services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.0 | 0.4 | 0.3 | 0.1 | 0.1 | 9.4 | 8.9 |
| Manufacturing | 2.7 | 4.2 | 5.8 | 3.3 | 3.0 | 3.2 | 3.2 |
| Transport, storage & communication | 0.2 | 0.4 | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 |
| Wholesale and Retail trade | -0.1 | 1.3 | 1.2 | 1.3 | 1.5 | 2.1 | 1.9 |
| Total | 3.3 | 6.8 | 8.5 | 5.2 | 5.4 | 15.6 | 15.1 |
| Indonesia | | | | | | | |
| Manufacturing | 0.1 | 2.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.7 |
| Total | 0.1 | 2.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.7 |
| Iran | | | | | | | |
| Wholesale and Retail trade | 0.0 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total | 0.0 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Ireland | | | | | | | |
| Financing and Insurance | 0.5 | 0.1 | 0.1 | 0.3 | 0.2 | 0.2 | 0.2 |
| Mining and Quarrying | 0.3 | 3.4 | 3.8 | 4.7 | 5.5 | 6.7 | 7.8 |
| Wholesale and Retail trade | 0.1 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Total | 0.8 | 4.2 | 4.6 | 5.6 | 6.4 | 7.7 | 8.7 |
| Isle of Man | | | | | | | |
| Agriculture, hunting, forestry and fishing | 6.8 | 3.4 | 3.0 | 4.7 | 4.4 | 4.5 | 4.1 |
| Construction | 0.0 | 0.0 | 0.0 | 4.1 | 3.7 | 3.8 | 3.4 |
| Manufacturing | 2.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 10.0 | 3.4 | 3.0 | 8.8 | 8.2 | 8.4 | 7.5 |

Table 11 continues..... (5)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Israel | | | | | | | |
| Financing and Insurance | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 0.0 | 0.1 | 0.1 | 0.2 | 0.2 | 0.3 | 0.4 |
| Wholesale and Retail trade | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |
| Total | 0.1 | 0.3 | 0.8 | 0.3 | 0.4 | 0.5 | 0.5 |
| Italy | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.2 | 3.2 | 2.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Community, social and personal services | 0.0 | 0.5 | 0.8 | 0.8 | 0.7 | 0.7 | 0.6 |
| Construction | 60.1 | 83.7 | 82.9 | 73.6 | 72.4 | 72.3 | 72.0 |
| Financing and Insurance | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 2.2 | 2.3 | 2.2 | 3.1 | 2.9 | 3.0 | 2.7 |
| Transport, storage & communication | 1.0 | 1.0 | 1.2 | 1.4 | 1.3 | 1.2 | 1.0 |
| Wholesale and Retail trade | 0.4 | 45.1 | 44.4 | 37.2 | 31.0 | 42.3 | 41.3 |
| Total | 63.9 | 135.9 | 134.7 | 116.1 | 108.4 | 119.5 | 117.5 |
| Jamaica | | | | | | | |
| Manufacturing | | | | | | 6.0 | |
| Total | | | | | | 6.0 | |
| Japan | | | | | | | |
| Construction | 0.3 | 2.7 | 2.4 | 3.0 | 2.8 | 2.9 | 2.6 |
| Financing and Insurance | 0.0 | 7.5 | 7.5 | 5.3 | 4.8 | 0.0 | 0.0 |
| Manufacturing | 3.6 | 179.4 | 160.8 | 4.5 | 3.9 | 0.2 | 6.3 |
| Wholesale and Retail trade | 0.0 | 0.4 | 0.4 | 0.3 | 0.4 | 0.6 | 0.8 |
| Total | 3.9 | 190.1 | 171.2 | 13.2 | 12.0 | 3.7 | 9.7 |
| Kenya | | | | | | | |
| Agriculture, hunting, forestry and fishing | 3.2 | 9.7 | 10.5 | 14.5 | 11.6 | 13.5 | 14.4 |
| Community, social and personal services | 1.1 | 1.2 | -0.9 | 1.1 | 1.1 | 1.2 | 1.1 |
| Construction | 2.6 | 2.6 | 2.3 | 2.1 | 2.0 | 2.0 | 1.8 |
| Financing and Insurance | 17.6 | 18.9 | 19.3 | 17.5 | 21.7 | 25.0 | 27.5 |
| Manufacturing | 17.1 | 54.7 | 63.5 | 32.9 | 98.8 | 118.9 | 90.1 |
| Transport, storage & communication | 2.1 | 2.4 | 2.7 | 2.5 | 3.3 | 7.7 | 14.1 |
| Wholesale and Retail trade | 12.6 | 40.6 | 16.3 | 10.8 | 10.4 | 14.5 | 17.1 |
| Total | 56.4 | 130.2 | 113.7 | 81.4 | 148.8 | 182.9 | 166.1 |
| Korea | | | | | | | |
| Manufacturing | 67.2 | 135.2 | 106.8 | 84.1 | 75.2 | 77.3 | 65.1 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 2.4 | 1.9 | 2.0 | 1.8 |
| Total | 67.2 | 135.2 | 106.8 | 86.5 | 77.1 | 79.2 | 66.9 |
| Kuwait | | | | | | | |
| Construction | 6.0 | 2.7 | 2.6 | 2.5 | 2.6 | 3.0 | 3.4 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 2.0 | 5.5 | 10.3 | 5.8 |
| Total | 6.0 | 2.7 | 2.6 | 4.6 | 8.0 | 13.4 | 9.2 |
| Lebanon | | | | | | | |
| Construction | 0.0 | 0.0 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 4.0 | 2.2 | 2.5 | 2.2 | 2.1 | 2.2 | 2.1 |
| Mining and Quarrying | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 5.7 | 5.0 | 4.7 | 4.3 | 4.4 | 3.9 |
| Total | 4.0 | 7.9 | 7.5 | 8.3 | 6.4 | 6.6 | 6.0 |
| Libya | | | | | | | |
| Wholesale and Retail trade | 0.7 | 0.7 | 0.7 | 0.5 | 0.4 | 0.3 | 1.9 |
| Total | 0.7 | 0.7 | 0.7 | 0.5 | 0.4 | 0.3 | 1.9 |
| Liechtenstein | | | | | | | |
| Financing and Insurance | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 3.9 | 3.0 | 2.3 | 4.7 | 5.2 | 6.2 | 6.5 |
| Wholesale and Retail trade | 10.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 15.2 | 3.0 | 2.3 | 4.7 | 5.2 | 6.2 | 6.5 |

Table 11 continues..... (6)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Luxembourg | | | | | | | |
| Financing and Insurance | 18.1 | 5.4 | 4.0 | 7.5 | 4.0 | 4.8 | 4.0 |
| Manufacturing | 0.0 | 12.4 | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining and Quarrying | 0.0 | 7.6 | 8.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 6.5 | 28.3 | 29.9 | 25.8 | 25.5 | 23.5 | 26.2 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 1.1 | 1.1 | 1.3 | 1.3 |
| Total | 24.6 | 53.6 | 50.9 | 34.4 | 30.7 | 29.6 | 31.5 |
| Macedonia | | | | | | | |
| Community, social and personal services | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| Total | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| Malawi | | | | | | | |
| Community, social and personal services | 0.0 | 0.0 | 0.0 | 9.1 | 8.3 | 8.5 | 7.6 |
| Construction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 8.8 | 7.6 | 6.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 8.8 | 7.6 | 6.6 | 9.1 | 8.3 | 8.5 | 7.6 |
| Malaysia | | | | | | | |
| Financing and Insurance | 4.0 | 4.5 | 4.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 8.0 | 10.0 | 9.7 | 0.6 | 0.8 | 1.0 | 1.3 |
| Utilities | -1.1 | 36.0 | 36.6 | 36.5 | 31.5 | 58.5 | 4.6 |
| Wholesale and Retail trade | 0.0 | 18.7 | 19.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 11.0 | 69.3 | 69.8 | 37.1 | 32.2 | 59.5 | 5.9 |
| Mauritius | | | | | | | |
| Financing and Insurance | 71.5 | 9.1 | 9.3 | 0.9 | 0.8 | 0.7 | 6.2 |
| Manufacturing | 30.0 | 98.4 | 110.4 | 55.6 | 120.4 | 156.7 | 159.8 |
| Mining and Quarrying | 0.5 | 0.4 | 0.4 | 0.3 | 3.6 | 5.0 | 3.9 |
| Transport, storage & communication | 0.0 | 0.0 | 0.0 | 1.7 | 2.8 | 2.0 | 2.6 |
| Wholesale and Retail trade | 4.4 | 62.3 | 55.9 | 61.1 | 54.9 | 56.6 | 52.1 |
| Total | 106.4 | 170.2 | 176.0 | 119.5 | 182.6 | 221.1 | 224.6 |
| Netherlands Antilles | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.8 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 | 1.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Netherlands | | | | | | | |
| Agriculture, hunting, forestry and fishing | 10.4 | 64.2 | 41.4 | 7.0 | 5.7 | 10.2 | 10.2 |
| Community, social and personal services | 0.1 | 0.6 | 0.6 | 0.1 | 0.1 | 0.1 | 0.1 |
| Construction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Financing and Insurance | 31.8 | 2.2 | 2.1 | 3.4 | 3.5 | 3.8 | 3.8 |
| Manufacturing | 51.2 | 4.6 | 3.7 | 35.6 | 34.2 | 40.5 | 37.2 |
| Transport, storage & communication | 0.0 | 0.5 | 106.7 | 150.3 | 143.0 | 160.0 | 211.0 |
| Utilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 25.5 | 22.1 |
| Wholesale and Retail trade | 5.5 | 83.7 | 9.4 | 4.8 | 4.8 | 5.4 | 6.6 |
| Total | 99.0 | 155.8 | 163.9 | 201.3 | 191.4 | 245.6 | 291.2 |
| Nigeria | | | | | | | |
| Manufacturing | 0.0 | 0.0 | 0.0 | 9.1 | 8.6 | 7.1 | 6.4 |
| Total | 0.0 | 0.0 | 0.0 | 9.1 | 8.6 | 7.1 | 6.4 |
| Norway | | | | | | | |
| Agriculture, hunting, forestry and fishing | 2.5 | 2.1 | 1.4 | 1.8 | 1.6 | 1.8 | 1.6 |
| Construction | 10.0 | 14.4 | 9.8 | 7.4 | 37.2 | 8.8 | 9.4 |
| Financing and Insurance | 0.0 | 1.2 | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 8.1 | 9.5 | 10.2 | 16.4 | 11.6 | 38.4 | 61.2 |
| Transport, storage & communication | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Wholesale and Retail trade | 0.0 | 0.3 | -0.7 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total | 20.7 | 27.7 | 22.0 | 26.0 | 50.9 | 49.6 | 72.8 |

Table 11 continues..... (7)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Oman | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Community, social and personal services | 0.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Construction | 0.0 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.0 | 0.4 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 4.4 | 3.2 | 0.6 | 1.1 | 1.1 | 0.9 |
| Transport, storage & communication | 0.0 | 0.0 | 0.1 | 0.7 | 0.9 | 1.0 | 1.1 |
| Utilities | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Wholesale and Retail trade | 0.0 | 0.7 | 0.9 | 0.8 | 0.6 | 0.5 | 0.8 |
| Total | 0.2 | 6.0 | 5.2 | 2.2 | 2.7 | 2.7 | 2.8 |
| PTA Bank | | | | | | | |
| Wholesale and Retail trade | -1.1 | 0.0 | 0.0 | 0.0 | 10.1 | 10.3 | 8.9 |
| Total | -1.1 | 0.0 | 0.0 | 0.0 | 10.1 | 10.3 | 8.9 |
| Pakistan | | | | | | | |
| Community, social and personal services | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.9 | 0.9 | 0.9 | 1.1 | 1.3 | 0.4 | 0.4 |
| Manufacturing | 0.5 | 0.7 | 0.7 | 0.9 | 1.1 | 1.3 | 1.5 |
| Wholesale and Retail trade | 0.0 | 3.5 | 3.5 | 3.5 | 3.5 | 4.0 | 4.0 |
| Total | 1.6 | 5.1 | 5.1 | 5.5 | 5.9 | 5.7 | 5.9 |
| Palestine | | | | | | | |
| Wholesale and Retail trade | | | | | | | 0.4 |
| Total | | | | | | | 0.4 |
| Panama | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 3.5 | 0.6 | 5.4 | 1.9 | 1.9 | 1.9 | 1.7 |
| Transport, storage & communication | 0.0 | 0.0 | 0.0 | 19.8 | 19.8 | 20.0 | 20.0 |
| Wholesale and Retail trade | 0.0 | 19.8 | 19.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 3.5 | 20.4 | 25.2 | 21.7 | 21.7 | 21.9 | 21.6 |
| Qatar | | | | | | | |
| Wholesale and Retail trade | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Russia | | | | | | | |
| Mining and Quarrying | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 |
| Wholesale and Retail trade | 0.0 | 35.2 | 34.1 | 0.4 | 0.4 | 0.5 | 0.6 |
| Total | 0.4 | 35.7 | 34.6 | 1.0 | 1.0 | 1.2 | 1.2 |
| Rwanda | | | | | | | |
| Manufacturing | 0.0 | 0.4 | 0.4 | 0.7 | 0.6 | 0.6 | 0.5 |
| Total | 0.0 | 0.4 | 0.4 | 0.7 | 0.6 | 0.6 | 0.5 |
| Saudi Arabia | | | | | | | |
| Construction | 3.5 | 6.2 | 6.0 | 0.0 | 0.0 | 0.0 | 3.1 |
| Financing and Insurance | -5.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 0.0 | 0.0 | 6.9 | 6.8 | 7.5 | 6.7 |
| Total | -1.7 | 6.2 | 6.0 | 6.9 | 6.8 | 7.5 | 9.9 |
| Senegal | | | | | | | |
| Financing and Insurance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.0 |
| Seychelles | | | | | | | |
| Transport, storage & communication | 1.6 | | | | | | |
| Total | 1.6 | | | | | | |
| Sierra Leone | | | | | | | |
| Manufacturing | 0.0 | 0.1 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | 0.0 | 0.1 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |

