



TANZANIA INVESTMENT REPORT 2023

FOREIGN PRIVATE INVESTMENTS

LIST OF ACRONYMS

AfCFTA	African Continental Free Trade Area
BPM6	Balance of Payment Manual, 6 th Edition
BRELA	Business Registration and Licensing Agency
IFC	International Finance Corporation
IIP	International Investment Position
M&A	Mergers and Acquisitions
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
NIDA	National Identification Authority
OECD	Organization for Economic Co-operation and Development
SADC	Southern African Development Community
TBS	Tanzania Bureau of Standards
TFDA	Tanzania Food and Drug Authority
UNCTAD	United Nations Conference on Trade and Development
URT	United Republic of Tanzania
WIR	World Investment Report
ZIPA	Zanzibar Investment Promotion Authority

PREFACE

Tanzania Investment Report 2023 provides an assessment of foreign direct investment (FDI) flows in the country focusing on, among others, the source of inflows, investment activities, and sources of financing. It also provides a snapshot of global and regional FDI developments. The report is used for multiple purposes, including updating statistics on national accounts, balance of payments, and international investment position as well as in investment promotion and facilitation and in formulation of strategies and policies. The report provides useful information for various stakeholders including; policymakers, private sector, researchers and academia.

At the global level, statistics show that flows of FDI fell by 12 percent to USD 1.3 trillion in 2022 compared to USD 1.5 trillion recorded in 2021. The slowdown resulted from low volume of financial flows and transactions in developed countries due to overlapping global crises. FDI flows to developing countries recorded a marginal increase concentrated mainly in a few large emerging economies. Inflows to smaller developing economies remained the same and declined in the least developed economies. In Africa, FDI flows declined to USD 45 billion in 2022 from USD 83 billion recorded in 2021.

Despite the declining trend generally observed globally and in Africa, Tanzania is among few countries that recorded positive growth in FDI flows in 2022. The results of a survey conducted by the Bank of Tanzania in collaboration with the Tanzania Investment Centre and the National Bureau of Statistics revealed that FDI flows grew by 20.8 percent to USD 1,437.6 million in 2022. This was attributed to continued initiatives to improve the country's investment climate including macroeconomic stability, transport, infrastructure, and other legal and regulatory reforms undertaken in Tanzania.

While the performance of FDI in Tanzania in 2022 shows an upward trend, we envisage to perform better particularly as global economic conditions improve. We promise to advise the governments and do whatever it takes to improve business environment and attract more investors.

I hope that you will find this report useful.

Emmanuel M. Tutuba
Governor of the Bank of Tanzania
Chairman of the Executive Committee
Private Capital Flows Survey

ACKNOWLEDGEMENT

The Tanzania Investment Report 2023 was prepared by a team, whose members were drawn from the Bank of Tanzania (BOT), Tanzania Investment Centre (TIC) and the National Bureau of Statistics (NBS). The team was led by an Executive Committee, whose members are Mr. Emmanuel M. Tutuba (Governor, BOT), Mr. Gilead Teri (Executive Director, TIC) and Dr. Albina Chuwa (Statistician General, NBS).

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EXECUTIVE SUMMARY

The World Investment Report of 2023 shows that the global flows of FDI fell by 12 percent to USD 1.3 trillion in 2022 compared to USD 1.5 trillion recorded in 2021. The slowdown resulted from the low volume of financial flows and transactions in developed countries due to global crises including the war in Ukraine, high food and energy prices, and debt pressures. FDI flows to developing countries recorded a marginal increase concentrated mainly in a few large emerging economies. Inflows to smaller developing economies remained the same and declined in the least developed economies. FDI in Africa declined to USD 45 billion from USD 83 billion in 2021.

Tanzania is among few countries in Africa that maintained a positive growth in FDI inflows in 2022, reflecting continued government initiatives in maintaining and improving the investment climate through the formulation and implementation of investor friendly policies that continue to attract more FDI inflows.

Main findings from the survey

...Stock of foreign private investment continued to increase

The results show that the stock of foreign private investment (FPI) rose to USD 20,644.4 million in 2022 from USD 18,924.3 million recorded in 2021.

... FDI inflows increased

In 2022, FDI inflows to Tanzania were USD 1,437.6 million, 20.8 percent higher than the inflows recorded in 2021. This makes Tanzania to be among few African countries that recorded positive high growth in 2022.

...Financing of FDI inflows was mainly through reinvestment of earnings

Financing of FDI inflows in 2022 was mainly through reinvestment of earnings, followed by equity and investment fund shares. Over time, the two sources have been the major sources of FDI flows to Tanzania, suggesting the existence of investors' confidence in the country's investment climate.

...FDI inflows were concentrated in three activities

Mining and quarrying, finance and insurance, and manufacturing, continued to attract the largest share of FDI inflows altogether accounting for 88 percent of total inflows in 2022. Large inflows to the mining and quarrying activity is associated with the expansion of mining activities by large companies while inflows to finance and insurance activities emanated from investment in digital financial services.

... Few countries continued to dominate as major sources of FDI inflows

The results show limited diversification of sources of FDI inflows as few countries namely, Cayman Islands, the Netherlands, Canada, and Mauritius continue to dominate the sources of FDI flows. The five countries accounted for 58.3 percent of FDI sources in 2022

... Inflows of portfolio investment declined

Inflows of portfolio investment declined to USD 0.2 million in 2022 from USD 4.9 million in 2021. A cyclical trend of portfolio inflows has been observed in previous surveys accounting for the volatility of this type of investment and the infancy of Tanzania's capital market. Further, the share of portfolio investment to total foreign private investments remained less than one percent.

... Lower dividends were declared in 2022

In 2022, the net profit after tax amounted to USD 2,057.3 million which is lower than USD 2,509.6 million in 2021. Likewise, the dividends declared were USD 460.8 million compared to USD 836.6 million declared in 2021. Activities that declared the most dividends were consistent with those that attracted more FDI inflows.

Organization of the Report

The report has five chapters. Chapter one provides a comprehensive analysis of the trends of FDI flows at both global and regional levels. Chapter two presents some selected macroeconomic developments in Tanzania for the period under review. Chapter three highlights various initiatives made by Tanzania to improve the country's investment climate, strategic activities of investment and potential areas for growth. Chapter four presents survey findings relating to TIR 2023. Finally, Chapter five addresses Tanzania's investment outlook.

CHAPTER ONE

TRENDS AND PROSPECTS OF FOREIGN DIRECT INVESTMENT

1.0 Introduction

This chapter provides a summary of the global Foreign Direct Investment (FDI) performance in 2022 compared with the 2023 World Investment Report. In addition, it provides an assessment of Tanzania's FDI performance in comparison to the global and regional trends.

1.1 Global FDI Trends

1.1.1 Overview

The 2023 World Investment Report, shows that global FDI inflows declined by 12 percent to USD 1.3 trillion in 2022 compared with USD 1.5 trillion recorded in 2021 (Table 1.1). This decrease was mainly observed in developed economies, attributed to various factors including the overlapping global crises including the war in Ukraine, high food and energy prices, and mounting public debt. While certain industries including electronics, semiconductors, automotive and machinery faced supply chain disruptions, there was a notable increase in new projects. However, investments in digital economy experienced a slowdown.

Table 1.1: Global FDI flows, 2018 - 2022

	2018	2019	2020	2021	2022
World FDI inflows (USD Billion)	1,375.4	1,707.8	962.0	1,478.1	1,294.7
World FDI outflows (USD Billion)	1,014.8	1,400.8	731.9	1,729.1	1,489.8
Change in world FDI inflows (%)	-16.4	24.2	-43.7	53.7	-12.4
Change world FDI outflows (%)	-36.3	38.0	-47.8	136.3	-13.8

Source: World Investment Report, 2023

1.1.2 Regional FDI inflows

Regional inflows of FDI in 2022 exhibited a decreasing trend. FDI inflows to developed economies fell to USD 378.3 billion compared with USD 597.2 billion recorded in 2021. The decline is explained by the uncertainty in financial markets and winding up of

stimulus packages, as well as the volatile nature of FDI flows in developed markets. A significant decline was registered in Luxembourg, Austria, European Union and Belgium. Conversely, inflows to developing economies rose by 4 percent mostly attributed to megaprojects announced in the renewable energy activity (Table 1.2).