Table 11 continues..... (8)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|-------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Singapore | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Financing and Insurance | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 |
| Somalia | | | | | | | |
| Construction | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.1 | 0.0 |
| Transport, storage & communication | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| Wholesale and Retail trade | 0.9 | 0.0 | 0.0 | 1.4 | 1.5 | 1.7 | 1.8 |
| Total | 1.3 | 0.3 | 0.3 | 2.0 | 1.8 | 2.1 | 2.0 |
| South Africa | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.9 | 1.0 | 0.5 | 0.8 | 0.7 | 0.7 | 0.6 |
| Community, social and personal services | 2.1 | 2.5 | 2.3 | 4.6 | 5.6 | 6.3 | 2.0 |
| Construction | 15.8 | 4.5 | 4.0 | 7.3 | 6.7 | 6.9 | 3.0 |
| Financing and Insurance | 3.5 | 22.7 | 21.5 | 52.2 | 50.0 | 31.9 | 53.6 |
| Manufacturing | 3.8 | 106.7 | 115.9 | 162.9 | 209.0 | 259.3 | 184.6 |
| Mining and Quarrying | 40.4 | 142.1 | 156.4 | 207.7 | 406.3 | 1,085.7 | 1,314.5 |
| Transport, storage & communication | 6.2 | 30.5 | 60.5 | 64.0 | 62.7 | 109.6 | 126.7 |
| Wholesale and Retail trade | 1.6 | 27.6 | 47.8 | 47.1 | 41.4 | 82.7 | 82.0 |
| Total | 74.2 | 337.7 | 408.8 | 546.7 | 782.6 | 1,583.0 | 1,767.0 |
| Spain | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Financing and Insurance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.1 | 14.6 | 18.2 | 22.4 | 25.6 |
| Total | 0.0 | -0.1 | 0.0 | 14.6 | 18.3 | 22.5 | 25.6 |
| Sri Lanka | | | | | | | |
| Community, social and personal services | 0.4 | 0.3 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 | 0.6 | 0.6 |
| Total | 0.4 | 0.3 | 0.3 | 0.5 | 0.5 | 0.6 | 0.6 |
| Sudan | | | | | | | |
| Wholesale and Retail trade | 0.1 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.1 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Swaziland | | | | | | | |
| Manufacturing | 0.2 | 0.3 | 0.2 | | | | |
| Total | 0.2 | 0.3 | 0.2 | | | | |
| Sweden | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Construction | 0.0 | 1.7 | 1.5 | 1.5 | 1.5 | 1.6 | 1.5 |
| Financing and Insurance | 5.0 | 0.6 | 0.1 | 0.8 | 0.7 | 0.5 | 0.4 |
| Manufacturing | 10.3 | 13.3 | 16.1 | 7.4 | 8.3 | 1.0 | 0.1 |
| Mining and Quarrying | 0.5 | 0.7 | 5.9 | 5.4 | 6.9 | 11.7 | 0.0 |
| Transport, storage & communication | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 9.8 | 9.8 | 8.8 | 8.4 | 9.0 | 6.8 |
| Total | 15.9 | 26.0 | 33.4 | 23.8 | 25.7 | 23.9 | 8.8 |
| Switzerland | | | | | | | |
| Agriculture, hunting, forestry and fishing | 4.2 | 70.9 | 74.8 | 1.5 | 1.2 | 1.1 | 0.8 |
| Construction | 0.0 | 1.9 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 4.7 | 5.3 | 5.9 | 4.5 | 4.6 | 5.8 | 6.5 |
| Manufacturing | 51.9 | 17.3 | 14.1 | 98.3 | 94.2 | 97.5 | 89.5 |
| Mining and Quarrying | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 |
| Transport, storage & communication | 0.0 | 2.4 | 2.1 | 1.1 | 1.3 | 1.7 | 1.7 |
| Wholesale and Retail trade | 9.0 | 23.4 | 16.8 | 8.4 | 8.3 | 6.1 | 10.0 |
| Total | 69.7 | 121.3 | 115.2 | 113.8 | 109.6 | 112.2 | 110.2 |

Table 11 continues..... (9)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Taiwan | | | | | | | |
| Financing and Insurance | 0.0 | 0.0 | 8.5 | 21.1 | 29.8 | 42.2 | 49.9 |
| Mining and Quarrying | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 0.4 | 0.0 | 8.5 | 21.1 | 29.8 | 42.2 | 49.9 |
| Thailand | | | | | | | |
| Manufacturing | 1.0 | 1.2 | 1.2 | 0.5 | 0.8 | 1.0 | 0.9 |
| Total | 1.0 | 1.2 | 1.2 | 0.5 | 0.8 | 1.0 | 0.9 |
| Turkey | | | | | | | |
| Manufacturing | | -0.1 | -0.1 | | | | |
| Total | | -0.1 | -0.1 | | | | |
| USA | | | | | | | |
| Agriculture, hunting, forestry and fishing | 5.8 | 30.0 | 25.7 | 7.5 | 5.0 | 2.4 | 1.9 |
| Community, social and personal services | 3.8 | 0.0 | 0.0 | 0.3 | 0.3 | 0.3 | 0.3 |
| Construction | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 47.1 | 40.0 | 35.1 | 38.3 | 34.7 | 36.7 | 34.5 |
| Manufacturing | 168.1 | 10.5 | 7.5 | 84.8 | 72.5 | 65.0 | 63.9 |
| Mining and Quarrying | 0.0 | -148.3 | -197.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Transport, storage & communication | 31.3 | 29.4 | 28.9 | 1.2 | 1.5 | 2.0 | 2.2 |
| Wholesale and Retail trade | 9.3 | 35.9 | 34.4 | 7.7 | 7.6 | 9.0 | 8.6 |
| Total | 265.4 | -2.5 | -65.4 | 142.8 | 124.7 | 118.4 | 114.5 |
| Uganda | | | | | | | |
| Construction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.2 | 0.4 | 0.3 | 0.5 | 0.5 | 0.7 | 0.7 |
| Manufacturing | 0.1 | 0.3 | 0.3 | 0.6 | 0.5 | 0.6 | 0.6 |
| Wholesale and Retail trade | 0.5 | 0.6 | 0.6 | 0.7 | 0.6 | 0.8 | 1.3 |
| Total | 0.9 | 1.3 | 1.3 | 1.7 | 1.7 | 2.0 | 2.6 |
| Ukrainian SSR | | | | | | | |
| Transport, storage & communication | | | | | | | 5.6 |
| Total | | | | | | | 5.6 |
| United Arab Emirates | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.8 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 |
| Construction | 0.0 | 0.0 | -0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Financing and Insurance | 0.0 | 1.4 | 0.0 | 0.0 | 6.3 | 6.5 | 5.8 |
| Manufacturing | 4.5 | 3.5 | 3.9 | 7.1 | 15.4 | 17.6 | 17.5 |
| Transport, storage & communication | 0.0 | 7.4 | 7.7 | 8.8 | 8.1 | 6.9 | 7.2 |
| Wholesale and Retail trade | 2.4 | 3.8 | 0.9 | 1.5 | 1.4 | 1.5 | 2.1 |
| Total | 7.0 | 16.8 | 13.1 | 18.3 | 32.1 | 33.4 | 33.3 |
| United Kingdom | | | | | | | |
| Agriculture, hunting, forestry and fishing | 110.5 | 73.7 | 55.6 | 26.2 | 34.1 | 33.0 | 67.5 |
| Community, social and personal services | -0.3 | 0.7 | 1.9 | 1.1 | 1.1 | 1.1 | 1.2 |
| Construction | 4.0 | 28.4 | 21.7 | 16.2 | 11.3 | 15.4 | 17.9 |
| Financing and Insurance | 54.9 | 86.1 | 80.9 | 49.7 | 50.7 | 74.5 | 68.7 |
| Manufacturing | 82.8 | 130.7 | 103.6 | 69.5 | 69.7 | 77.2 | 78.1 |
| Mining and Quarrying | 2.1 | 3.2 | 3.0 | 18.6 | 26.7 | 25.3 | 39.6 |
| Transport, storage & communication | 1.9 | 49.2 | 60.7 | 14.6 | 14.5 | 14.2 | 11.1 |
| Utilities | 0.0 | 0.0 | 22.7 | 175.5 | 211.9 | 67.1 | 144.5 |
| Wholesale and Retail trade | 214.8 | 105.0 | 113.4 | 89.3 | 86.4 | 99.2 | 89.7 |
| Total | 470.7 | 477.1 | 463.6 | 460.8 | 506.4 | 407.0 | 518.4 |
| Virgin Islands (U.S.) | | | | | | | |
| Manufacturing | 0.0 | 0.0 | 3.0 | 3.0 | 0.0 | 0.0 | 0.0 |
| Wholesale and Retail trade | 4.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 4.3 | 0.0 | 3.0 | 3.0 | 0.0 | 0.0 | 0.0 |

Table 11 continues..... (10)

| Country and sector | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005p |
|--|------------|------------|------------|------------|------------|------------|------------|
| Yemen | | | | | | | |
| Agriculture, hunting, forestry and fishing | 1.0 | 1.9 | 2.2 | 2.5 | 2.4 | 2.6 | 2.5 |
| Construction | 2.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 1.2 | 2.2 | 2.2 | 2.0 | 1.9 | 2.0 | 1.8 |
| Total | 4.5 | 4.1 | 4.4 | 4.5 | 4.3 | 4.6 | 4.3 |
| Zambia | | | | | | | |
| Agriculture, hunting, forestry and fishing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | 1.3 | 3.3 | 3.5 | 2.4 | 2.7 | 3.2 | 3.3 |
| Transport, storage & communication | 0.0 | -0.2 | -0.1 | 0.4 | 0.4 | 0.4 | 0.4 |
| Wholesale and Retail trade | 0.0 | 0.4 | 0.3 | 0.4 | 0.1 | 0.1 | 0.2 |
| Total | 1.5 | 3.5 | 3.7 | 3.3 | 3.2 | 3.7 | 3.9 |
| Zimbabwe | | | | | | | |
| Financing and Insurance | 1.5 | 0.9 | 0.3 | 0.0 | 0.3 | 0.7 | 0.4 |
| Manufacturing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining and Quarrying | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 1.4 | 0.9 | 0.3 | 0.0 | 0.3 | 0.7 | 0.4 |

Source: PCF survey, 2006

P = Provisional

Table 12: Flow of FDI by source country for Tanzania, 1999 – 2005*Values in USD million*

| Country | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 ^P |
|--------------------------------|-------|------|------|-------|------|------|-------------------|
| Australia | 48.5 | 6.7 | 3.7 | 1.5 | 2.6 | 0.1 | 0.1 |
| Austria | 0.0 | -0.1 | 0.4 | 2.1 | 10.4 | 5.8 | 1.8 |
| Bahamas | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bangladesh | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Barbados | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Belgium | 2.5 | 0.0 | -0.1 | 0.1 | 0.5 | 0.0 | 0.0 |
| Bermuda | 5.2 | 0.0 | 61.8 | 0.2 | 0.7 | 0.5 | 0.3 |
| Bosnia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Botswana | 0.0 | 0.0 | 0.0 | 2.0 | 0.8 | 2.7 | 0.0 |
| British Indian Ocean Territory | 0.0 | 0.0 | 0.0 | 0.0 | 4.5 | 16.0 | 15.7 |
| British Virgin Island | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 14.8 | 19.8 |
| Croatia | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Canada | 80.9 | 0.0 | 21.5 | 230.2 | 59.0 | 41.0 | 54.5 |
| Cayman Islands | 0.0 | 0.0 | 0.0 | 0.0 | 44.3 | 14.2 | 3.3 |
| Channel Islands | 0.0 | 0.0 | 0.0 | 2.5 | 0.1 | 0.2 | 0.2 |
| China | 0.0 | 2.6 | 1.9 | 11.4 | 10.7 | 10.0 | 7.9 |
| Cote D'Ivoire | 1.3 | 0.0 | 0.1 | 0.0 | 0.2 | 0.2 | 0.0 |
| Cyprus | 0.0 | 0.1 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Denmark | 3.9 | 0.5 | 0.2 | 0.0 | 11.6 | 1.4 | 0.4 |
| Dominica | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| European Union | 0.0 | 0.0 | 2.4 | 0.2 | 0.3 | 0.2 | 0.4 |
| Egypt | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 6.1 | 0.0 |
| Ethiopia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Finland | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Foreign-Not Specified | 4.0 | 3.5 | 0.6 | 0.3 | -0.3 | 25.1 | 79.3 |
| France | 12.7 | 3.0 | 2.2 | 0.3 | 2.3 | -0.5 | 0.1 |
| Ghana | 134.2 | 0.0 | 1.5 | 0.8 | 2.7 | 0.0 | 0.0 |
| Germany | 8.5 | 15.1 | 1.2 | 2.8 | 4.5 | 5.3 | 19.3 |
| Gibraltar | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Greece | 0.4 | 0.0 | 0.0 | -0.2 | 0.4 | 0.1 | 0.1 |
| Guinea | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Hong Kong | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IFC | 1.3 | 0.0 | 1.9 | -0.4 | 0.2 | 0.0 | 0.0 |
| India | 0.6 | 1.5 | 1.9 | 0.0 | 0.2 | 6.7 | 5.3 |
| Indonesia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Iran | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ireland | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Isle of Man | 0.1 | 3.2 | 1.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Israel | 0.0 | 0.1 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Italy | 4.1 | 4.7 | 2.3 | 5.7 | 9.1 | 9.9 | 5.4 |
| Japan | 0.4 | 16.8 | 0.0 | 0.6 | 2.6 | 1.5 | 3.8 |
| Kenya | 20.1 | 6.0 | 13.1 | 6.7 | 18.5 | 11.8 | 10.5 |
| Korea | 0.0 | 0.0 | -0.1 | 0.0 | 0.0 | 0.5 | 0.0 |
| Kuwait | 0.0 | 0.0 | 0.0 | 0.0 | 4.3 | 0.6 | 1.3 |
| Lebanon | 6.4 | 0.0 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Libya | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| Liechtenstein | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Luxembourg | 0.2 | -0.1 | 2.3 | 0.0 | 1.1 | 0.7 | 0.1 |
| Macedonia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Malawi | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Malaysia | 3.7 | 0.1 | 3.9 | -0.2 | -0.1 | 0.5 | -0.2 |

Table 12 continues..... (2)

| Country | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005^P |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|
| Mauritius | 16.5 | 4.6 | 3.7 | 0.8 | 18.2 | 3.9 | 5.8 |
| Netherlands Antilles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Netherlands | 4.6 | 1.6 | -8.1 | 1.4 | 0.8 | 8.2 | 0.8 |
| Nigeria | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Norway | 5.5 | 0.0 | 4.7 | 3.0 | 1.2 | 0.5 | 0.4 |
| Oman | 0.0 | 0.0 | 1.3 | 0.0 | 0.5 | 0.0 | 0.0 |
| PTA Bank | 0.0 | 0.0 | 0.0 | 0.0 | 10.4 | 0.0 | 0.0 |
| Pakistan | 3.1 | 0.0 | 0.1 | 0.1 | 0.2 | 0.4 | 0.1 |
| Palestine | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Panama | -1.9 | -0.1 | 0.4 | 1.9 | 0.1 | 0.0 | 0.0 |
| Qatar | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Russia | 0.6 | -0.1 | -0.1 | -0.1 | 0.4 | 0.0 | 0.0 |
| Rwanda | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Saudi Arabia | 6.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 |
| Sierra Leone | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Singapore | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Somalia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| South Africa | 37.9 | 95.3 | 141.8 | 34.9 | 7.1 | 91.9 | 100.4 |
| Spain | 0.0 | 0.0 | 0.0 | 6.3 | 7.3 | 8.0 | 10.3 |
| Sri Lanka | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sudan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Swaziland | 8.0 | 1.2 | 2.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sweden | 1.8 | 3.0 | 5.4 | 0.8 | 1.6 | 1.5 | 0.0 |
| Switzerland | 9.0 | 29.8 | 19.5 | 1.9 | 7.9 | 1.6 | 5.3 |
| Taiwan | 0.0 | 0.0 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Thailand | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| USA | 23.5 | 27.7 | 32.2 | 29.9 | 2.8 | 1.0 | 5.0 |
| Uganda | 0.0 | 0.3 | 0.0 | 0.2 | 0.0 | 0.6 | 0.5 |
| United Arab Emirate | 0.5 | 2.2 | 15.1 | 2.1 | 14.0 | 0.7 | 0.7 |
| United Kingdom | 35.0 | 32.5 | 42.9 | 38.3 | 47.0 | 36.3 | 86.8 |
| Virgin Islands (U.S.) | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Yemen | 0.0 | 0.2 | 0.6 | 0.0 | 0.0 | 0.1 | 0.0 |
| Zambia | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| Zimbabwe | 0.0 | 0.0 | -0.1 | 0.0 | 0.0 | 0.5 | 0.0 |
| Others not specified | 3.6 | 0.0 | -1.3 | -1.0 | -3.0 | -0.2 | 1.0 |
| Total | 496.6 | 261.9 | 388.8 | 387.6 | 308.2 | 330.6 | 447.6 |

Source: PCF survey, 2006

P = Provisional

Table 13: Flow of FDI by Source Country for Zanzibar, 1999 – 2005*Values in USD million*

| Country | 2000 | 2001 | 2002 | 2003 | 2004 | 2005^P |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------------------|
| Australia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Austria | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Bahamas | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Belgium | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| British Virgin Island | 0.0 | 0.0 | 0.0 | 0.5 | 7.7 | 19.7 |
| China | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 1.0 |
| Denmark | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Ethiopia | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| France | 0.0 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 |
| Germany | 0.0 | 0.0 | 0.7 | 0.7 | 0.7 | 0.2 |
| Greece | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Italy | 0.7 | 0.3 | 5.6 | 7.2 | 9.6 | 5.0 |
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Kenya | 0.0 | 0.0 | 0.2 | 0.4 | 1.7 | 0.2 |
| Kuwait | 0.0 | 0.0 | 0.0 | 4.3 | 0.6 | 1.3 |
| Netherlands | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.8 |
| Norway | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 |
| Oman | 0.0 | 0.3 | 0.0 | 0.5 | 0.0 | 0.0 |
| Pakistan | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 |
| Palestine | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Rwanda | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| South Africa | 3.0 | 1.3 | 0.4 | 0.3 | 0.2 | 0.2 |
| Spain | 0.0 | 0.0 | 6.3 | 7.3 | 8.0 | 10.3 |
| Sweden | 0.0 | 0.1 | 0.7 | 0.2 | 0.1 | 0.0 |
| Switzerland | 0.0 | 0.3 | 0.7 | 0.4 | -0.2 | 0.6 |
| USA | 0.0 | 0.0 | 0.0 | 0.0 | -0.4 | 0.0 |
| Uganda | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 |
| United Arab Emirates | 2.0 | 0.4 | 0.0 | 4.5 | 0.1 | 0.1 |
| United Kingdom | 0.4 | 0.0 | 1.9 | 3.8 | 2.4 | 1.9 |
| Zambia | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 |
| Total | 6.3 | 2.8 | 17.3 | 30.1 | 31.7 | 42.4 |

*Source: PCF survey, 2006**P = Provisional*

Table 14: Total employment by sector for the surveyed companies, 2002 and 2005

| Sector | Year | Position | Female Mainland | Male Mainland | Female Zanzibar | Male Zanzibar | Female Foreigner | Male Foreigner |
|--|------|---------------|-----------------|---------------|-----------------|---------------|------------------|----------------|
| Agriculture, hunting, forestry and fishing | 2002 | Management | 17 | 61 | 0 | 1 | 3 | 37 |
| | 2002 | Professionals | 19 | 67 | 0 | 3 | 0 | 16 |
| | 2002 | Skilled | 736 | 747 | 0 | 27 | 0 | 9 |
| | 2002 | Unskilled | 1,184 | 1,836 | 0 | 4 | 0 | 0 |
| | | Total | 1,956 | 2,711 | 0 | 35 | 3 | 62 |
| | 2003 | Management | 20 | 65 | 2 | 4 | 3 | 46 |
| | 2003 | Professionals | 16 | 82 | 0 | 5 | 0 | 19 |
| | 2003 | Skilled | 764 | 783 | 2 | 31 | 0 | 9 |
| | 2003 | Unskilled | 1,708 | 2,343 | 1 | 20 | 0 | 0 |
| | | Total | 2,508 | 3,273 | 5 | 60 | 3 | 74 |
| | 2004 | Management | 19 | 64 | 4 | 11 | 4 | 52 |
| | 2004 | Professionals | 21 | 87 | 0 | 5 | 0 | 21 |
| | 2004 | Skilled | 808 | 852 | 2 | 36 | 0 | 9 |
| | 2004 | Unskilled | 2,052 | 2,900 | 148 | 251 | 0 | 0 |
| | | Total | 2,900 | 3,903 | 154 | 303 | 4 | 82 |
| | 2005 | Management | 22 | 72 | 4 | 11 | 5 | 51 |
| | 2005 | Professionals | 22 | 98 | 0 | 5 | 0 | 26 |
| | 2005 | Skilled | 858 | 1,024 | 1 | 30 | 0 | 10 |
| | 2005 | Unskilled | 2,193 | 3,141 | 166 | 305 | 0 | 0 |
| | | Total | 3,095 | 4,335 | 171 | 351 | 5 | 87 |
| Community, social and personal services | 2002 | Management | 8 | 12 | 0 | 3 | 1 | 7 |
| | 2002 | Professionals | 14 | 9 | 0 | 0 | 0 | 0 |
| | 2002 | Skilled | 72 | 625 | 17 | 10 | 0 | 0 |
| | 2002 | Unskilled | 11 | 16 | 9 | 8 | 0 | 0 |
| | | Total | 105 | 662 | 26 | 21 | 1 | 7 |
| | 2003 | Management | 8 | 13 | 0 | 2 | 1 | 10 |
| | 2003 | Professionals | 19 | 14 | 0 | 0 | 0 | 1 |
| | 2003 | Skilled | 77 | 639 | 15 | 12 | 0 | 0 |
| | 2003 | Unskilled | 11 | 16 | 5 | 5 | 0 | 0 |
| | | Total | 115 | 682 | 20 | 19 | 1 | 11 |
| | 2004 | Management | 14 | 22 | 0 | 2 | 1 | 7 |
| | 2004 | Professionals | 25 | 14 | 0 | 0 | 0 | 0 |
| | 2004 | Skilled | 96 | 782 | 15 | 12 | 0 | 0 |
| | 2004 | Unskilled | 17 | 21 | 5 | 3 | 0 | 0 |
| | | Total | 152 | 839 | 20 | 17 | 1 | 7 |
| | 2005 | Management | 14 | 25 | 0 | 2 | 1 | 8 |
| | 2005 | Professionals | 34 | 30 | 0 | 0 | 0 | 0 |
| | 2005 | Skilled | 106 | 789 | 16 | 12 | 0 | 0 |
| | 2005 | Unskilled | 19 | 21 | 7 | 6 | 0 | 0 |
| | | Total | 173 | 865 | 23 | 20 | 1 | 8 |
| Construction | 2002 | Management | 1 | 11 | 1 | 3 | 5 | 21 |
| | 2002 | Professionals | 5 | 18 | 1 | 2 | 1 | 23 |
| | 2002 | Skilled | 21 | 479 | 4 | 4 | 1 | 28 |
| | 2002 | Unskilled | 47 | 821 | 0 | 11 | 0 | 0 |
| | | Total | 74 | 1,329 | 6 | 20 | 7 | 72 |

Table 14 continues..... (2)