Table 1.2: FDI Flows by Region, 2019 – 2022

	USD billion							
	FDI inflows				FDI outflows			
	2019	2020	2021	2022	2019	2020	2021	2022
World	1,707.8	962.0	1,478.1	1,294.7	1,400.8	731.9	1,729.1	1,489.8
Developed economies	998.7	315.5	597.2	378.3	1,002.4	349.9	1,244.2	1,030.9
Europe	634.3	132.5	50.7	-106.8	618.2	-38.5	573.2	224.3
North America	280.5	122.8	453.4	337.7	97.8	246.9	446.9	452.3
Developing economies	709.1	646.5	880.9	916.4	398.4	381.9	484.9	458.9
Africa	46.0	39.2	79.6	44.9	5.0	1.1	3.1	5.8
Asia	503.5	516.5	662.1	661.8	246.2	382.7	445.3	396.1
Latin America and Caribbean	158.1	89.9	137.9	208.5	48.4	-1.0	38.0	59.0
Oceania	1.5	1.0	1.3	1.2	-1.1	-0.9	-1.6	-2.1

Source: World Investment Report, 2023

1.2 FDI Flows in Africa

FDI inflows to Africa declined by 44 percent to USD 44.9 billion in 2022. The decline was due to a single intrafirm financial transaction in South Africa without which FDI flows to Africa would have increased by 7 percent. The movement of these flows varied across different regions. In North Africa for example, inflows increased by 58 percent to USD 15.0 billion in 2022 following an increase in cross border Merger and Acquisition (M&A) sales in Egypt. In East Africa, inflow rose by 16.9 per cent to USD 5.8 billion emanated from Greenfield investment in oil and construction of oil pipeline.

Conversely, inflows to West Africa decreased by 35 percent to USD 8.5 billion largely due to equity divestments. Similarly, FDI flows to Central Africa slightly decreased by 11.3 percent to USD 4 billion compared with USD 4.5 billion recorded in 2021. In Southern Africa, inflows decreased by 84 percent to USD 6.7 billion mainly driven by one off transaction in South Africa and loan repayments by oil activity companies in Angola.

Table 1.3: Africa's FDI flows 2019 – 2022

	USD Billion							
	FDI inflows				FDI outflows			
	2019	2020	2021	2022	2019	2020	2021	2022
Africa	46.0	39.2	79.6	44.9	5.0	1.1	3.1	5.8
North Africa	13.6	9.8	9.5	15.0	1.7	0.4	1.0	1.1
West Africa	11.4	8.9	12.9	8.5	1.3	2.1	2.5	1.0
Central Africa	7.6	7.7	4.5	4.0	0.1	0.1	0.1	0.1
Southern Africa	4.5	4.9	42.2	6.7	1.5	-1.8	-1.2	2.8
East African Community	5.2	4.5	4.9	5.8	0.2	0.1	0.6	0.6
Tanzania	1.2	0.9	1.0	1.1	0.0	0.0	0.0	0.0
Kenya	1.1	0.7	0.5	0.8	0.0	0.0	0.4	0.1
Uganda	1.3	0.9	1.1	1.5	0.0	0.0	0.0	0.0
Rwanda	0.4	0.3	0.4	0.4	0.0	0.0	0.0	0.0
Burundi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Sudan	-0.2	0.0	0.1	0.1	0.1	0.1	0.2	0.4
DRC	1.5	1.6	1.9	1.8	0.0	0.0	0.0	0.0
Tanzania's share in Global FDI inflows	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Tanzania's share in Africa FDI inflows	2.6	2.4	1.3	2.5	0.0	0.0	0.0	0.0

Source: World Investment Report, 2023 and own computation

1.3 FDI Flows in Tanzania

The WIR 2023 indicates that FDI inflows to Tanzania have shown significant growth over recent years with its share in Africa increasing by 1.2 percentage points from 2021. This is notable considering the global economic challenges, reflecting the country's improvement in the investment climate.

1.4 Global FDI Flows outlook

The prospects for global FDI flows are uncertain amidst a backdrop of economic slowdown, currency fluctuations, and geopolitical tensions. The UNCTAD expects the downward pressure on global FDI to continue in 2023. Factors including; rising interest rates, trade disputes, and the lingering effects of the COVID-19 pandemic create challenges for investors. However, opportunities may arise in activities such as technology, renewable energy, and healthcare, driven by evolving consumer demands and technological advancements. The Governments' policy responses and efforts to enhance the business friendly environment will play a crucial role in shaping future FDI trends in Tanzania. Overall, while uncertainties persist, proactive measures to address economic risks and promote investment-friendly policies could help to improve the outlook for global FDI flows.

Box 1: Tanzania at a Glance

- Tanzania is located in the Eastern Africa region and covers an area of 945,087 square kilometres, a population of 61.7 million as per 2022 census, and a GDP of USD 75.73 million;
- The country is strategically located serving six landlocked countries namely; Uganda, Rwanda, Burundi, Democratic Republic of Congo, Zambia and Malawi;
- The country is a member of several regional organizations, including the EAC, SADC, AfCFTA and AU;
- The country is endowed with abundant natural resources, including; gold, tanzanite, diamonds, natural gas, and vast arable land;
- Tanzania boasts a varied landscape, ranging from the snow-capped peaks of Mount Kilimanjaro, Africa's tallest mountain, to the vast savannah plains, and is home to the spectacular Ngorongoro Crater, a UNESCO World Heritage site, and the renowned Selous Game Reserve, one of the largest protected areas in Africa;
- The country has a serene coastline where idyllic islands such as Zanzibar, famous for its spice farms, white sandy beach and historical Stone Town are found ;
- Tanzania is blessed with wildlife safaris, offering unparalleled opportunities to witness the "Big Five" (lion, elephant, buffalo, leopard, and rhinoceros) in their natural habitat. The Serengeti National Park hosts the annual Great Migration, where millions of wildebeest and zebras traverse the plains in search of water and grazing grounds. Other popular wildlife destinations include Tarangire National Park, Lake Manyara National Park, and the remote Ruaha National Park;
- The country's major tourist source markets include the United State, United Kingdom, Italy, Germany, France, and South Africa;
- The country provides investment opportunities across various activities supported by ongoing mega infrastructures projects including roads, railway – SGR, ports, electricity, and air transport. The government is prioritizing on key activities such as agriculture, mining, tourism, manufacturing, agro-processing, pharmaceuticals, real estate and livestock & fishing;
- The government has been undertaking major legal and regulatory reforms in a quest to make Tanzania one of the best investment destinations in the continent. These reforms include tax regime, automation of investment procedures and processes, harmonization of institutions, land laws as well as unlocking hurdles that impede business growth; and
- Tanzania's major exports are gold, cash crops (cashewnut, coffee, tobacco and cotton), and oil seeds. Its major imports are refined white petroleum, machinery, industrial supplies and transport equipment. The country's major trading partners include; China, India, the United Arab Emirates, Japan, South Africa and Kenya.

CHAPTER TWO

TANZANIA'S MACROECONOMIC DEVELOPMENTS

2.0 Introduction

This chapter reviews Tanzania's economy by specifically looking at some selected macroeconomic indicators including; changes in output and prices, credit, interest rates exchange rates, as well as stability of the financial activity.

2.1 Output and Prices

Tanzania's economy exhibited strong performance despite global shocks, thus making it an attractive destination for investors seeking stability and growth opportunities. The economy grew by 4.7 percent in 2022, a slight decrease from the 4.9 percent growth attained in 2021. Growth remained below pre-pandemic levels as it continued to recover from COVID-19 effects. Notably, the growth rate slightly declined by 0.2 percentage points due to increased production costs associated with the war in Ukraine and the spill-over effects of climate change affecting agricultural production in certain regions. Industries such as arts and entertainment, mining and quarrying, financial and insurance services, accommodation and food services, and electricity generation witnessed the highest growth rates. The primary drivers of Tanzania's real GDP growth were agriculture (26.2 percent), construction (14.1 percent), mining and quarrying (9.1 percent), trade (7.9 percent), and manufacturing (7.1 percent)

The inflation rate remained steady and in line with country and regional benchmarks¹, despite the rise to 4.3 percent in 2022, from 3.7 percent in 2021. The uptick in inflation was primarily driven by increased commodity prices, particularly energy prices, and heightened demand for food from neighbouring countries. Noteworthy, inflation is projected to stay within the convergence criteria due to the implementation of prudent monetary and fiscal policies.

¹ The SADC convergence criteria range is 3 - 7 percent and utmost 8 percent for EAC.

2.2 Credit Developments

Private sector credit growth remained strong, averaging 22.5 percent in December 2022, significantly higher than the 10.0 percent growth recorded in December 2021. This growth was attributed to increased economic activities reflecting recovery from the impact of the COVID-19 pandemic.

2.3 Interest and Exchange Rates Policies

Tanzania Interest rates continued to be determined by market forces with the monetary policy framework used to guide interest rate determination. In 2022, the country implemented accommodative monetary policies aimed at containing inflation by reducing liquidity while maintaining the pace of economic growth. This offered an attractive environment for investors as the overall lending rates experienced a marginal decrease to 16.06 percent in 2022 compared to 16.37 percent recorded in 2021. Conversely, overall deposit rates averaged 6.94 percent in December 2022 from 6.79 percent in December 2021. In addition, the exchange rate remained market-determined and a primary means of insulating the economy from external shocks. During the period, the exchange rate against the US dollar remained stable and fluctuated within the market average rate ranging from TZS 2,297.8 to TZS 2,308.9.

2.4 External Sector Performance

The external sector continued to sustain challenges of fluctuating commodity prices, tight financial conditions, high inflation among trading partners, and supply chain disruptions caused by the resurgence of the COVID-19 pandemic and the war in Ukraine. Reflecting this, the current account deficit widened to USD 5.5 billion in 2022, compared to a deficit of USD 2.4 billion in 2021, largely influenced by increased import of goods particularly, white petroleum products and fertilizers coupled with the slow growth of exports. Meanwhile, official gross reserves stood at USD 5.2 billion by the end of December 2022, down from USD 6.4 billion in December 2021 (Table 2.1). These reserves were adequate to cover 4.4 months of projected imports of goods and services, aligning with the country's benchmark of at least 4 months' coverage.

Table 2.1: Tanzania's Selected Macroeconomic Indicators: 2018-2022

Indicator	2018	2019	2020	2021	2022
GDP Growth	7.0	7.0	4.8	4.9	4.7
Inflation rate	3.5	3.4	3.3	3.7	4.3
Exports of goods and services/GDP (%)	15.2	16.4	13.5	14.5	16.2
Imports of goods and services/GDP (%)	19.1	17.7	14.4	17.1	22.6
CAB/GDP (%)	-4.2	-2.3	-2.3	-3.5	-7.4
Average exchange rate (TZS/USD)	1,989.9	2,177.1	2,228.9	2,263.8	2,303.0
Official Reserves (USD Million)	5,044.6	5,567.6	4,767.7	6,386.0	5,177.2
Reserves months of import cover	5.8	7.3	4.9	4.6	4.4

Source: National Bureau of Statistics and the Bank of Tanzania

2.5 Financial Sector Stability

The financial sector was stable and resilient to global shocks, with all indicators hovering within the desirable thresholds. The banking sector, which comprises the largest share of the financial sector, was adequately capitalized, liquid and profitable, leveraging on technology in financial services delivery. In addition, the Bank of Tanzania continued to execute its licensing, regulatory, and supervisory role, including monitoring activities of supervised institutions to ensure that they abide by the regulatory requirements.

CHAPTER THREE

INVESTMENT CLIMATE

3.0 Introduction

This chapter provides an insight into Tanzania's investment plans and opportunities, recent promotional efforts and achievements, as well as available investment facilitation services.

3.1 National plans

Tanzania's Development Vision 2025 (TDV 2025) sets the overarching goals for the country's socio-economic development, aiming for a high-quality livelihood for all citizens by 2025. The Long-Term Perspective Plan (2011/12 - 2025/26) provides a strategic framework to achieve sustainable development, focusing on infrastructure, competitive economy, human capital development, and industrialization. The Second Five-Year Development Plan (FYDP II) outlines specific strategies and actions to be implemented with a strong emphasis on nurturing an industrial and competitive economy. The Blueprint for regulatory reforms to improve the business environment provides the government's main framework for enabling a holistic review of the business-enabling environment to improve the investment climate in Tanzania. These plans collectively drive Tanzania's efforts towards becoming an upper-middle-income country with a diversified and resilient economy.

3.2 Investment Opportunities

Tanzania has abundant investment opportunities across a broad spectrum of activities, mostly in agriculture, mining, tourism, manufacturing, agro-processing, pharmaceuticals, real estate, livestock, and the blue economy. The government is dedicated to enhancing the investment climate and developing mega infrastructure to attract both foreign and domestic investments. Through ongoing legal and regulatory reforms highlighted in the Blueprint for regulatory reforms to improve the business environment, Tanzania is positioned to become a prime investment destination in Africa, fostering social and economic prosperity for its citizens. Detailed investment prospects for specific activities are outlined in the Tanzania Investment Centre website at <https://www.tic.go.tz>, the Export Processing Zone Authority website at <https://www.epza.go.tz>, and the Zanzibar Investment Promotion Authority website at

<https://www.zipa.go.tz>. The progress made in the emerging investment opportunities that are linked with the ongoing mega infrastructure projects is discussed in the subsequent sections.

3.2.1 Julius Nyerere Hydropower Project

The Julius Nyerere Hydropower Project, situated on the Rufiji River in Tanzania, is a major infrastructure project aimed at addressing the country's energy needs. With an installed capacity of 2,115 megawatts, it is set to be one of East Africa's largest hydropower plants. The JNHP Implementation status is at 92 percent and its completion is expected to significantly improve access to abundant and reliable electricity, thereby attracting investment across various activities such as manufacturing, agriculture, and services. This increased investment is crucial for stimulating economic growth and development in Tanzania.



Julius Nyerere Hydropower Project

3.2.2 Standard Gauge Railway (SGR)

Tanzania's transformative Standard Gauge Railway project is set to revolutionize transportation and trade connectivity across the region, offering exceptional opportunities for economic growth and development. The project implementation status for Phase I (Dar es Salaam to Morogoro - 300 Km) has reached 98 percent; and Phase II (Morogoro to Makutupora - 442 Km) is at 94 percent. Other phases (Makutupora to Tabora – 368 Km, Tabora to Isaka – 165 Km and Isaka to Mwanza – 341Km) are at initial stages of implementation. Upon completion, SGR project is

expected to modernize transportation infrastructure, reduce logistics costs, and significantly enhance trade efficiency, positioning Tanzania as a premier hub for regional commerce and investment.

Standard Gauge Railway Project



3.2.3 Revitalization of Air Tanzania Company Limited (ATCL)



H.E. President Samia Suluhu Hassan sitting in the cockpit of the new Boeing 767-300F cargo jet

In 2022, the government continued to revitalize and modernize ATCL by purchasing one cargo jet and seven passenger planes, which makes a total fleet of 15 planes (14 aircrafts passenger and one cargo Freighter). This strategic investment underscores the country's

dedication to bolstering Tanzania's connectivity with the rest of the world. The cargo plane aims at boosting cargo transportation capabilities, facilitating trade, and drive economic growth.

3.3 Legal and Institutional Reforms

Implementation of the Blueprint for Regulatory Reforms

The objective of the Blueprint is to improve the country's business environment by reducing regulatory hurdles and risks facing businesses. Through the implementation of Blueprint, doing business in the country has been simplified by reducing a number of duplications and overlapping mandates among regulatory agencies while eliminating some nuisance fees to investors. Accordingly, a total of 39 fees and levies were reduced or abolished in 2022.

Other initiatives undertaken by the government to improve the investment climate include upgrading the Government's Electronic Payment System (GePG) by integrating 900 service providers. A total of 50 systems in 45 Government institutions were integrated with the Government Enterprises Service Bus (GovESB). The integration facilitates data exchange and sharing among government systems including National Identification Authority, Business Registration and Licencing Agency; Courts, Tanzania Insurance Authorities, Tanzania Commission for Universities, and Attorney General's Office System.

A number of laws and regulations were amended to facilitate and streamline the investment climate and business process including retaining the responsibility of measuring standards solely to Tanzania Bureau Standards. A Local Government Act was amended to give it the mandate to establish joint centres for coordination, promotion, and improvement of business environments in Town and Village Authorities. The Occupational Safety and Health Act, Cap 297, was amended to give it the mandate of issuing licenses within seven days after the applicants fulfilling the prerequisite requirements. Also, the Tanzania Food, Drugs, and Cosmetics Act, 2003 was amended to impose the sole responsibility of regulating abattoirs to the Ministry of Livestock and Fisheries.

Enactment of Tanzania Investment Act No. 10 of 2022

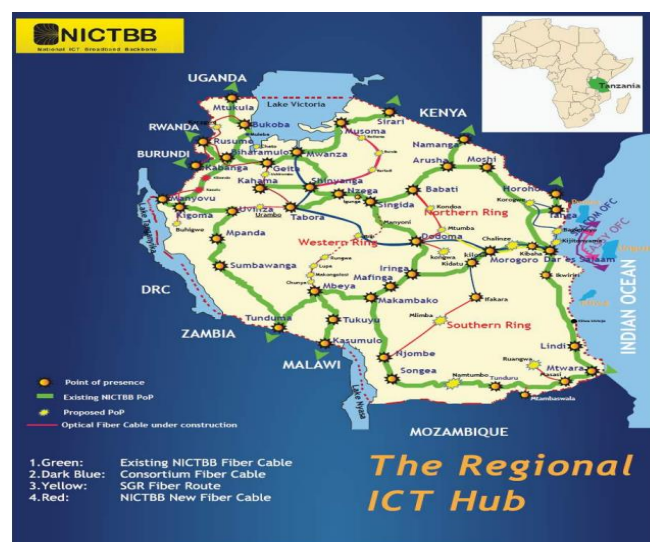
The government enacted the New Investment Act No. 10, which repeals the Tanzania Investment Act No. 26 of 1997. The new Act provides a milestone in the country's

investment climate and business environment. Notable changes in the new Act include:

- i. Reduced investment threshold for local investors to USD 50,000 from USD 100,000, making it easier for more local investors to register projects with TIC;
- ii. Introduction of fiscal incentives for rehabilitation and expansion of projects;
- iii. Provision for establishment of a single window system known as the Tanzania Electronic Investment Window (TelW) to streamline and facilitate issuing of certificates, licenses, permits, and approvals;
- iv. Fiscal incentives to investors up to five years from three years; and
- v. Clarity on the process of accessing additional specific incentives to strategic and special strategic investors.