| Sector | Year | Position | Female Mainland | Male Mainland | Female Zanzibar | Male Zanzibar | Female Foreigner | Male Foreigner |
|-----------------------|---------------|---------------|-----------------|---------------|-----------------|---------------|------------------|----------------|
| | | Total | 74 | 1,329 | 6 | 20 | 7 | 72 |
| | 2003 | Management | 1 | 11 | 1 | 3 | 6 | 25 |
| | 2003 | Professionals | 6 | 23 | 1 | 2 | 1 | 38 |
| | 2003 | Skilled | 21 | 565 | 4 | 4 | 1 | 28 |
| | 2003 | Unskilled | 47 | 997 | 0 | 11 | 0 | 0 |
| | | Total | 75 | 1,596 | 6 | 20 | 8 | 91 |
| | 2004 | Management | 2 | 12 | 1 | 3 | 7 | 22 |
| | 2004 | Professionals | 6 | 27 | 1 | 2 | 1 | 59 |
| | 2004 | Skilled | 28 | 802 | 4 | 4 | 0 | 22 |
| | 2004 | Unskilled | 51 | 972 | 0 | 11 | 0 | 0 |
| | | Total | 87 | 1,813 | 6 | 20 | 8 | 103 |
| | 2005 | Management | 1 | 19 | 1 | 9 | 6 | 49 |
| | 2005 | Professionals | 12 | 85 | 1 | 9 | 1 | 23 |
| | 2005 | Skilled | 26 | 807 | 4 | 284 | 0 | 22 |
| | 2005 | Unskilled | 71 | 1,072 | 25 | 121 | 0 | 0 |
| | Total | 110 | 1,983 | 31 | 423 | 7 | 94 | |
| Finance and insurance | 2002 | Management | 65 | 137 | 0 | 3 | 4 | 74 |
| | 2002 | Professionals | 155 | 337 | 0 | 0 | 0 | 5 |
| | 2002 | Skilled | 852 | 1,166 | 2 | 0 | 1 | 6 |
| | 2002 | Unskilled | 34 | 145 | 0 | 0 | 0 | 0 |
| | | Total | 1,106 | 1,785 | 2 | 3 | 5 | 85 |
| | 2003 | Management | 48 | 143 | 0 | 4 | 3 | 70 |
| | 2003 | Professionals | 172 | 381 | 0 | 0 | 0 | 5 |
| | 2003 | Skilled | 871 | 1,304 | 2 | 3 | 1 | 6 |
| | 2003 | Unskilled | 36 | 181 | 0 | 0 | 0 | 0 |
| | | Total | 1,127 | 2,009 | 2 | 7 | 4 | 81 |
| | 2004 | Management | 70 | 193 | 0 | 4 | 4 | 96 |
| | 2004 | Professionals | 241 | 435 | 0 | 0 | 0 | 8 |
| | 2004 | Skilled | 959 | 1,410 | 2 | 2 | 0 | 10 |
| | 2004 | Unskilled | 47 | 222 | 0 | 0 | 0 | 0 |
| | | Total | 1,317 | 2,260 | 2 | 6 | 4 | 114 |
| 2005 | Management | 75 | 208 | 0 | 3 | 2 | 78 | |
| 2005 | Professionals | 276 | 425 | 0 | 0 | 0 | 7 | |
| 2005 | Skilled | 1,059 | 1,521 | 3 | 2 | 0 | 10 | |
| 2005 | Unskilled | 46 | 183 | 0 | 0 | 0 | 0 | |
| | Total | 1,456 | 2,337 | 3 | 5 | 2 | 95 | |
| Manufacturing | 2002 | Management | 62 | 753 | 1 | 6 | 13 | 238 |
| | 2002 | Professionals | 165 | 927 | 0 | 0 | 3 | 106 |
| | 2002 | Skilled | 2,542 | 6,845 | 2 | 27 | 1 | 64 |
| | 2002 | Unskilled | 2,363 | 8,068 | 6 | 44 | 0 | 3 |
| | | Total | 5,132 | 16,593 | 9 | 77 | 17 | 411 |
| | 2003 | Management | 73 | 809 | 1 | 7 | 14 | 272 |
| | 2003 | Professionals | 122 | 978 | 0 | 0 | 3 | 171 |
| | 2003 | Skilled | 3,241 | 8,125 | 9 | 39 | 1 | 77 |
| | 2003 | Unskilled | 2,469 | 8,550 | 11 | 56 | 0 | 1 |
| | | Total | 5,905 | 18,462 | 21 | 102 | 18 | 521 |

Table 14 continues..... (3)

| Sector | Year | Position | Female Mainland | Male Mainland | Female Zanzibar | Male Zanzibar | Female Foreigner | Male Foreigner |
|-----------------------|------|---------------|-----------------|---------------|-----------------|---------------|------------------|----------------|
| | 2004 | Management | 70 | 853 | 1 | 9 | 13 | 295 |
| | 2004 | Professionals | 244 | 1,071 | 1 | 1 | 4 | 170 |
| | 2004 | Skilled | 3,818 | 6,394 | 8 | 48 | 1 | 89 |
| | 2004 | Unskilled | 2,507 | 9,013 | 13 | 69 | 0 | 1 |
| | | Total | 6,639 | 17,331 | 23 | 127 | 18 | 555 |
| | 2005 | Management | 105 | 971 | 1 | 11 | 14 | 316 |
| | 2005 | Professionals | 318 | 1,447 | 3 | 1 | 2 | 217 |
| | 2005 | Skilled | 3,524 | 8,816 | 8 | 54 | 10 | 91 |
| | 2005 | Unskilled | 2,990 | 9,896 | 13 | 103 | 0 | 4 |
| | | Total | 6,937 | 21,130 | 25 | 169 | 26 | 628 |
| Mining and Quarrying | 2002 | Management | 0 | 11 | 0 | 0 | 3 | 40 |
| | 2002 | Professionals | 21 | 285 | 0 | 0 | 1 | 37 |
| | 2002 | Skilled | 51 | 500 | 0 | 0 | 0 | 226 |
| | 2002 | Unskilled | 30 | 1,345 | 0 | 0 | 0 | 1 |
| | | Total | 102 | 2,141 | 0 | 0 | 4 | 304 |
| | 2003 | Management | 0 | 11 | 0 | 0 | 2 | 41 |
| | 2003 | Professionals | 21 | 285 | 0 | 0 | 2 | 37 |
| | 2003 | Skilled | 53 | 580 | 0 | 0 | 40 | 218 |
| | 2003 | Unskilled | 30 | 1,569 | 0 | 0 | 0 | 0 |
| | | Total | 104 | 2,445 | 0 | 0 | 44 | 296 |
| | 2004 | Management | 3 | 14 | 0 | 0 | 2 | 43 |
| | 2004 | Professionals | 24 | 309 | 0 | 0 | 4 | 39 |
| | 2004 | Skilled | 66 | 607 | 0 | 0 | 55 | 204 |
| | 2004 | Unskilled | 43 | 1,591 | 0 | 0 | 0 | 0 |
| | | Total | 136 | 2,521 | 0 | 0 | 61 | 286 |
| | 2005 | Management | 3 | 21 | 0 | 0 | 4 | 43 |
| | 2005 | Professionals | 29 | 369 | 0 | 0 | 4 | 45 |
| | 2005 | Skilled | 117 | 1,459 | 0 | 0 | 61 | 266 |
| | 2005 | Unskilled | 53 | 2,043 | 0 | 0 | 0 | 0 |
| | | Total | 202 | 3,892 | 0 | 0 | 69 | 354 |
| Transport and storage | 2002 | Management | 8 | 42 | 1 | 14 | 7 | 28 |
| | 2002 | Professionals | 107 | 177 | 1 | 8 | 0 | 15 |
| | 2002 | Skilled | 76 | 300 | 44 | 188 | 2 | 3 |
| | 2002 | Unskilled | 19 | 248 | 16 | 123 | 0 | 0 |
| | | Total | 210 | 767 | 62 | 333 | 9 | 46 |
| | 2003 | Management | 8 | 59 | 1 | 19 | 8 | 36 |
| | 2003 | Professionals | 162 | 291 | 1 | 14 | 0 | 17 |
| | 2003 | Skilled | 190 | 412 | 49 | 229 | 2 | 3 |
| | 2003 | Unskilled | 18 | 285 | 15 | 122 | 0 | 0 |
| | | Total | 378 | 1,047 | 66 | 384 | 10 | 56 |
| | 2004 | Management | 10 | 68 | 1 | 19 | 7 | 40 |
| | 2004 | Professionals | 213 | 387 | 1 | 16 | 0 | 22 |
| | 2004 | Skilled | 218 | 484 | 51 | 213 | 1 | 3 |
| | 2004 | Unskilled | 57 | 320 | 15 | 190 | 0 | 0 |
| | | Total | 498 | 1259 | 68 | 438 | 8 | 65 |
| | 2005 | Management | 11 | 81 | 2 | 18 | 7 | 53 |
| | 2005 | Professionals | 230 | 434 | 1 | 17 | 1 | 23 |
| | 2005 | Skilled | 288 | 519 | 58 | 246 | 1 | 3 |
| | 2005 | Unskilled | 50 | 421 | 17 | 228 | 0 | 0 |
| | | Total | 579 | 1,455 | 78 | 509 | 9 | 79 |

Table 14 continues..... (4)

| Sector | Year | Position | Female Mainland | Male Mainland | Female Zanzibar | Male Zanzibar | Female Foreigner | Male Foreigner |
|--------------------------|------|---------------|-----------------|---------------|-----------------|---------------|------------------|----------------|
| Utilities | 2002 | Management | 0 | 1 | 0 | 0 | 0 | 8 |
| | 2002 | Professionals | 0 | 7 | 0 | 0 | 0 | 1 |
| | 2002 | Skilled | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2002 | Unskilled | 0 | 3 | 0 | 0 | 0 | 0 |
| | | Total | 0 | 12 | 0 | 0 | 0 | 9 |
| | 2003 | Management | 0 | 3 | 0 | 0 | 0 | 19 |
| | 2003 | Professionals | 3 | 6 | 0 | 0 | 0 | 1 |
| | 2003 | Skilled | 3 | 41 | 0 | 0 | 0 | 0 |
| | 2003 | Unskilled | 0 | 10 | 0 | 0 | 0 | 0 |
| | | Total | 6 | 60 | 0 | 0 | 0 | 20 |
| | 2004 | Management | 1 | 5 | 0 | 0 | 0 | 16 |
| | 2004 | Professionals | 2 | 4 | 0 | 0 | 0 | 1 |
| | 2004 | Skilled | 5 | 46 | 0 | 0 | 0 | 0 |
| | 2004 | Unskilled | 0 | 18 | 0 | 0 | 0 | 0 |
| | | Total | 8 | 73 | 0 | 0 | 0 | 17 |
| | 2005 | Management | 1 | 5 | 0 | 0 | 0 | 15 |
| | 2005 | Professionals | 2 | 4 | 0 | 0 | 0 | 1 |
| | 2005 | Skilled | 5 | 39 | 0 | 0 | 0 | 0 |
| | 2005 | Unskilled | 0 | 18 | 0 | 0 | 0 | 0 |
| | | Total | 8 | 66 | 0 | 0 | 0 | 16 |
| Wholesale & retail trade | 2002 | Management | 26 | 109 | 17 | 66 | 46 | 146 |
| | 2002 | Professionals | 45 | 163 | 24 | 48 | 21 | 61 |
| | 2002 | Skilled | 763 | 1,861 | 272 | 540 | 7 | 26 |
| | 2002 | Unskilled | 422 | 1,209 | 242 | 581 | 0 | 1 |
| | | Total | 1,256 | 3,342 | 555 | 1,235 | 74 | 234 |
| | 2003 | Management | 28 | 124 | 15 | 69 | 53 | 155 |
| | 2003 | Professionals | 50 | 167 | 23 | 49 | 19 | 63 |
| | 2003 | Skilled | 844 | 1,984 | 346 | 639 | 8 | 26 |
| | 2003 | Unskilled | 454 | 1,021 | 263 | 647 | 0 | 1 |
| | | Total | 1,376 | 3,296 | 647 | 1,404 | 80 | 245 |
| | 2004 | Management | 43 | 142 | 18 | 78 | 71 | 170 |
| | 2004 | Professionals | 52 | 198 | 22 | 53 | 23 | 81 |
| | 2004 | Skilled | 962 | 2,148 | 374 | 859 | 6 | 29 |
| | 2004 | Unskilled | 486 | 1,368 | 346 | 935 | 0 | 1 |
| | | Total | 1,543 | 3,856 | 760 | 1,925 | 100 | 281 |
| | 2005 | Management | 44 | 166 | 16 | 91 | 77 | 201 |
| | 2005 | Professionals | 60 | 209 | 24 | 60 | 39 | 86 |
| | 2005 | Skilled | 1,082 | 2,514 | 567 | 997 | 8 | 44 |
| | 2005 | Unskilled | 495 | 1,328 | 307 | 852 | 0 | 1 |
| | | Total | 1,681 | 4,217 | 914 | 2,000 | 124 | 332 |

Source: PCF survey, 2006

P = Provisional

APPENDIX 4

CORPORATE SOCIAL RESPONSIBILITY BY ACTIVITY

| Area of support | Type of support provided |
|---------------------|---|
| Safety and Security | a) Building police posts |
| Health and welfare | a) Providing health care services b) Hospital maintenance c) Providing medical facilities (e.g. beds) d) Construction of patients wards to government hospitals e) Construction of operating theatres f) Donation of mobile clinics |
| Education | a) Building classrooms b) Purchase books and school furniture c) Providing computers d) Providing building materials e) Building schools f) Sponsoring disadvantaged children up to university level |
| Environment | a) Distributing seedlings for tree planting, b) Tree planting c) Cleaning of the surroundings |
| Sports development | a) Donations for sports development b) Sponsorship of national football league c) Construction of a football pitch |
| Road | a) Build roads and repairs b) Building bridges |
| Water | a) Construction of wells and boreholes b) Providing clean water |
| Arts and culture | a) Sponsoring cultural events |
| Others | a) Providing generators during electricity cut-off b) Donations to support old age homes c) Building mosques/churches d) Supporting development programme e) Donation to children homes f) Construction of children homes g) Renovation of orphanage houses |

APPENDIX 5

QUESTIONNAIRE

Confidential



National Bureau of Statistics
 P. O. Box 796
 DAR ES SALAAM
 Tel: (255)-22-2122722-3
 (255)-22-2132552
 Fax: (255)-22-2130852
 Website: www.nbs.go.tz



Bank of Tanzania
 P. O. BOX 2939
 DAR ES SALAAM
 Tel: (255)-22- 2110946-52, Tel:
 (255)-22-2110977-79
 Fax: (255-22) 22112573/2113325
 Website: www.bot-tz.org



Tanzania Investment Centre
 P. O. Box 938
 DAR ES SALAAM
 (255)-22-2116328-32
 (255)-22-234200
 Fax: (255-22) 2118253
 Website: www.tic.co.tz

QUESTIONNAIRE FOR THE SURVEY OF COMPANIES WITH LOCAL AND FOREIGN ASSETS AND LIABILITIES

QUESTIONNAIRE TYPE: PCF/1/2006

COMPANY REFERENCE NUMBER: *(For internal use only)*

DUE DATE FOR RETURN: ___/___/_____ **RESEARCH**

OFFICER.....

dd / mm / yyyy

PART A: GENERAL INFORMATION

ALL RESPONDENTS SHOULD COMPLETE THIS PART

| | |
|--|---|
| Company name: | |
| Previous name of the Company (if any): | |
| Date completed: (<i>dd/mm/yyyy</i>) | |
| Name and position of person completing this questionnaire: | |
| Name: | Position: |
| Company Address: P.O. Box | |
| Tel: | Fax: E-mail: Website: |
| District: | <i>ot:</i> |
| Please give details of an alternative person to be contacted in case we need further clarifications: | |
| Name: | Position: |
| Tel: | Fax: Mob: E-mail: |
| Date of Establishment: | Date of Commencing Operations: |

Does your company have any subsidiaries¹ within Tanzania? Yes No

If yes, are you supplying unconsolidated information for individual companies within the group?