3.4 Other milestones that act as catalysts to investment facilitation

The Government investment in the National ICT Broadband Backbone increased from 8,819 Km to 9,982 Km fibre Optic Cable Network making Tanzania a Regional ICT Hub. The cable connects all major Tanzania towns (a catalyst for the telecom revolution) including the borders of Mozambique, Malawi, Zambia, DR Congo, Burundi, Rwanda, Uganda, and Kenya.



Industrial parks in agro-processing

initiative – identified land parcels in different regions targeting key agriculture, fisheries, and livestock products (in line with the Five Year Development Plan). The Government will continue to develop basic infrastructure to ease and fast-track private investment project implementation.

The government undertook various initiatives to develop land bank for investment. In this regard, TIC has registered, through its land bank, a total of 331 land parcels with a total size of 147,553.29 hectares.

The Royal Tour

In 2022, HE. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania launched the one-of-its-kind country film called ‘The Royal Tour’ where she featured as the main actor aiming at showcasing the country’s potential in the tourism activity. This was the first time in Tanzania’s history that the Head of State played such a role in a tourism promotion film, as part of efforts to attract investment in tourism activities and revive the industry that was greatly affected by the COVID-19 pandemic. The film was launched in New York City and Los Angeles in the USA. In Tanzania it was launched in Arusha, Dar es Salaam, and Zanzibar. This coverage allowed national and international viewers to see the investment opportunities and potentials in Tanzania’s tourism industry.

This strategy has proven to be a highly successful and fruitful initiative based on the flows of tourists and investors in various activities of the country’s economy. Accordingly, there has been a notable sharp rise of tourist arrivals from 922,692 in 2021 to 1,454,920 in 2022 equivalent to an increase of 58 percent.

3.5 The procedure to invest in Tanzania

The procedure to invest in Tanzania starts with the registration of the investing company with the Business Registration and Licensing Authority (<https://www.brela.go.tz/>); and Zanzibar Business and Property Registration Agency (<https://bp.ra.go.tz/>). Details of the procedures can be accessed at <https://www.epza.go.tz/>, <https://procedures.tic.go.tz> and <https://zanzibar.eregulations.org>. Upon registration, a company may obtain various incentives offered by TIC, ZIPA, and EPZA depending on the area of investment. The kind of incentive packages available can be viewed from the respective websites mentioned earlier

CHAPTER FOUR

FINDINGS ON FOREIGN PRIVATE INVESTMENTS

4.0 Introduction

This chapter provides the findings of the 2023 Private Capital Flows survey, with a detailed analysis of the nature of inflows, source of financing, classification by activity, source countries, and profitability the investments. The Source of all Tables and Charts shown in this Chapter is a Survey conducted jointly by BOT, TIC and NBS in 2023

4.1 Foreign Private Investment

In 2022, the stock of Foreign Private Investment (FPI) was USD 20,644.4 million compared with USD 18,924.3 million in 2021 (Table 4.1). FPI comprises Foreign Direct Investment (FDI), Portfolio Investment (PI) and Other Investment (OI). FPI flows increased by 47.1 percent reaching USD 1,745.8 million in 2022 from USD 1,186.8 million recorded in 2021. FDI inflows account for 82.3 percent of the total FPI flows in 2022.

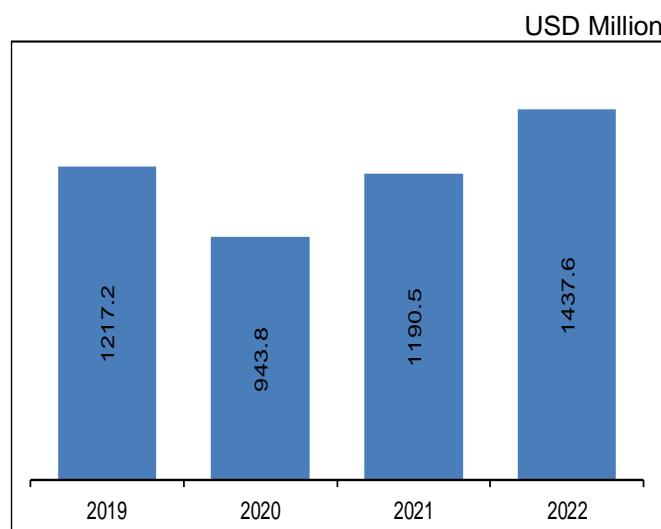
Table 4.1: Foreign Private Investment, 2019 – 2022

Components	USD Million							
	Inflows				Stock			
	2019	2020	2021	2022	2019	2020	2021	2022
Foreign Direct Investment	1,217.2	943.8	1,190.5	1,437.6	14,762.9	15,612.6	15,741.1	17,137.4
Equity and investment fund shares	1,096.2	903.0	961.6	1,312.3	8,684.2	9,548.6	10,201.0	11,480.8
Equity and lfs except retained earnings	773.4	327.0	392.5	492.3	9,016.0	9,368.2	5,807.4	6,017.4
Reinvestment of earnings	322.8	576.0	569.1	820.0	-331.8	180.4	4,393.6	5,463.4
Loans (from related parties)	121.1	40.8	228.9	125.3	6,078.7	6,064.0	5,540.1	5,656.6
Long-term	35.0	94.6	173.7	-25.1	5,540.2	5,581.6	5,196.1	4,344.0
Short-term loan	86.1	-53.9	55.2	150.4	538.5	482.3	343.9	1,312.6
Portfolio Investment	5.5	1.8	4.9	0.2	104.6	124.8	126.8	135.1
Other Investment	17.3	-85.5	-8.6	308.1	2,810.0	2,724.5	3,056.5	3,371.8
Long-term	1.3	-32.7	-12.9	190.3	2,189.7	2,127.4	2,236.9	2,425.8
Short-term	-51.1	-3.0	-15.5	0.4	35.0	50.9	185.8	185.8
Trade credits and advances	66.3	-47.4	16.5	117.1	350.2	301.5	610.3	725.8
Currency and deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other equity	0.8	-2.5	3.3	0.3	235.1	244.7	23.5	34.4
Total Tanzania Private Investment	1,240.0	860.1	1,186.8	1,745.8	17,677.5	18,461.9	18,924.3	20,644.4

Note: Other investment refers to any other investment not covered under FDI and portfolio investment including loans from unrelated parties.

4.1.1 Foreign Direct Investment

Chart 4.1: Inflows of FDI, 2019 - 2022



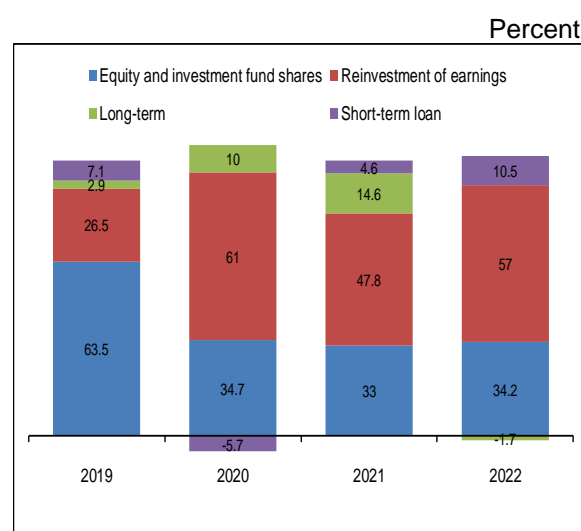
Tanzania is among few countries that recorded positive inflows of FDI in 2022. The survey results revealed that FDI inflows surged by 20.8 percent to USD 1,437.6 million in 2022. The performance was largely attributed to the reinvestment of earnings in the mining and quarrying activity following the expansion of mining activities by large companies. It is worth noting that while other activities were negatively affected by the global shocks,

the demand for gold increased due to the use of the metal as a safe haven investment. The trend of FDI flows has been on an upward trajectory since 2020 signalling recovery from the impact of global shocks and government initiatives to continue improving the investment climate and business environment (Chart 4.1).

4.1.1.1 Financing of Foreign Direct Investment

Financing of FDI flows over the past five years has predominantly alternated between equity and investment fund shares, and reinvestment of earnings. This trend suggests investors' optimism about the country's macroeconomic developments, legal and regulatory frameworks, and political stability; among others. In 2022, financing of FDI inflows was mainly reinvestment of earnings, constituting 57.0 percent, followed by equity and investment fund shares at 34.2 percent. The same trend was observed in the two previous years. Notably, the financing of FDI flows through long term loans decreased substantially following large repayment of loans from related parties relative to disbursements (Chart 4.2).

Chart 4.2: Financing of Foreign Direct Investment, 2019 –2022



4.1.1.2 Foreign Direct Investment by Activity

FDI flows remained concentrated in three primary activities namely mining and quarrying, finance and insurance, and manufacturing, together representing 88 percent of total flows in 2022. There was a notable increase in inflows to the mining and quarrying activity, amounting to USD 847.1 million compared to USD 596.3 million in 2021. The outturn was largely underpinned by the expansion of major mining companies, which increased production capacity and increase in the price of gold in the global market following high demand for gold as a safe haven. Likewise, significant inflows were observed in the finance and insurance activity, totalling USD 238.4 million, up from USD 132.8 million following increased investment in digital financial services associated with government initiatives to improve financial inclusion.

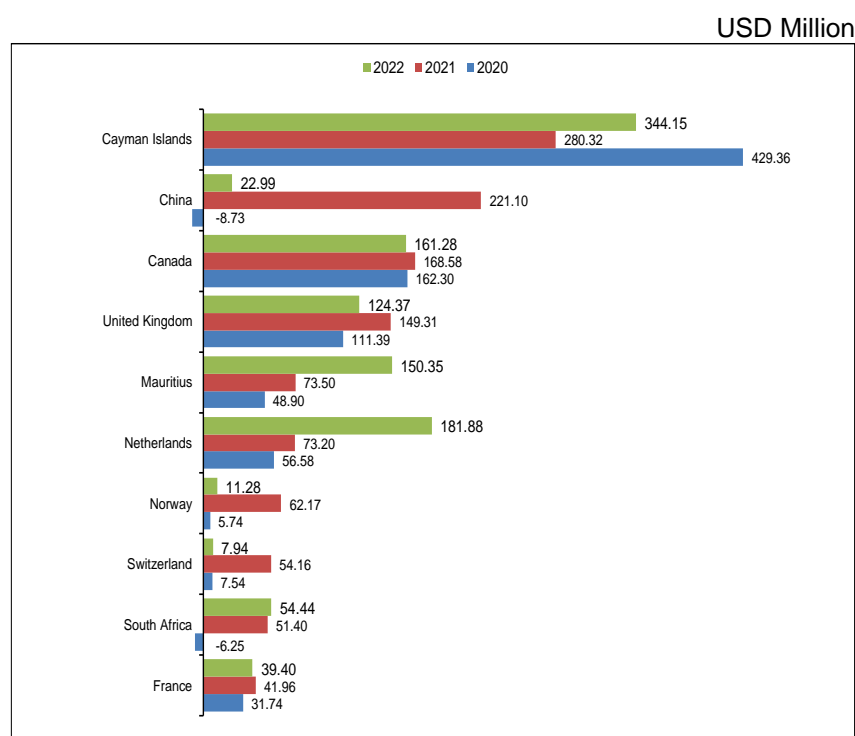
Other activities that recorded a significant increase in FDI inflows include information and communication; construction; and accommodation and food services. The increase in inflows to information and communication activity is associated with increase in investment in the fibre Optic Cable Network which resulted into more revenue from higher data usage. Similarly, large inflows to the construction activities was associated with the ongoing mega infrastructure projects while inflows to accommodation and food services partly emanated from the recovery of the tourism sector. Although there was a decline in manufacturing inflows from USD 351.9 million in 2021 to USD 180.1 million in 2022, the activity retained its prominence. Low inflows to manufacturing activity are largely accounted for by a significant decline in profitability reported by firms, reflecting the extent of exposure of this activity to global shocks. In 2022, reinvestment of earnings from manufacturing activities dropped to USD 147.7 million from USD 783.6 million in 2021.

Table 4.2: Flows and Stock of FDI by Activity, 2019 – 2022

Activity	Flows				Stock			
	2019	2020	2021	2022	2019	2020	2021	2022
Accommodation and food	6.3	-7.5	-0.3	36.3	380.9	372.2	356.9	409.1
Administrative and support services	8.0	-12.0	2.0	-3.7	70.2	61.2	78.1	77.0
Agriculture, forestry and fishing	30.3	15.5	20.8	14.3	1,582.4	1,596.4	579.5	588.6
Arts, entertainment and recreation	0.1	0.0	0.1	0.7	0.6	0.6	2.1	2.7
Construction	81.2	-2.3	-15.4	15.5	290.7	286.1	305.8	318.9
Education	3.2	0.8	-2.2	-0.1	9.8	10.5	9.7	7.6
Electricity and gas	8.9	-22.8	-2.3	1.5	59.7	36.7	13.9	24.3
Finance and insurance	162.9	85.4	132.8	238.4	1,274.9	1,321.7	1,463.7	1,695.4
Human health and social work	1.3	-1.2	11.3	-4.4	61.6	60.0	92.7	88.0
Information and communication	274.7	60.3	34.5	89.5	1,463.2	1,517.2	1,204.6	1,291.3
Manufacturing	225.5	176.2	352.0	180.1	2,221.4	2,375.1	2,412.1	2,582.3
Mining and quarrying	384.5	614.2	596.3	847.1	6,589.4	7,205.0	8,509.1	9,312.9
Professional and scientific services	1.2	1.0	0.6	0.0	19.1	20.1	0.2	0.2
Real estate	-3.3	-4.0	-1.2	-0.2	66.8	58.3	83.5	83.3
Transportation and storage	13.0	26.6	18.1	12.1	191.2	213.6	129.5	141.9
Wholesale and retail trade	19.3	13.4	43.5	10.7	481.0	477.9	499.8	513.8
Total	1,217.2	943.8	1,190.5	1,437.6	14,762.9	15,612.6	15,741.1	17,137.4

4.1.1.3 Foreign Direct Investment by Source Country

Chart 4.3: Top Ten Source Countries of FDI Inflows, 2021 – 2022

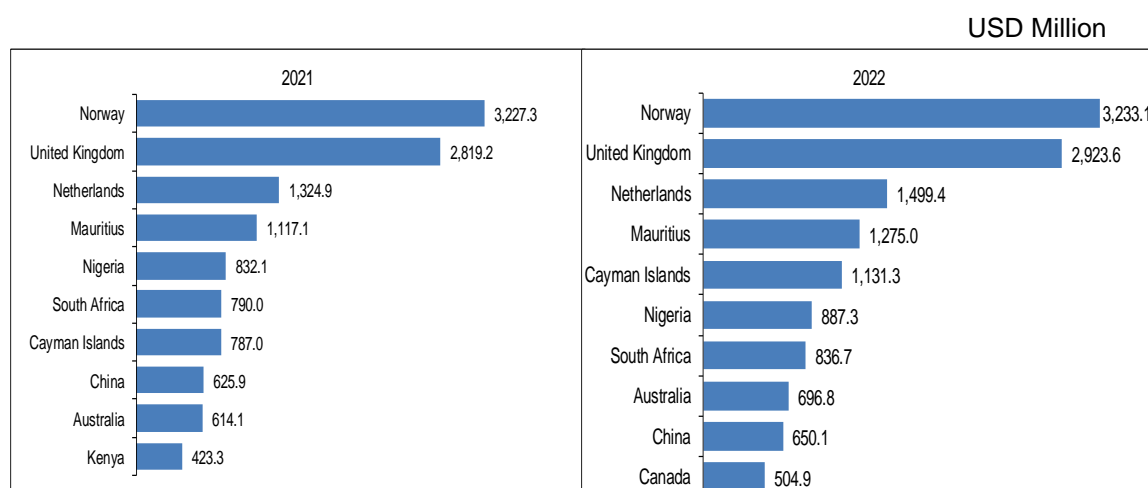


As observed in previous reports, FDI inflows to Tanzania continued to originate from a few countries. In 2022, the top ten countries accounted for an average of 76.4 percent of total FDI flows. The Cayman Islands retained its leading position for the third consecutive year in 2022. Other notable

sources of FDI inflows in 2022 were the Netherlands, Canada, and Mauritius. There was a notable decline in FDI inflows from China associated with the drop in reinvestment of earnings in the manufacturing and construction activities where investments from China are concentrated (Chart 4.3).

Norway maintained the top position in terms of FDI stock in 2022, amounting to USD 3,233.1 million. It was followed by the United Kingdom, which recorded FDI stock of USD 2,923.6 million. Other notable contributors to FDI stock in 2022 were the Netherlands and Mauritius (Chart 4.4).

Chart 4.4: Top Ten Source Countries of FDI Stock, 2021 and 2022



4.1.1.4 FDI by Regional and Economic Blocs

The Organization for Economic Cooperation and Development (OECD) countries have traditionally been the major source of FDI flows to Tanzania, averaging 31.9 percent of the total flows between 2019 and 2022. Within the OECD countries, Canada, the United Kingdom, and the Netherlands were the main sources, together accounting for 76.1 percent of total flows from the bloc. Meanwhile, the SADC region was the second major source of FDI inflows to Tanzania, with Mauritius and South Africa being leaders. FDI inflows from the EAC region have been increasing since 2019 with the flows amounting to USD 49.0 million in 2022, and Kenya accounting for the majority (98 percent) of the inflows (Table 4.3).