Yes No

NB: If possible, please supply information for each company in your group individually (i.e., unconsolidated information).

¹ A company whose more than 50% of voting right is controlled by another company is usually referred to as subsidiary company.

**QUESTIONNAIRE FOR THE SURVEY OF COMPANIES WITH LOCAL AND
FOREIGN ASSETS AND LIABILITIES 2002 - 2005**

Acknowledgement of Receipt of Questionnaire

Instructions:

This page should be filled-in by the person who is receiving the questionnaire on behalf of the entity, enterprise or company at the time of delivery of this questionnaire by the enumerator. After it is signed, the enumerator should retain the original copy of this page.

| | |
|---|--|
| I, _____ of _____, (enter name of recipient) (enter name of entity/company/enterprise) acknowledge receipt of the Private Capital Flows (PCF) survey questionnaire, 2006. | |
| Title: | |
| Signature: | |
| Date: | |
| Enumerator's Name: | |
| Thank you for receiving the questionnaire. | |

Note: The due date for return of the completed questionnaire is ***two weeks after receipt of the questionnaire***. If you are experiencing problems meeting the due date, please call us as soon as possible before the deadline, on one of the numbers indicated on the next page.

PLEASE READ THIS FIRST

Purpose of survey

This questionnaire collects information on assets and liabilities of your enterprise (or group) in Tanzania. This information will be used by the Bank of Tanzania (BOT), Tanzania Investment Centre (TIC), National Bureau of Statistics (NBS) and the Government in balance of payments compilation, investment promotion and national policy formulation.

Focus

You are required to complete this questionnaire from the point of view of your transactions as an investor with foreign assets and/or liabilities in Tanzania regardless of your nationality.

Collection Authority

Completion of this questionnaire is compulsory under section 6(b) of the **Tanzania Investment Act No. 26** of 1997, section 47 sub-sections (1), (2) and (4) part II of the **Statistics Act** of 2002 of the National Bureau of Statistics and section 49 of **Bank of Tanzania Act** of 1995. Failure to comply could result in legal and/or administrative action against non-compliance.

Confidentiality

Information will be used only for statistical purposes, and be published in aggregated form. Data relating to individual organizations will not be made available to anyone outside the BOT, TIC or NBS. Government officials failing to comply with confidentiality clause face severe penalties including summary dismissal. This is in accordance with the acts establishing BOT, TIC and NBS.

Estimates

Where possible, please use figures from your accounts. Unaudited data are perfectly acceptable for this purpose. In cases where data is not readily available from your accounts, please provide careful estimates. We would rather have your best estimate than nothing.

Inapplicable questions

Please do not leave blank spaces even where the question does not apply to you as we do not need to follow up with you. Please, enter **“N/A”** in the appropriate box, or at the start of the question.

Due Date

Please complete this questionnaire and return the original to either research officer in contact with you (name on the first page) or to BOT or TIC by the date indicated. Please keep the ‘Respondent Copy’ of the questionnaire for your own records.

Help Available

This questionnaire contains technical terms. If you have problems in completing this questionnaire, please refer to notes attached at the end. Alternatively, please contact BOT, TIC or NBS through:

V. Tessa (0741 415146)

S. Simba (0744 992506)

National Bureau of Statistics

Tel: (255)-22-2122722-3

(255)-22- 2132552

Fax: (255)-22-2112352/2135601

Z. Kiwelu (0744 293570)

P. Mboya (0744 527528)

Bank of Tanzania

Tel: (255)-22- 2110946-52,

(255)-22-2110977-79

Fax: (255)-22 22112573/2113325

S. Kuwite (0748 285333)

N. Tibenda (0741 568030)

Tanzania Investment Centre

Tel: (255)-22-2116328-32

(255)-22-234200

Fax: (255)-22 2118253

THANK YOU IN ADVANCE FOR YOUR COOPERATION

1. INDUSTRIAL CLASSIFICATION

Please tick the main area(s) of economic activity of your company and its subsidiaries in Tanzania based on total investments. Wherever possible, companies are requested to fill and submit a separate questionnaire for each individual company within a group.

| Industrial Classification | Tick relevant activity | Estimated percentage share contribution to company's total investments |
|---|------------------------|--|
| 1. Agriculture, hunting, forestry and fishing | | |
| <i>1.1 Agriculture</i> | | |
| <i>1.1.1 Floriculture</i> | | |
| <i>1.1.2 Fruits and vegetables</i> | | |
| <i>1.1.3 Cereal and other crops</i> | | |
| <i>1.1.4 Livestock</i> | | |
| <i>1.2 Hunting and trapping</i> | | |
| <i>1.3 Forestry</i> | | |
| <i>1.4 Fishing</i> | | |
| | | |
| 2. Mining and quarrying | | |
| <i>2.1 Mining</i> | | |
| <i>2.2 Exploration</i> | | |
| <i>2.3 Quarrying</i> | | |
| | | |
| 3. Manufacturing | | |
| <i>3.1 Agro-industry</i> | | |
| 3.1.1 Edible oil | | |
| 3.1.2 Grain milling | | |
| 3.1.3 Tobacco and tobacco products | | |
| 3.1.4 Cotton and Textile | | |
| 3.1.5 Coffee and Coffee products | | |
| 3.1.6 Tea and Tea products | | |
| 3.1.7 Sisal and sisal products | | |
| 3.1.8 Cashew nuts and Cashew nuts products | | |
| 3.1.9 Other Agro industry (Specify) | | |
| | | |
| <i>3.2 Food and beverages</i> | | |
| 3.2.1 Fish and Meat processing | | |
| 3.2.2 Beverages | | |
| 3.2.3 Other food products | | |
| <i>3.3 Machinery and equipment</i> | | |
| 3.3.1 Metal and metal products | | |
| 3.3.2 Other Machinery and equipment (Specify) | | |
| | | |
| <i>3.4 Chemicals and petroleum</i> | | |
| 3.4.1 Pharmaceuticals | | |
| 3.4.2 Paints | | |
| 3.4.3 Soaps | | |
| 3.4.4 Other chemical and petroleum products (Specify) | | |
| | | |
| <i>3.5 Other manufacturing</i> | | |
| 3.5.1 Leather and footwear | | |
| 3.5.2 Paper and paper products | | |
| 3.5.3 Publishing and Printing | | |
| 3.5.4 Rubber and Plastic products | | |
| 3.5.5 Furniture and fittings | | |
| 3.5.6 Other (Specify) | | |

| | | |
|---|--|--|
| 1. Utilities | | |
| 4.1 Electricity | | |
| 4.2 Gas | | |
| 4.3 Water | | |
| 2. Construction | | |
| 5.1 Bricks | | |
| 5.2 Tiles | | |
| 5.3 Building and construction | | |
| 3. Wholesale & retail trade, catering & accommodation services | | |
| 6.1 Sale, maintenance and repair of vehicles | | |
| 6.2 Wholesale and retail trade | | |
| 6.3 Restaurants, bars and canteens | | |
| 6.5 Hotels, camping sites, mountain climbing and tour operators | | |
| 4. Transport, storage & communication | | |
| 7.1 Land transport | | |
| 7.2 Water transport | | |
| 7.3 Air transport | | |
| 7.4 Pipelines | | |
| 7.5 Storage | | |
| 7.6 Posts and courier services | | |
| 7.7 Data communication | | |
| 7.8 Telecommunication | | |
| 7.9 Traveling agencies | | |
| 5. Financing, insurance, real estate, & business services | | |
| 8.1 Bank and Non-Banks | | |
| 8.2 Micro-finance | | |
| 8.3 Insurance | | |
| 8.4 Real estate and Property services | | |
| 8.5 Computer and related services (hardware/software consultancy) | | |
| 8.6 Other business services | | |
| 6. Community, social and personal services | | |
| 9.1. Security and safety services | | |
| 9.2 Education | | |
| 9.3 Health | | |
| 9.4 Media | | |
| 9.5 Other (Specify) | | |
| 7. Activities not covered above (specify) | | |
| | | |
| | | |

1.2 COMPANY'S MAIN ACTIVITY IN DETAIL:

2. SUBSIDIARIES

2(a) Please list any subsidiaries (or sub-subsidiaries) your enterprise has in Tanzania:

| SN | Name of subsidiary | Sector | Main activity (Product) | Percentage share to company's total investments |
|--------------|--------------------|--------|-------------------------|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| Total | | | | 100 |

PART B: INVESTMENT IN YOUR ENTERPRISE DURING 2002 - 2005

FOR PART B, PLEASE REPORT ALL VALUES IN TZS OR USD AND IN UNITS

Please TICK one currency you will use in completing this part, and refer to the table of exchange rates attached to assist with your calculations: **TZS** **USD**

(e.g. please report TEN MILLION IN UNITS AS 10,000,000 rather than as 10 or 10m)

3. FOREIGN EQUITY INVESTMENT IN YOUR ENTERPRISE

3 (a) Please enter aggregate data by country, for resident and non-resident entities each owning 10% or more of the equity and enter N/A where the question is not applicable.

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

TABLE 1: FOREIGN DIRECT EQUITY INVESTMENT

| 2002 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|------|--|--|---|---|----------------|-------|
| | | 1 | 2 | 3 | 4. Tanzania | Total |
| 1. | Source country of shareholder/Multilateral Organisation | | | | | |
| 2. | Book value of equity shares as at 1 st January 2002 | | | | | |
| 3. | New equity received during 2002 | | | | | |
| 4. | Equity reduction during 2002 | | | | | |
| 5. | Valuation change during 2002 (<i>derived</i>) | | | | | |
| 6. | Book value of equity shares as at 31 st December 2002 of which: | | | | | |
| 7. | <i>Paid-up Capital:</i> | | | | | |
| 8. | <i>Accumulated Retained Earnings:</i> | | | | | |
| 9. | Estimated market value of equity shares as at 31 st December 2002 | | | | | |
| 10. | Percentage shareholding | | | | | |

| 2005 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|------|--|--|---|---|----------------|-------|
| | | 1 | 2 | 3 | 4. Tanzania | Total |
| 29 | Source country of shareholder/Multilateral Organisation | | | | | |
| 30 | New equity received during 2005 | | | | | |
| 31 | Equity reduction during 2005 | | | | | |
| 32 | Valuation change during 2005 (<i>derived</i>) | | | | | |
| 33 | Book value of equity shares as at 31 st December 2005 of which: | | | | | |
| 34 | <i>Paid-up Capital:</i> | | | | | |
| 35 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 36 | Estimated market value of equity shares as at 31 st December 2005 | | | | | |
| 37 | Percentage shareholding | | | | | |

3 (b) Please enter aggregate data by country, for residents and non-resident entities each owning less than 10% of the equity and enter N/A where the question is not applicable.

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

| 2005 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|------|---|--|---|---|----------------|-------|
| 29 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 30 | New equity received during 2005 | | | | | |
| 31 | Equity reduction during 2005 | | | | | |
| 32 | Valuation change during 2005 <i>(derived)</i> | | | | | |
| 33 | Book value of equity shares as at 31 st December 2005 of which: | | | | | |
| 34 | <i>Paid-up Capital:</i> | | | | | |
| 35 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 36 | Estimated market value of equity shares as at 31 st December 2005 | | | | | |
| 37 | Percentage shareholding | | | | | |

3 (b) Please enter aggregate data by country, for residents and non-resident entities each owning less than 10% of the equity and enter N/A where the question is not applicable.