Table 4.3: FDI Flows by Regional Groupings, 2019 – 2022,

Region/Country	USD Million			
	2019	2020	2021	2022
OECD	358.6	284.0	271.4	614.2
Australia	7.6	-109.8	-186.5	82.8
Canada	76.5	162.3	168.6	161.3
Denmark	0.0	12.0	20.3	24.0
France	-11.6	31.7	42.0	39.4
Germany	-0.2	-6.7	-3.3	19.1
Ireland	-0.4	4.0	0.8	-0.1
Japan	-0.8	1.0	0.3	11.2
Kuwait	-2.5	0.0	0.0	0.0
Netherlands	-31.9	56.6	73.2	181.9
Sweden	-10.9	5.0	0.4	-4.2
Ukraine	0.0	0.0	0.0	0.0
United Arab Emirates	7.0	7.3	3.8	-0.1
United Kingdom	194.2	111.4	149.3	124.4
Other OEDC	131.6	9.3	2.5	-25.5
SADC	503.7	44.2	126.5	208.6
Botswana	-2.2	-0.6	-0.5	3.9
Mauritius	423.8	48.9	73.5	150.3
South Africa	77.4	-6.2	51.4	54.4
Swaziland	0.0	0.0	0.0	0.0
Other SADC	4.8	2.2	2.1	-0.1
EAC	-34.4	24.7	30.0	49.9
Burundi	0.0	0.0	0.0	0.0
Kenya	-37.1	24.6	30.3	48.9
Rwanda	2.1	0.0	0.0	0.0
South Sudan	0.0	0.0	0.0	0.0
Uganda	0.2	0.1	-0.2	1.0
Congo DRC	0.3	0.0	0.0	0.0
Other regions	389.3	590.8	762.6	564.9
Grand Total	1,217.2	943.8	1,190.5	1,437.6

4.1.2 Portfolio Investment

Portfolio investments comprise tradable equity securities issued by private companies with foreign assets and liabilities. In 2022, portfolio investment declined to USD 0.2 million, down from USD 4.9 million reported in 2021. A cyclical trend of portfolio inflows has been observed in previous surveys reflecting volatility of this type of investment and the infancy of Tanzania capital market. The share of portfolio investment to total foreign private investments remained less than one percent

4.1.3 Other Investment

Other Investments constitute residual categories of investment other than those included in the FDI, portfolio investment, and financial derivatives. The flow of other investments amounted to USD 308.1 million in 2022, marking a significant increase compared to USD -8.6 million in 2021. This rise was primarily driven by an increase in

the disbursements of long-term loans relative to repayments as well as the increase in trade credits and advances (Table 4.4).

Table 4.4: Other Investment, 2019 - 2022

	USD Million							
	Flows				Stock			
	2019	2020	2021	2022	2019	2020	2021	2022
Loans	-49.9	-35.6	-28.4	190.7	2,224.7	2,178.3	2,422.7	2,611.6
Long-term	1.3	-32.7	-12.9	190.3	2,189.7	2,127.4	2,236.9	2,425.8
Short-term	-51.1	-3.0	-15.5	0.4	35.0	50.9	185.8	185.8
Trade credits and advances	66.3	-47.4	16.5	117.1	350.2	301.5	610.3	725.8
Other equity	0.8	-2.5	3.3	0.3	235.1	244.7	23.5	34.4
Other Investment	17.3	-85.5	-8.6	308.1	2,810.0	2,724.5	3,056.5	3,371.8

Other Investments were mainly directed to mining and quarrying; manufacturing; and finance and insurance activities (Table 4.5).

Table 4.5: Stock and Flows of Other Investment by Activity, 2019 - 2022

Sectors	USD Million							
	Flow				Stock			
	2019	2020	2021	2022	2019	2020	2021	2022
Accommodation and food services	1.2	2.1	0.2	-27.5	12.8	14.8	41.1	13.6
Administrative and support services	1.5	-3.9	-0.1	0.2	7.6	3.6	4.0	4.1
Agriculture, forestry and fishing	-16.8	0.9	-1.3	8.7	32.2	32.9	37.7	46.3
Arts, entertainment and recreation	0.8	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
Construction	0.0	-3.4	-10.0	2.6	168.5	160.2	1.8	4.5
Education	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity and gas	0.0	0.0	8.8	0.0	0.0	0.0	0.6	0.6
Finance and insurance	6.3	-32.6	-15.2	165.6	438.5	402.1	167.8	333.0
Human health and social work	-4.7	0.0	-0.1	0.0	63.1	62.8	0.0	0.0
Information and communication	-10.3	20.7	-1.9	-1.9	289.7	309.0	91.8	89.6
Manufacturing	68.9	-45.7	14.6	52.3	463.7	416.2	483.6	535.0
Mining and quarrying	-55.2	-30.7	2.7	89.1	1,006.6	989.7	1,905.7	2,004.8
Professional, scientific and technical	-0.2	0.9	0.0	0.0	42.6	43.5	0.0	0.0
Real estate	-3.0	-1.9	-4.9	-0.7	19.9	18.0	12.6	11.8
Transportation and storage	15.5	-2.6	-1.9	8.3	212.6	209.0	195.7	203.4
Wholesale and retail trade	13.9	10.8	0.6	11.4	52.2	62.7	114.1	125.1
Total	17.3	-85.5	-8.6	308.1	2,810.0	2,724.5	3,056.5	3,371.8

4.2 Income on Investment

The net profits after tax generated by companies with foreign liabilities amounted to USD 2,057.3 million in 2022, equivalent to a decrease of 18 percent from USD 2,509.6 million in 2021. Similarly, dividends declared were also lower compared to those declared in 2021. Despite the decline, mining and quarrying, and finance and

insurance activities recorded higher net profit after tax in 2022 compared to 2021 (Table 4.6).

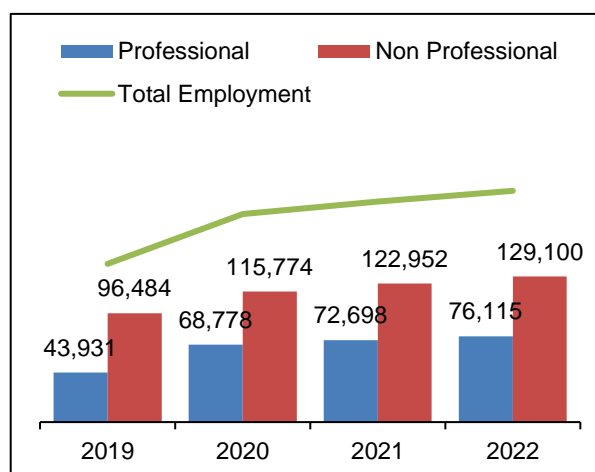
Table 4.6: Profits and Dividends, 2021 - 2022

Sector	USD Million							
	2021				2022			
	Net Profit/Loss (After Tax)	Dividends declared	Dividends paid (profit remitted)	Reinvested Earnings	Net Profit/Loss (After Tax)	Dividends declared	Dividends paid (profit remitted)	Reinvested Earnings
Mining and quarrying	1,050.6	541.3	539.0	509.3	1,126.9	195.3	131.2	931.6
Finance and Insurance activities	340.4	77.7	28.1	262.8	491.1	110.2	9.6	380.9
Manufacturing	896.6	113.0	38.8	783.6	258.6	103.1	17.9	147.7
Information and communication	116.3	86.6	0.0	29.7	68.3	0.1	0.0	74.9
Wholesale and retail trade	37.2	4.2	2.2	33.1	50.9	31.9	27.8	20.6
Transportation and Storage	48.1	13.2	12.9	34.9	30.5	-17.2	1.2	9.7
Real estate activities	0.1	0.0	0.0	0.1	6.4	1.5	0.0	5.0
Construction	12.3	0.0	0.0	12.3	4.1	0.0	0.0	4.1
Accommodation and food service	-12.8	0.4	0.4	-13.2	5.2	1.7	1.7	3.5
Professional and scientific	0.6	0.0	0.0	0.6	0.5	0.5	0.5	0.0
Arts, entertainment and recreation	0.3	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Education	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1
Agriculture, forestry and fishing	30.2	0.1	0.0	33.1	30.2	30.6	30.6	-0.3
Human Health and Social work	1.5	0.0	0.0	1.5	2.6	3.2	3.2	-0.5
Electricity and gas	-3.0	0.0	0.0	-3.0	-7.5	0.0	0.0	-7.5
Administrative and support service	-8.8	0.2	0.0	-9.0	-10.4	0.0	0.0	-10.4
Total	2,509.6	836.6	621.4	1,675.9	2,057.3	460.8	223.6	1,559.0

4.3 Employment

In 2022, the total number of jobs in companies with foreign liabilities increased by 4.9 percent to 205,214 compared to 195,650 in 2021. The number of employees rose by 4.7 percent and 5 percent for professional and non-professional employees, respectively (Chart 4.5). The increase is consistent with the trend of FDI inflows recorded in the country.

Chart 4.5: Employment trends 2019 -2022



CHAPTER FIVE

TANZANIA INVESTMENT OUTLOOK

5.1 Macroeconomic Environment

The macroeconomic environment in Tanzania for 2023 is projected to reflect continued resilience and growth despite global economic uncertainties. The real GDP growth is expected to maintain a steady upward trajectory, projected to grow at 5.1 percent, building on the recovery momentum from the overlapping global crises. This growth is anticipated to be driven key activities including agriculture, mining and quarrying, construction, and accommodation and food service. The agriculture activity, which contributed 26.2 percent to GDP in 2022, is expected to grow by 4.2 percent, supported by favourable weather conditions and government initiatives to improve irrigation and agricultural extension services.

The completion of strategic mega projects, including the Julius Nyerere Hydropower Project, which will add 2,115 megawatts to the national grid is expected to significantly enhance energy supply, whereby the Standard Gauge Railway, is expected to significantly enhance transportation. These projects are anticipated to stimulate economic activities, particularly in manufacturing and logistics, and attract foreign direct investment (FDI). These flows are expected to increase as a result of the improved investment climate and regulatory reforms.

Inflation is projected to remain within the medium target of less than 5 percent due to adequate food supply in the country, stabilization of power supply and prudent monetary and fiscal policies. The Tanzanian shilling is anticipated to maintain relative stability against major currencies, supported by foreign exchange reserves.

The financial sector in Tanzania is expected to remain sound and stable, with continued improvements in capital adequacy, asset quality, and liquidity levels. The government's efforts to enhance financial inclusion through digital financial services are projected to increase access to banking and financial services, particularly in rural areas. Credit growth to the private sector is expected to remain strong, attributed by

the improving business environment and supportive policies, public investment in infrastructure, and normalization of the global economy.

Investment in manufacturing activities is expected to grow, driven by the government's commitment to the industrialization ambition. The implementation of the Blueprint for regulatory reforms to improve the business environment is expected to reduce bureaucratic bottlenecks and enhance the ease of doing business. The enactment of the new Investment Act, 2022 which revised down the investment threshold for local investors from USD 100,000 to USD 50,000 and introduced fiscal incentives to expansion and rehabilitation projects, is anticipated to attract both local and foreign investments.

5.2 Strategies for further improving the Investment Climate

The government of Tanzania is consistently putting efforts to improve the country's investment climate and business environment, the following are the strategies and progress that signify the efforts made by the government to create a conducive investment environment: -

- i. The government is undertaking various initiatives to develop a land bank for investment. TIC has earmarked 60,103 Hectares at Mkulazi, Morogoro to be developed into agriculture city, and necessary initiatives are being undertaken to attract investors to the city.
- ii. In September 2023, the government launched the Tanzania Electronic Investment Window (TeIW) intended to seamlessly integrate the facilitation services of 14 government Ministries, Departments, and Agencies under the One Stop Facilitation Centre. The window will facilitate application process for various government permits, certificates, licenses, and approvals from anywhere in the world. In addition, the window will enhance and modernize service delivery, improve convenience and transparency.
- iii. Tanzania continues with the implementation of various initiatives to realize its potential in the manufacturing sector in line with its industrialization strategy. The initiative aimed at improving the processing of locally produced raw materials such as agricultural products, and minerals with a view to allow Tanzania cover the import-export gap and promote import

substitutions to strategic products such as fertilizers, edible oil, pharmaceuticals, wheat, and sugar.

- iv. The government continues with strategies to develop a vibrant capital market including fully liberalization of financial accounts to trigger wider and active participation in the capital markets in terms of products and players.
- v. In 2023, HE. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania decided to move institutions handling investment matters (TIC and EPZA) to President's Office- Planning and Investment, from the Ministry of Investment, Industry and Trade in a bid to increase investors' confidence and easy coordination of investment matters across all activities.
- vi. The government of Zanzibar is implementing the Blue economy policy to enhance investments in economic activities such as fishing, transportation, and tourism. The Blue economy policy paves the way to attract investments and exploit opportunities that will contribute to the prosperity of the economy.
- vii. The government continues to address existing challenges in the agriculture activity by improving subsidies to agriculture inputs such as fertilizers and pesticide, irrigation farming and infrastructure, seed and crop research, production and distribution of quality seeds, investment in extension services and skill development to local experts, and market access. These initiatives are expected to attract more investors to the activity.

5.3 Conclusion and way forward

Tanzania is among few countries that recorded positive inflows of FDI in 2022 despite the decline of global FDI inflows. The 2023 TIR reveals that FDI inflows increased 20.8 percent to USD 1,437.6 million in 2022 from USD 1,195 million in 2021 largely attributed by reinvestment of earnings in the mining and quarrying activities following the expansion of mining activities by large companies benefited from increase in gold prices in the global market due to high demand for gold as a safe haven investment. Other activities that recorded significant increase in inflows include finance and insurance; information and communication; construction; and accommodation and food service.

This positive trend in FDI inflows is attributed to the government's ongoing and planned initiatives, which have boosted investor confidence in the country's fiscal and monetary policies. These initiatives include the implementation of the Blueprint for regulatory reforms, the promotion of the Blue economy, the implementation of mega projects, and the enhancement of investment opportunities. Additionally, Tanzania's strategic location, strong and resilient economy have made it an attractive destination for investors.

Despite these notable achievements, the government recognizes the need to implement more strategies to further attract investors and increase FDI inflows in the medium and long term, particularly in activities that are resilient to global shocks.

APPENDIX I: METHODOLOGY

Introduction

This section provides details on the methodology used in conducting the Private Capital survey of 2023. It covers procedures used in data collection, determination of sample size, sampling, estimation technique, data processing and analysis.

Institutional set up

The survey of foreign private investments in Tanzania is a joint initiative between the Bank of Tanzania, Tanzania Investment Centre and the National Bureau of Statistics. The three institutions have signed a memorandum of understanding which, among others, details the roles of each institution, working arrangements and obligation of each institution.

Scope

The survey covers establishments with foreign liabilities across all the regions and industrial activities as defined by United Nations International Standard Industrial Classification (ISIC), revision 4.

Questionnaire

The questionnaire employed is aligned with the IMF Balance of Payments Manual, 6th edition and International Investment Position. Further, it is consistent with MEFMI Private Capital Monitoring System (PCMS version 3) which was used for data processing.

Sampling Technique

The survey targeted 792 enterprises known to have foreign liabilities across all activities and regions of Tanzania. The population was stratified in two strata – sub population using a threshold of book value of investment equivalent to USD 2 million or more in terms of equity and non-equity making a total of 309 enterprises and all of them were included in the sample. Systematic random sampling was employed to the enterprises below the threshold in which case 159 enterprises were selected.

Data Collection

Data collection was planned in three phases. Phase I covered Dar es Salaam region with other two phases covering upcountry regions. Face to face interviews with the heads of finance of the targeted companies were preceded by letters of introduction and questionnaires for familiarisation. Further, the respondents were requested to supply copies of audited financial statements for quality assurance and consistency check.

Response Rate

The response rate was 96 percent with more than 95 percent of the completed questionnaires returned with audited financial statements. High response rate is a result of good relations established with the respondents over years.

Data Processing

Data processing was carried out using PCMS version 3, a web-based software developed by MEFMI. This activity involved validating the information filled on the questionnaire against the audited financial statements, generation of outputs for final consistency checks and cleaning for outliers.

Estimation Technique

All enterprises falling within and above the threshold of USD 2 million were included in the sample and those below threshold, systematic random sampling was employed. Thus, dummy questionnaires were created for enterprises with value above the threshold that did not respond to cover for non-response. Information submitted in the previous cycle was used in creating the dummies. Estimation weights generated and used for estimating for both sample and non-response companies below the threshold. After estimation, the results were adjusted upward by 5 percent, which is the average share for Zanzibar using the 2021 results since the report covers both Tanzania Mainland and Zanzibar.