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

TABLE 2: FOREIGN PORTFOLIO EQUITY INVESTMENT

| 2002 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|------|--|--|---|---|----------------|-------|
| 1 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 2 | Book value of equity shares as at 1 st January 2002 | | | | | |
| 3 | New equity received during 2002 | | | | | |
| 4 | Equity reduction during 2002 | | | | | |
| 5 | Valuation change during 2002 <i>(derived)</i> | | | | | |
| 6 | Book value of equity shares as at 31 st December 2002 of which: | | | | | |
| 7 | <i>Paid-up Capital:</i> | | | | | |
| 8 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 9 | Estimate market value of equity shares as at 31 st December 2002 | | | | | |
| 10 | Percentage shareholding | | | | | |

| 2003 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|------|--|--|---|---|----------------|-------|
| 11 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 12 | New equity received during 2003 | | | | | |
| 13 | Equity reduction during 2003 | | | | | |
| 14 | Valuation change during 2003 <i>(derived)</i> | | | | | |
| 15 | Book value of equity shares as at 31 st December 2003 of which: | | | | | |
| 16 | <i>Paid-up Capital:</i> | | | | | |
| 17 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 18 | Estimate market value of equity shares as at 31 st December 2003 | | | | | |
| 19 | Percentage shareholding | | | | | |

| 2004 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|------|--|--|---|---|-------------|-------|
| 20 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 21 | New equity received during 2004 | | | | | |
| 22 | Equity reduction during 2004 | | | | | |
| 23 | Valuation change during 2004 <i>(derived)</i> | | | | | |
| 24 | Book value of equity shares as at 31 st December 2004 of which: | | | | | |
| 25 | <i>Paid-up Capital:</i> | | | | | |
| 26 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 27 | Estimate market value of equity shares as at 31 st December 2004 | | | | | |
| 28 | Percentage shareholding | | | | | |

| 2005 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|------|--|--|---|---|----------------|-------|
| | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 29 | | | | | | |
| 30 | New equity received during 2005 | | | | | |
| 31 | Equity reduction during 2005 | | | | | |
| 32 | Valuation change during 2005 (<i>derived</i>) | | | | | |
| 33 | Book value of equity shares as at 31st December 2005 of which: | | | | | |
| 34 | <i>Paid-up Capital:</i> | | | | | |
| 35 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 36 | Estimate market value of equity shares as at 31 st December 2005 | | | | | |
| 37 | Percentage shareholding | | | | | |

4. INCOME ON EQUITY FOR YOUR COMPANY

Please estimate income on equity for your enterprise in Tanzania, by working through the following table:

| Type of Income | During 2002 | During 2003 | During 2004 | During 2005 |
|---|-------------|-------------|-------------|-------------|
| 4.1. Net Profit/loss (after taxes) | | | | |
| 4.2. Dividends paid to non-resident investors each with shareholdings of 10% or more | | | | |
| 4.3. Dividends paid to non-resident investors each with shareholding of less than 10% | | | | |
| 4.4. Dividends or profits paid to residents shareholders | | | | |
| 4.5. Total retained earnings (4.5 = 4.1 – 4.2 – 4.3 – 4.4) | | | | |

5. LOANS FOR YOUR ENTERPRISE

Please complete **Tables 3 through 8** if you have any active loans (**Domestic** or **Foreign**).

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

TABLE 3: TOTAL STOCK OF LOANS AS AT:

| | 31 st Dec 2002 | | | | 31 st Dec 2003 | | | | 31 st Dec 2004 | | | | 31 st Dec 2005 | | | |
|--|---------------------------|---|---|----------|---------------------------|---|---|----------|---------------------------|---|---|----------|---------------------------|---|---|----------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| Source country/ Multilateral Organisation | | | | Tanzania |
| | 1 | 2 | 3 | | 1 | 2 | 3 | | 1 | 2 | 3 | | 1 | 2 | 3 | |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| Source Country/ Multilateral Organization | | | | Tanzania |
| | 1 | 2 | 3 | | 1 | 2 | 3 | | 1 | 2 | 3 | | 1 | 2 | 3 | |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from unrelated companies | | | | | | | | | | | | | | | | |

TABLE 4: AMOUNT OF LOANS RECEIVED DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

TABLE 5: PRINCIPAL REPAYMENTS DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

TABLE 6: INTEREST PAYMENTS DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

TABLE 7: OTHER PAYMENTS (Commissions, Royalties, Penalties, etc) DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

TABLE 8: ACCUMULATED ARREARS OF FOREIGN BORROWING:

| Maturity | 2002 | | | 2003 | | | 2004 | | | 2005 | | |
|------------|-----------|----------|-------|-----------|----------|-------|-----------|----------|-------|-----------|----------|-------|
| | Principal | Interest | Other |
| Long-term | | | | | | | | | | | | |
| Short-term | | | | | | | | | | | | |

6. INTERNATIONAL TRANSACTIONS IN SERVICES AND INCOME

a) Please indicate in the table below how much your enterprise paid for services provided by non-residents:

| Item | Amount Paid During | | | |
|------------------------------------|--------------------|------|------|------|
| | 2002 | 2003 | 2004 | 2005 |
| Royalties and License fees | | | | |
| Salaries and Wages | | | | |
| Consultancy and technical services | | | | |
| Insurance claims/premiums | | | | |
| Other services (please specify) | | | | |
| Total | | | | |

b) Please indicate in the table below how much your enterprise received for services it rendered to non-residents:

| Item | Amount Received During | | | |
|------------------------------------|------------------------|------|------|------|
| | 2002 | 2003 | 2004 | 2005 |
| Royalties and License fees | | | | |
| Salaries and Wages | | | | |
| Consultancy and technical services | | | | |
| Insurance claims/premiums | | | | |
| Other services (please specify) | | | | |
| Total | | | | |

PART C: ECONOMIC AND SOCIAL LINKAGES

7. USES OF FOREIGN EQUITY AND FOREIGN BORROWING

Please approximate the uses of your new **foreign** equity and **foreign** borrowing during the following periods:

| Uses | 2004 | 2005 |
|---|------|------|
| (a) Import of goods | | |
| (b) Import of services | | |
| (c) Locally sourced goods | | |
| (d) Locally sourced services | | |
| (e) Wages and salaries | | |
| (d) Debt service principal | | |
| (e) Debt service interest | | |
| (f) Unallocated / reserves | | |
| (g) Other (please specify) | | |
| Total Foreign Equity and Foreign Borrowing | | |

8. EMPLOYMENT AND LABOUR PRODUCTIVITY

(a) Please indicate in the table below the number of employees in your company based on the following categorization:

| | Foreign Nationals | | | | | | | | Tanzanian Nationals | | | | | | | | |
|---|-------------------|---|------|---|------|---|------|---|---------------------|---|------|---|------|---|------|---|--|
| | 2002 | | 2003 | | 2004 | | 2005 | | 2002 | | 2003 | | 2004 | | 2005 | | |
| | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | |
| Management | | | | | | | | | | | | | | | | | |
| Professionals* (excluding Management) | | | | | | | | | | | | | | | | | |
| Skilled | | | | | | | | | | | | | | | | | |
| Unskilled | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | |

*Professionals refer to employees with specialized formal training at the level of at least first degree or its equivalent

(b) Does your company have staff development plan (e.g., transfer of technology to local employees etc)?

Yes No

If yes,

(i) How has your company benefited from such plan?

| Libya | | | | | | | | |
|---|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Wholesale and Retail trade | | 0.7 | 0.7 | 0.7 | 0.5 | 0.4 | 0.3 | 1.9 |
| Total | | 0.7 | 0.7 | 0.7 | 0.5 | 0.4 | 0.3 | 1.9 |
| Liechtenstein | | | | | | | | |
| Financing and Insurance | | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | | 3.9 | 3.0 | 2.3 | 4.7 | 5.2 | 6.2 | 6.5 |
| Wholesale and Retail trade | | 10.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | | 15.2 | 3.0 | 2.3 | 4.7 | 5.2 | 6.2 | 6.5 |
| Luxembourg | | | | | | | | |
| Financing and Insurance | | 18.1 | 5.4 | 4.0 | 7.5 | 4.0 | 4.8 | 4.0 |
| Manufacturing | | 0.0 | 12.4 | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mining and Quarrying | | 0.0 | 7.6 | 8.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transport, storage & communication | | 6.5 | 28.3 | 29.9 | 25.8 | 25.5 | 23.5 | 26.2 |
| Wholesale and Retail trade | | 0.0 | 0.0 | 0.0 | 1.1 | 1.1 | 1.3 | 1.3 |
| Total | | 24.6 | 53.6 | 50.9 | 34.4 | 30.7 | 29.6 | 31.5 |
| Macedonia | | | | | | | | |
| Community, social and personal services | | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| Total | | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 |
| Malawi | | | | | | | | |
| Community, social and personal services | | 0.0 | 0.0 | 0.0 | 9.1 | 8.3 | 8.5 | 7.6 |
| Construction | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financing and Insurance | | 8.8 | 7.6 | 6.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Manufacturing | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

9. SOURCING OF RAW MATERIALS

- a). Where applicable, please approximate the proportion of your raw materials sourced from Tanzania as a share of the total _____%.
- b). If you are not sourcing 100% of raw materials domestically, what are the reasons?

| | Reason | Assign numbers from 1-5 in order of importance |
|---|------------------------|--|
| 1 | Limited Access | |
| 2 | Availability | |
| 3 | Poor Quality | |
| 4 | High Price | |
| 5 | Other (please specify) | |

- c). Where relevant, please suggest measures that can be taken to encourage you to source more of your raw materials domestically.
-
-

10. PRODUCT TYPE AND MARKET

- a) Please approximate the proportion of your total output by type:

| Type | Percent |
|---------------------------------------|------------|
| Final products | |
| Intermediate (semi-finished) products | |
| Total | 100 |

- b) Please approximate the proportion of your total output by domestic and foreign markets:

| Type | Domestic (%) | Foreign (%) | Total (%) |
|---------------------------------------|--------------|-------------|------------|
| Final products | | | 100 |
| Intermediate (semi-finished) products | | | 100 |

11. CORPORATE SOCIAL RESPONSIBILITY

- a) Does your company have a corporate social responsibility policy/plan?

Yes No

- b) If yes, what kind of activities have you performed (fill where applicable):

| S/N | Social Activity | Amount Spent | | | |
|-----|---------------------------|--------------|------|------|------|
| | | 2002 | 2003 | 2004 | 2005 |
| 1 | Education | | | | |
| 2 | Health and welfare | | | | |
| 3 | Safety and Security | | | | |
| 4 | Arts and Culture | | | | |
| 5 | Sports Development | | | | |
| 6 | Environment | | | | |
| 7 | Water | | | | |
| 8 | Road | | | | |
| 9 | Religious | | | | |
| 10 | Other (Specify) | | | | |
| | Total Amount Spent | | | | |

- c) Please provide brief description of the activities done:
-
-

- d) What factors influence your decision to engage in the activities indicated in (b) above?
-
-

THANK YOU IN ADVANCE FOR YOUR COOPERATION



Zanzibar Investment Promotion Authority
 P. O. Box 2286 - Zanzibar
 Tel: 255 24-2233026
 255 24-2237858
 Fax: 255 24-2232737
 E-mail: zipa@zanzinet.com
zipaznz@zanzinet.com
 Website: www.investzanzibar.org



Bank of Tanzania
 Zanzibar branch
 P.O. Box 568 - Zanzibar
 Tel: 255 24-2230803
 : 255 24-2232362
 Fax: 255 24-223 0415
 255 24-2232140
 E-mail: info@hq.bot-tz.org
 Website: www.bot-tz.org



Office of Chief Government Statistician
 P. O. Box 2321 - Zanzibar
 Tel: 255 24-2231869
 Fax: 255 24-2231742
 E-mail: zanstat@zanlink.com

QUESTIONNAIRE FOR THE SURVEY OF COMPANIES WITH LOCAL AND FOREIGN ASSETS AND LIABILITIES

QUESTIONNAIRE TYPE: PCFZ/1/2006

COMPANY REFERENCE NUMBER: (For internal use only)

DUE DATE FOR RETURN: ___/___/___ (dd/mm/yyyy) **RESEARCH OFFICER:**.....

PART A: GENERAL INFORMATION

ALL RESPONDENTS SHOULD COMPLETE THIS PART

| | | |
|---|---|--------------|
| Company name: | | |
| Previous name of the Company (if any): | | |
| Date completed: (dd/mm/yyyy) | | |
| Name and position of person completing this questionnaire: Name: Position: | | |
| Company Address: P.O. Box | | |
| Tel: Fax: E-mail: Website: | | |
| District: | Area: | Street/Plot: |
| Please give details of an alternative person to be contacted in case we need further clarifications: Name: Position: | | |
| Tel: Fax: Mob: E-mail: | | |
| Date of Establishment: | Date of Commencing Operations: | |

Does your company have any subsidiary¹ within Tanzania? Yes No

If yes, are you supplying unconsolidated information for individual companies within the group?

Yes No

NB: If possible, please supply information for each company in your group individ

¹A company whose more than 50% of voting right is controlled by another company is usually referred to as subsidiary company.

**QUESTIONNAIRE FOR THE SURVEY OF COMPANIES WITH LOCAL AND
FOREIGN ASSETS AND LIABILITIES 2002 - 2005**

Acknowledgement of Receipt of Questionnaire

Instructions:

This page should be filled-in by the person who is receiving the questionnaire on behalf of the entity, enterprise or company at the time of delivery of this questionnaire by the enumerator. After it is signed, the enumerator should retain the original copy of this page.

| | |
|--|--|
| <p>I, _____ of _____, <i>(enter name of recipient) (enter name of entity/company/enterprise)</i> acknowledge receipt of the Balance of Payments and investor's perceptions survey questionnaire, 2006.</p> | |
| Title: | |
| Signature: | |
| Date: | |
| Enumerator's Name | |
| Thank you for receiving the questionnaire. | |

Note: The due date for return of the completed questionnaire is two *weeks after receipt of the questionnaire*. If you are having problems meeting the due date, please call us as soon as possible before the deadline, on one of the numbers indicated on the next page.

PLEASE READ THIS FIRST

Purpose of survey

This questionnaire collects information on assets and liabilities and perception of your enterprise (or group) in Zanzibar. This information will be used by the Bank of Tanzania (BOT), Zanzibar Investment Promotion Authority (ZIPA), Office of the Chief Government Statistician (OCGS) and the Government in balance of payments compilation, investment promotion and national policy formulation.

Focus

You are required to complete this questionnaire from the point of view of your transactions as an investor with foreign assets and/or liabilities in Zanzibar regardless of your nationality.

Collection Authority

Completion of this questionnaire is compulsory under section 31 of the **Zanzibar Investment Promotion Authority (ZIPA)** Act No. 11 of 2004; section 47 sub-sections (1), (2) and (4), Act No 9 of 1999 of **Office of Chief Government Statistician (OCGS)** and section 49 of **Bank of Tanzania (BOT)** Act of 1995. Failure to comply could result in legal and/or administrative action against non-compliance.

Confidentiality

Information will be used only for statistical purposes, and be published in aggregated form. Data relating to individual organizations will not be made available to anyone outside the BOT, ZIPA or OCGS. Government officials failing to comply with confidentiality clause face severe penalties including summary dismissal. This is in accordance with the Acts that established BOT, ZIPA and OCGS.

Estimates

Where possible, please use figures from your accounts. Un-audited data are perfectly acceptable for this purpose. In cases where data is not readily available from your accounts, please provide careful estimates. We would rather have your best estimate than nothing.

Inapplicable questions

Please do not leave blank spaces even where the question does not apply to you as we do not need to follow up with you. Please, enter "N/A" in the appropriate box, or at the start of the question.

Due Date

Please complete this questionnaire and return the original to either research officer in contact with you (name on the first page) or ZIPA. Please keep the 'Respondent Copy' of the questionnaire for your own records.

Help Available

This questionnaire contains technical terms. If you have problems in completing this questionnaire, please refer to notes attached at the end. Alternatively, please contact BOT, ZIPA or OCGS through:

Mr. Said H. Haji

**Zanzibar Investment
Promotion Authority**
P. O. Box 2286, ZANZIBAR
Tel: 255 24-2233026
: 255 24-2237858
Fax: 255 24-2232737
E - mail: zipa@zanzinet.com
: zipanz@zanzinet.com
Website:www.investzanzibar.org

Mr. Said M. Chiguma

**Bank of Tanzania
Zanzibar Branch**
P.O. Box 568, ZANZIBAR
Tel: 255 24-2230803
: 255 24-2232362
Fax: 255 24-223 0415
255 24-2232140
E-mail: info@hq.bot-tz.org
Website: www.bot-tz.org

Ms. Mashavu K. Omar

**Office of Chief Government
Statistician**
P.O. Box 2321
ZANZIBAR
Tel: 255 24-2231869
Fax: 255 24-2231742
E-mail:zanstat@zanlink.com

THANK YOU IN ADVANCE FOR YOUR COOPERATION

1. INDUSTRIAL CLASSIFICATION

Please tick the main area(s) of economic activity of your company and its subsidiaries in Zanzibar based on total investments. Wherever possible, companies are requested to complete and submit a separate questionnaire for each individual company within a group.

| Industrial Classification | Tick relevant activity | Estimated percentage share contribution to company's total investments |
|---|------------------------|--|
| 1. Agriculture, hunting, forestry and fishing | | |
| 1.1 Agriculture | | |
| 1.2 Livestock | | |
| 1.3 Fishing | | |
| | | |
| 2. Mining and quarrying | | |
| 2.1 Quarrying | | |
| | | |
| 3. Manufacturing | | |
| 3.1 Edible oil | | |
| 3.2 Grain milling | | |
| 3.3 Cotton and Textile | | |
| 3.4 Beverages | | |
| 3.5 Metal and metal products | | |
| 3.6 Soaps | | |
| 3.7 Publishing and Printing | | |
| 3.8 Rubber and Plastic products | | |
| 3.9 Furniture and fittings | | |
| 3.10 Other (Specify) | | |
| | | |
| 4. Utilities | | |
| | | |
| 5. Construction | | |
| 5.1 Building and construction | | |
| 5.2 Others (specify) | | |
| | | |
| 6. Wholesale & retail trade, catering & accommodation services | | |
| 6.1 Wholesale and retail trade | | |
| 6.2 Hotels , <i>Tour operators, Restaurants and Other related services</i> | | |
| | | |
| 7. Transport, storage & communication | | |
| 7.1 Sea transport | | |
| 7.2 Air transport | | |
| 7.3 Data communication | | |
| 7.4 Telecommunication | | |
| 7.5 Storage | | |
| | | |
| 8. Financing, insurance, real estate, & business services | | |
| 8.1 Bank and non-banks | | |
| 8.2 Micro-finance | | |
| 8.3 Insurance | | |
| 8.4 Real estate and property services | | |
| 8.5 Other business services | | |
| | | |
| 9. Community, social and personal services | | |
| 9.1 Education | | |
| 9.2 Health | | |
| 9.3 Other (Specify) | | |
| | | |
| 10. Activities not covered above (specify) | | |
| | | |

1.2 COMPANY'S MAIN ACTIVITY IN DETAIL:

2. SUBSIDIARIES

2(a) Please list any subsidiaries (or sub-subsidiaries) your enterprise has in Tanzania:

| S/N | Name of subsidiary | Sector | Main activity (Product) | Percentage share to company's total investments |
|--------------|--------------------|--------|-------------------------|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| Total | | | | 100 |

PART B: INVESTMENT IN YOUR ENTERPRISE DURING 2002 - 2005

FOR PART B, PLEASE REPORT ALL VALUES IN TZS OR USD, AND IN UNITS

Please TICK one currency you will use in completing this part, and refer to the attached table of exchange rates at the end of questionnaire to assist with your calculations.

TZS USD

(e.g. please report TEN MILLION IN UNITS AS 10,000,000 rather than as 10 or 10m)

3. FOREIGN EQUITY INVESTMENT IN YOUR ENTERPRISE

3 (a) Please enter aggregate data by country, for resident and non-resident entities each owning 10% or more of the equity and enter N/A where the question is not applicable.

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

TABLE 1: FOREIGN DIRECT EQUITY INVESTMENT

| 2002 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|--|--|--|---|---|----------------|-------|
| 1 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 2 | Book value of equity shares as at 1 st January 2002 | | | | | |
| 3 | New equity received during 2002 | | | | | |
| 4 | Equity reduction during 2002 | | | | | |
| 5 | Valuation change during 2002 (<i>derived</i>) | | | | | |
| 6 | Book value of equity shares as at 31 st December 2002 of which: | | | | | |
| 7 | <i>Paid-up Capital:</i> | | | | | |
| 8 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 9 | Estimated market value of equity shares as at 31 st December 2002 | | | | | |
| 10 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: $6=2+3-4+5$ | | | | | | |

| 2003 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|--|--|--|---|---|----------------|-------|
| 11 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 12 | New equity received during 2003 | | | | | |
| 13 | Equity reduction during 2003 | | | | | |
| 14 | Valuation change during 2003 (<i>derived</i>) | | | | | |
| 15 | Book value of equity shares as at 31 st December 2003 of which: | | | | | |
| 16 | <i>Paid-up Capital:</i> | | | | | |
| 17 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 18 | Estimated market value of equity shares as at 31 st December 2003 | | | | | |
| 19 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: $15=6+12-13+14$ | | | | | | |

| 2004 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|---|--|--|---|---|----------------|-------|
| 20 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 21 | New equity received during 2004 | | | | | |
| 22 | Equity reduction during 2004 | | | | | |
| 23 | Valuation change during 2004 (<i>derived</i>) | | | | | |
| 24 | Book value of equity shares as at 31 st December 2004 of which: | | | | | |
| 25 | <i>Paid-up Capital:</i> | | | | | |
| 26 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 27 | Estimated market value of equity shares as at 31 st December 2004 | | | | | |
| 28 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: $24=15+21-22+23$ | | | | | | |

| 2005 | | Shares held in your entity by Resident and Non-Residents (each holding 10% or more) | | | | |
|---|--|--|---|---|----------------|-------|
| 29 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 30 | New equity received during 2005 | | | | | |
| 31 | Equity reduction during 2005 | | | | | |
| 32 | Valuation change during 2005 (<i>derived</i>) | | | | | |
| 33 | Book value of equity shares as at 31st December 2005 of which: | | | | | |
| 34 | <i>Paid-up Capital:</i> | | | | | |
| 35 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 36 | Estimated market value of equity shares as at 31 st December 2005 | | | | | |
| 37 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: $33=24+30-31+32$ | | | | | | |

FOREIGN PORTFOLIO INVESTMENT IN YOUR ENTERPRISE

3b) Please enter aggregate data by country, for residents and non-resident entities **each owning less than 10%** of the equity and enter N/A where the question is not applicable.

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

TABLE 2: FOREIGN PORTFOLIO EQUITY INVESTMENT

| 2002 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|--|--|--|---|---|----------------|-------|
| 1 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 2 | Book value of equity shares as at 1st January 2002 | | | | | |
| 3 | New equity received during 2002 | | | | | |
| 4 | Equity reduction during 2002 | | | | | |
| 5 | Valuation change during 2002 (<i>derived</i>) | | | | | |
| 6 | Book value of equity shares as at 31st December 2002 of which: | | | | | |
| 7 | <i>Paid-up Capital:</i> | | | | | |
| 8 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 9 | Estimate market value of equity shares as at 31 st December 2002 | | | | | |
| 10 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: $6=2+3-4+5$ | | | | | | |

| 2003 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|--|--|--|---|---|----------------|-------|
| 11 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 12 | New equity received during 2003 | | | | | |
| 13 | Equity reduction during 2003 | | | | | |
| 14 | Valuation change during 2003 (<i>derived</i>) | | | | | |
| 15 | Book value of equity shares as at 31st December 2003 of which: | | | | | |
| 16 | <i>Paid-up Capital:</i> | | | | | |
| 17 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 18 | Estimate market value of equity shares as at 31 st December 2003 | | | | | |
| 19 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: $15=6+12-13+14$ | | | | | | |

| 2004 | | Shares held in your entity by Resident and Non-Residents (each holding less than 10%) | | | | |
|--|--|--|---|---|----------------|-------|
| 20 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 21 | New equity received during 2004 | | | | | |
| 22 | Equity reduction during 2004 | | | | | |
| 23 | Valuation change during 2004 (<i>derived</i>) | | | | | |
| 24 | Book value of equity shares as at 31st December 2004 of which: | | | | | |
| 25 | <i>Paid-up Capital:</i> | | | | | |
| 26 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 27 | Estimate market value of equity shares as at 31 st December 2004 | | | | | |
| 28 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: 24=15+21-22+23 | | | | | | |

| 2005 | | Shares held in your entity by Resident and Non Residents (Each holding 10% or less) | | | | |
|--|--|--|---|---|-------------|-------|
| 29 | Source country of shareholder/ Multilateral Organisation | 1 | 2 | 3 | 4. Tanzania | Total |
| 30 | New equity received during 2005 | | | | | |
| 31 | Equity reduction during 2005 | | | | | |
| 32 | Valuation change during 2005 (<i>derived</i>) | | | | | |
| 33 | Book value of equity shares as at 31st December 2005 of which: | | | | | |
| 34 | <i>Paid-up Capital:</i> | | | | | |
| 35 | <i>Accumulated Retained Earnings:</i> | | | | | |
| 36 | Estimate market value of equity shares as at 31 st December 2005 | | | | | |
| 37 | Percentage shareholding | | | | | |
| To the respondent/data checker: Please check the figures using the following formulae: 33=24+30-31+32 | | | | | | |

4. INCOME ON EQUITY FOR YOUR COMPANY

Please estimate income on equity for your enterprise in Zanzibar, by working through the following table:

| Type of Income | During 2002 | During 2003 | During 2004 | During 2005 |
|---|-------------|-------------|-------------|-------------|
| 4.1. Net Profit/loss (after taxes) | | | | |
| 4.2. Dividends paid to non-resident investors each with shareholdings of 10% or more | | | | |
| 4.3. Dividends paid to non-resident investors each with shareholding of less than 10% | | | | |
| 4.4. Dividends or profits paid to residents shareholders | | | | |
| 4.5. Total retained earnings (4.5 = 4.1 – 4.2 – 4.3 – 4.4) | | | | |

5. LOANS FOR YOUR ENTERPRISE

Please complete **Tables 3** through **8** if you have any active loans (**Domestic or Foreign**).

NB: 1. If there are more than three source countries, fill the two major source countries and aggregate the rest and fill as Others under number 3.

2. Source country refers to the immediate country from which the investment funds came from.

TABLE 3: TOTAL STOCK OF LOANS AS AT:

| | 31 st Dec 2002 | | | | 31 st Dec 2003 | | | | 31 st Dec 2004 | | | | 31 st Dec 2005 | | | |
|--|---------------------------|---|---|----------|---------------------------|---|---|----------|---------------------------|---|---|----------|---------------------------|---|---|----------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| Source country/ Multilateral Organisation | 1 | 2 | 3 | Tanzania |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| Source Country/ Multilateral Organization | 1 | 2 | 3 | Tanzania |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from unrelated companies | | | | | | | | | | | | | | | | |

TABLE 4: AMOUNT OF LOANS RECEIVED DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|------|---|---|----------|------|---|---|----------|------|---|---|----------|------|---|---|----------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| Source country/ Multilateral Organization | 1 | 2 | 3 | Tanzania |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| Source country/ Multilateral Organization | 1 | 2 | 3 | Tanzania |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

TABLE 5: PRINCIPAL REPAYMENTS DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from unrelated companies | | | | | | | | | | | | | | | | |

TABLE 6: INTEREST PAYMENTS DURING THE YEAR:

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

**TABLE 7: OTHER PAYMENTS (Commissions, Royalties, Penalties, etc)
DURING THE YEAR:**

| | 2002 | | | | 2003 | | | | 2004 | | | | 2005 | | | |
|--|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|----------|----------|----------|-----------------|
| Long-term loan (original maturity greater than 12 months) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Other loans with Unrelated companies | | | | | | | | | | | | | | | | |
| Short-term loan (original maturity 12 months or less) | | | | | | | | | | | | | | | | |
| <i>Source country/ Multilateral Organization</i> | <i>1</i> | <i>2</i> | <i>3</i> | <i>Tanzania</i> |
| Shareholder & Inter-company loan | | | | | | | | | | | | | | | | |
| Suppliers' credit from Related companies | | | | | | | | | | | | | | | | |
| Suppliers' credit from Unrelated companies | | | | | | | | | | | | | | | | |
| Other loans from Unrelated companies | | | | | | | | | | | | | | | | |

TABLE 8: ACCUMULATED ARREARS OF FOREIGN BORROWING:

| Maturity | 2002 | | | 2003 | | | 2004 | | | 2005 | | |
|------------|-----------|----------|-------|-----------|----------|-------|-----------|----------|-------|-----------|----------|-------|
| | Principal | Interest | Other |
| Long-term | | | | | | | | | | | | |
| Short-term | | | | | | | | | | | | |

6. INTERNATIONAL TRANSACTIONS IN SERVICES AND INCOME

a) Please indicate in the table below how much your enterprise paid for services provided by non-residents:

| Item | Amount Paid During | | | |
|------------------------------------|--------------------|------|------|------|
| | 2002 | 2003 | 2004 | 2005 |
| Royalties and License fees | | | | |
| Salaries and Wages | | | | |
| Consultancy and Technical services | | | | |
| Insurance claims/premiums | | | | |
| Other services (please specify) | | | | |
| Total | | | | |

b) Please indicate in the table below how much your enterprise received for services it rendered to non-residents:

| Item | Amount Received During | | | |
|------------------------------------|------------------------|------|------|------|
| | 2002 | 2003 | 2004 | 2005 |
| Royalties and License fees | | | | |
| Salaries and Wages | | | | |
| Consultancy and Technical services | | | | |
| Insurance claims/premiums | | | | |
| Other services (please specify) | | | | |
| Total | | | | |

PART C: ECONOMIC AND SOCIAL LINKAGES

7. USES OF FOREIGN EQUITY AND FOREIGN BORROWINGS

Please approximate the uses of your new **foreign** equity and **foreign** borrowing during the following periods:

| Uses | 2004 | 2005 |
|--|------|------|
| (a) Import of goods | | |
| (b) Import of services | | |
| (c) Locally sourced goods | | |
| (d) Locally sourced services | | |
| (e) Wages and salaries | | |
| (d) Debt service principal | | |
| (e) Debt service interest | | |
| (f) Unallocated / reserves | | |
| (g) Other (please specify) | | |
| Total Foreign Equity and Foreign Borrowings | | |

8. EMPLOYMENT AND LABOUR PRODUCTIVITY

- (a) Please indicate in the table below, number of employees in your company based on the following categories:

| | Foreign Nationals | | | | Tanzanian Nationals | | | | | | | | | | | | | | | |
|--|-------------------|------|------|------|---------------------|---|------|---|------|---|-------------------|---|------|---|------|---|------|---|------|---|
| | Foreign Nationals | | | | Zanzibaris | | | | | | Mainland Tanzania | | | | | | | | | |
| | 2002 | 2003 | 2004 | 2005 | 2002 | | 2003 | | 2004 | | 2005 | | 2002 | | 2003 | | 2004 | | 2005 | |
| | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F |
| <i>Management</i> | | | | | | | | | | | | | | | | | | | | |
| <i>Professionals* (excluding Management)</i> | | | | | | | | | | | | | | | | | | | | |
| <i>Skilled</i> | | | | | | | | | | | | | | | | | | | | |
| <i>Unskilled</i> | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | |

**Professionals refer to employees with specialized formal training at the level of at least first degree or its equivalent.*

- (b) Does your company have staff development plan (e.g., transfer of technology to local employees etc)?

Yes No

If yes,

- (i) How has your company benefited from such plan?

- (ii) What problems (if any) does your company encounter in the implementation of the plan and how do you address them?

- (c) Please indicate the number of staff who have undergone training between 2002 and 2005:

| 2002 | | 2003 | | 2004 | | 2005 | |
|------|--------|------|--------|------|--------|------|--------|
| Male | Female | Male | Female | Male | Female | Male | Female |
| | | | | | | | |

- (d) Are the local staff able to adopt and learn new technologies within the company?

If yes, please explain

If no, why and what is your suggestion

9. SOURCING OF RAW MATERIALS

a). Where applicable, please approximate the proportion of your raw materials sourced from Tanzania as a share of the total _____%.

b). If you are not sourcing 100% of raw materials domestically, what are the reasons?

| | Reason | Assign numbers from 1-5 in order of importance |
|---|------------------------|--|
| 1 | Limited Access | |
| 2 | Availability | |
| 3 | Poor Quality | |
| 4 | High Price | |
| 5 | Other (please specify) | |

c). Where relevant, please suggest measures that can be taken to encourage you to source more of your raw materials domestically.

10. PRODUCT TYPE AND MARKET

a) Please approximate the proportion of your total output by type:

| Type | Percent |
|---|------------|
| i. Final products | |
| ii. Intermediate (semi-finished) products | |
| Total | 100 |

b) Please approximate the proportion of your total output by domestic and foreign markets:

| Type | Domestic (%) | Foreign (%) | Total (%) |
|---|--------------|-------------|------------|
| i. Final products | | | 100 |
| ii. Intermediate (semi-finished) products | | | 100 |

11. CORPORATE SOCIAL RESPONSIBILITY

a) Does your company have a corporate social responsibility policy/plan?

Yes No

b) If yes, what kind of activities have you performed (fill where applicable):

| S/N | Social Activity | Amount Spent | | | |
|-----|---------------------------|--------------|------|------|------|
| | | 2002 | 2003 | 2004 | 2005 |
| 1 | Education | | | | |
| 2 | Health and welfare | | | | |
| 3 | Safety and Security | | | | |
| 4 | Arts and Culture | | | | |
| 5 | Sports Development | | | | |
| 6 | Environment | | | | |
| 7 | Water | | | | |
| 8 | Road | | | | |
| 9 | Religious | | | | |
| 10 | Other (Specify) | | | | |
| | Total Amount Spent | | | | |

c) Please provide brief description of the activities done:

d) What factors influence your decision to engage in the activities indicated in (b) above?

PART D: INVESTOR'S PERCEPTION

From the following questions please rate your perception for each aspect by filling in the relevant number on the bracket reflecting the level they affect your business as indicated in the table below:

| Positive Effect | Fairly Positive | No Effect | Fairly Negative | Negative Effect |
|-----------------|-----------------|-----------|-----------------|-----------------|
| 1 | 2 | 3 | 4 | 5 |

12. MACROECONOMIC FACTORS

To what extent have the following macroeconomic factors affected your investment?

| | 2002 ¹ | Now |
|--------------------------------------|-------------------|-----|
| Economic growth (GDP) | () | () |
| Fiscal policy | | |
| <i>Tax level</i> | () | () |
| <i>Tax administration</i> | () | () |
| Monetary policy | | |
| <i>Inflation rate levels</i> | () | () |
| <i>Exchange rates</i> | () | () |
| Trade policy | | |
| Regional Economic Integration | | |
| <i>East African Community</i> | () | () |
| <i>SADC</i> | () | () |
| Market expansion | () | () |
| Environmental policy | () | () |
| Foreign policy | () | () |
| Investment policy | | |
| <i>Business facilitation</i> | () | () |
| <i>Transfer of profits/dividends</i> | () | () |
| <i>Business environment</i> | () | () |

Please add any other information

13. INFRASTRUCTURES AND SERVICES

To what extent have the availability and condition of the following infrastructures and services affected your investment?

| | 2002 ² | Now |
|---------------------------|-------------------|-----|
| Inland Transport | () | () |
| Access to seaports | () | () |

¹If the investment started later than 2002, give your views based on the starting time.

| | | |
|--|-----|-----|
| Airports and Air Transportation | () | () |
| Electricity supply | | |
| <i>Reliability</i> | () | () |
| <i>Tariff level</i> | () | () |
| Water supply | | |
| <i>Reliability</i> | () | () |
| <i>Tariff level</i> | () | () |
| Postal services | () | () |
| Telecommunications | | |
| <i>Reliability</i> | () | () |
| <i>Tariff level</i> | () | () |
| Customs services | () | () |
| Municipal services (garbage, sewerage, etc) | | |

Please add any other information

14. FINANCIAL FACTORS

To what extent have the following financial factors affected your investment?

| | 2002 ² | Now |
|---------------------------------------|-------------------|-----|
| Banking services | () | () |
| Depreciation of the domestic currency | () | () |
| Availability of local finance | () | () |
| Availability of foreign finance | () | () |
| Absence of credit agencies | () | () |

Please add any other information

15. POLITICAL AND GOVERNANCE FACTORS

To what extent have the following political and governance factors affected your investment?

| | 2002 ² | Now |
|--|-------------------|-----|
| Political Stability | () | () |
| Corruption | () | () |
| Investment incentives and Facilitation | () | () |
| Bureaucracy | () | () |
| Tax collection efficiency | () | () |
| Effectiveness of the legal system | () | () |
| Internal Security | () | () |
| Land law and administration | () | () |
| Smuggling | () | () |
| Multi licensing | () | () |
| Speed of decision making in the following institutions | | |
| <i>Zanzibar Investment Promotion Authority</i> | () | () |
| <i>Bank of Tanzania</i> | () | () |
| <i>Zanzibar Revenue Board</i> | () | () |
| <i>Tanzania Revenue Authority</i> | () | () |
| <i>Immigration</i> | () | () |
| <i>Commercial Banks</i> | () | () |
| <i>Commission of Labour</i> | () | () |
| <i>Commission of Tourism</i> | () | () |
| <i>Department of Environment</i> | () | () |
| <i>Department of Land and Registration</i> | () | () |
| <i>Court System</i> | () | () |
| <i>Police System</i> | () | () |
| <i>Other (specify)</i> | () | () |

Please add any other information

16. LABOUR FACTORS

To what extent have the following labour factors affected your investment?

| | 2002 ² | Now |
|--|-------------------|-----|
| Labour legislation | () | () |
| Restrictions regarding bringing in expatriates | () | () |
| Education and skill levels | () | () |
| Wage levels | () | () |
| Working ethics/culture | () | () |
| HIV / AIDS | () | () |

Please add any other information

17. DIVERSE FACTORS

To what extent have the diverse factors presented below affected your investment?

| | 2002 ² | Now |
|---------------------------------|-------------------|-----|
| Accessibility to new technology | () | () |
| Global economic situation | () | () |
| Dar es Salaam Port of Transit | () | () |

Please add any other information

.....

18. INVESTMENT DECISION

Please rate the most important factors that influenced your initial decision to invest in Zanzibar:

| Factors | Very important 1 | Fairly important 2 | Not important 3 | Not relevant 4 |
|-------------------------------------|------------------|--------------------|-----------------|----------------|
| Domestic Market Access | | | | |
| Foreign Market Access | | | | |
| Political Stability | | | | |
| Rule of Law/Governance | | | | |
| Low Corruption | | | | |
| Incentives | | | | |
| Investment Policy | | | | |
| Finance (long & short term credits) | | | | |
| Labour cost & Productivity | | | | |
| Geographical Location | | | | |
| Others (specify) | | | | |

19. DIRECTION OF FUTURE INVESTMENT

What is the likely direction of your investment in Zanzibar over the next 3 years? Please indicate under the following categories:

(Please tick in appropriate box)

| Direction | Expand 1 | Maintain 2 | Contract 3 | Not relevant 4 |
|---|-------------|---------------|---------------|-------------------|
| Diversify in other sectors | | | | |
| Diversify range of product and services | | | | |
| Staff training | | | | |
| Recruitment of nationals | | | | |
| Recruitment of expatriates | | | | |
| Gender balance | | | | |
| Investment in technology | | | | |
| Import of capital goods | | | | |
| Export of the products | | | | |
| Improvement of existing facilities | | | | |
| Mergers and Acquisition | | | | |
| Construction of new building/structure | | | | |
| Others (specify) | | | | |

Please add any other information.

| |
|--|
| |
|--|

20. SOURCES OF INFORMATION

Please identify or tick the most reliable sources of information for your initial investment decisions:

| Source of Information | Very Useful 1 | Not useful 2 |
|--|---------------|--------------|
| Bank of Tanzania | | |
| <i>Quarterly / Annual Reports</i> | | |
| <i>Other publications</i> | | |
| <i>Website</i> | | |
| Zanzibar Investment Promotion Authority | | |
| <i>Newsletter</i> | | |
| <i>Other publications</i> | | |
| <i>Website</i> | | |
| <i>Trade and Investment Mission</i> | | |
| Office of Chief Government Statistician | | |
| <i>Quarterly / Annual Reports</i> | | |
| <i>Other publications</i> | | |

THANK YOU IN ADVANCE FOR YOUR COOPERATION