APPENDIX II: STATISTICAL TABLES

FDI Inflows by Source Country, 2013 – 2022

Country	USD Million									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
African Development Bank	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Australia	0.7	16.1	11.5	-23.3	8.5	5.7	7.6	-109.8	-186.5	82.8
Austria	0.0	-0.3	0.3	0.0	0.0	0.0	133.9	0.1	0.0	0.0
Bahamas	16.3	0.5	5.2	26.0	3.7	-1.7	3.3	-1.9	-0.6	2.9
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barbados	-40.1	0.0	0.0	0.0	0.0	0.0	-3.1	0.0	0.0	0.5
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Belgium	3.3	3.3	2.3	0.6	-38.9	67.1	2.0	17.3	16.8	0.1
Bermuda	0.0	2.9	11.3	8.1	14.0	0.3	18.5	14.3	0.8	17.2
Botswana	25.1	-20.9	35.8	18.8	3.1	7.7	-2.2	-0.6	-0.5	3.9
Brazil	0.4	-0.7	1.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2
British Indian Ocean Territory	0.0	0.0	0.0	0.0	0.8	0.0	7.0	-0.9	1.2	0.5
British Virgin Island	0.0	2.2	-0.7	0.0	0.0	2.2	-2.9	5.9	-2.7	3.5
Burundi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cameroon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Canada	472.0	116.4	128.7	115.8	3.8	0.9	76.5	162.3	168.6	161.3
Cayman Islands	2.0	12.9	-6.2	0.2	-0.9	2.9	-10.8	429.4	280.3	344.1
Chile	0.0	0.0	0.0	0.0	1.1	1.4	0.0	0.0	0.0	0.0
China	2.8	2.3	28.4	20.1	-3.0	88.4	92.0	-8.7	221.1	23.0
Colombia	0.0	0.0	0.0	-0.4	0.0	0.0	0.0	0.0	0.0	0.0
Congo DRC	-0.2	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Cote d'Ivoire	0.1	0.0	0.0	0.3	0.2	0.2	0.0	0.0	0.2	0.3
Cyprus	60.3	0.0	-6.9	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Denmark	-71.2	24.4	41.3	2.9	2.7	7.1	0.0	12.0	20.3	24.0
Djibouti	0.0	0.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Egypt	-10.7	0.6	0.7	-0.5	0.0	9.1	-3.9	-6.8	0.0	-22.1
Ethiopia	0.0	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
Europe	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
European Investment Bank	0.0	-1.8	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finland	24.0	52.2	37.2	27.5	2.3	1.9	0.0	0.0	1.0	1.9
France	27.0	38.6	97.1	15.2	27.9	70.8	-11.6	31.7	42.0	39.4
Georgia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Germany	-2.9	12.8	27.1	23.5	12.3	4.7	-0.2	-6.7	-3.3	19.1
Ghana	0.0	0.0	0.0	0.0	0.0	0.0	-0.7	0.0	0.0	0.0
Gibraltar	0.1	0.0	0.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0
Greece	7.1	0.4	-1.0	0.2	0.4	-1.1	-0.1	-0.8	0.0	0.0
Gurnesey	0.0	10.0	22.9	0.0	-0.2	0.1	6.3	2.4	26.3	18.5
Hungary	0.0	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
Iceland	2.2	0.2	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India	18.3	8.0	10.6	10.1	10.8	5.5	3.4	3.9	2.3	4.1
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
International Financial Cooperation (IFC)	0.0	52.7	35.0	0.0	0.0	0.0	0.0	0.0	0.0	-10.3
Iran	1.7	4.4	1.5	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
Ireland	-1.0	0.0	0.0	3.5	11.0	-0.3	-0.4	4.0	0.8	-0.1

USD Million										
Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Isle of Man	0.0	-0.9	0.7	0.1	-4.3	-3.2	1.0	3.8	1.8	0.4
Israel	0.0	0.1	0.2	0.5	0.0	0.0	0.0	0.0	-0.1	0.0
Italy	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Japan	20.6	-5.5	-5.6	5.7	26.1	-0.5	-0.8	1.0	0.3	11.2
Jersey	-15.3	29.1	-189.6	-1.5	13.0	45.1	4.2	2.8	40.5	-4.2
Jordan	0.0	0.0	0.0	0.0	0.0	0.0	-0.7	1.1	0.4	-0.3
Kenya	197.6	86.4	50.7	-3.3	30.1	47.8	-37.1	24.6	30.3	48.9
Korea - South	0.0	0.6	0.6	0.0	0.0	0.0	0.0	9.9	0.0	0.2
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0	-2.5	0.0	0.0	0.0
Latvia	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	2.9	0.6
Lebanon	-1.4	-1.0	0.5	0.5	0.2	-0.1	0.0	-0.1	0.1	0.0
Libya	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	31.6
Liechtenstein	3.5	0.5	0.6	0.0	0.5	0.1	0.1	0.0	0.1	-0.1
Luxembourg	0.5	21.9	105.3	35.8	-44.8	-4.9	-2.3	0.0	-1.3	-25.3
Malawi	1.1	0.3	2.5	0.0	-0.9	0.0	0.0	0.0	3.8	-2.1
Malaysia	0.2	0.1	5.1	0.3	0.4	5.1	0.0	5.8	-4.6	0.1
Malta	0.0	0.0	0.0	0.1	0.1	0.0	0.8	0.0	-2.1	-0.2
Mauritania	0.0	0.0	0.1	0.0	8.1	1.5	1.1	12.8	4.9	0.5
Mauritius	57.3	115.2	81.4	92.2	26.3	47.9	423.8	48.9	73.5	150.3
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Morocco	0.0	0.0	0.0	0.0	0.0	0.0	8.2	0.0	1.5	1.8
Mozambique	0.0	-0.2	0.8	1.0	0.0	0.0	2.1	0.0	0.0	-0.1
Namibia	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
Nepal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0
Netherlands	341.9	18.7	127.8	171.2	85.3	124.4	-31.9	56.6	73.2	181.9
New Zealand	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.0	0.0
Niger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nigeria	74.4	10.9	521.9	136.2	7.1	109.6	112.9	81.8	0.5	57.6
Norway	5.3	349.0	-204.7	76.3	-67.5	49.5	41.9	5.7	62.2	11.3
Oman	0.0	0.0	3.8	4.7	35.2	-4.0	0.0	-3.9	4.7	3.2
Others	46.4	-50.0	-39.2	21.2	93.5	0.0	65.2	1.2	-0.2	35.1
Pakistan	-0.2	0.1	-0.2	-0.4	-2.5	2.5	1.8	0.0	0.1	-0.1
Panama	-1.7	-5.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0	-2.7
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	27.0	16.6	9.6	25.4	12.6
Rwanda	0.0	0.0	0.0	0.0	0.0	0.0	2.1	0.0	0.0	0.0
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7
Senegal	0.0	2.7	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Serbia	0.0	0.0	0.0	0.0	-0.2	0.1	0.0	0.0	0.0	0.0
Seychelles	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	-1.0	1.5
Sierra Leone	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Singapore	-0.1	-2.8	0.6	-0.7	9.2	0.1	2.8	1.6	5.8	3.0
South Africa	437.8	222.0	82.3	-8.1	211.0	207.5	77.4	-6.2	51.4	54.4
South Sudan	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Sri Lanka	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	4.0	9.7
Swaziland	-0.2	4.1	0.0	1.9	0.0	0.0	0.0	0.0	0.0	0.0

USD Million										
Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sweden	-0.1	-1.5	-5.2	-17.2	-1.1	0.5	-10.9	5.0	0.4	-4.2
Switzerland	51.8	-72.6	93.9	23.5	23.4	13.6	17.2	7.5	54.2	7.9
Syrian Arab Republic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tajikistan	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	0.0	0.0	0.0	0.0	0.0	3.2	0.3	0.0	0.0	-0.4
Togo	41.4	0.8	-7.0	-5.0	20.4	-11.1	1.9	-5.4	0.3	0.7
Tunisia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Turkey	0.0	0.0	0.0	0.4	0.2	1.6	0.0	0.0	0.1	1.5
Uganda	-2.2	0.4	19.5	-12.1	-1.5	-0.5	0.2	0.1	-0.2	1.0
Ukraine	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0
United Arab Emirates	121.0	50.6	8.0	-12.7	8.0	18.1	7.0	7.3	3.8	-0.1
United Kingdom	133.6	229.5	61.8	84.8	227.2	-69.7	194.2	111.4	149.3	124.4
United states of America	77.0	41.5	17.4	43.6	178.8	50.3	-1.6	12.3	15.9	4.9
USA Virgin Island	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vietnam	0.0	34.4	343.1	-	1.4	0.0	4.1	0.0	0.0	0.0
				131.1						
World Bank	0.0	-1.8	-9.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Yemen	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Zambia	1.7	1.3	-1.3	-1.1	-3.9	35.9	2.6	3.1	1.1	2.1
Zimbabwe	0.0	-2.3	-5.7	-4.2	-0.2	0.0	0.0	0.0	-2.8	0.0
Grand Total	2,130.9	1,416.0	1,560.7	755.4	937.7	971.6	1,217.2	943.8	1,190.5	1,437.6

FDI Stock by Source Country, 2013 – 2022

	USD Million									
Source country/ Multilateral institution	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Norway	534.3	874.1	1,149.2	1,476.2	1,690.7	1,311.9	1,157.5	1,163.2	3,227.3	3,233.1
United Kingdom	2,471.7	2,648.4	3,231.2	2,531.1	2,095.0	1,774.4	4,413.3	4,495.5	2,819.2	2,923.6
Netherlands	526.6	512.2	760.0	940.9	1,066.7	1,698.7	1,262.2	1,305.5	1,324.9	1,499.4
Mauritius	571.6	634.2	547.5	618.1	1,647.9	831.1	470.7	505.6	1,117.1	1,275.0
Cayman Islands	42.7	51.1	22.1	7.9	3.4	32.3	10.5	439.2	787.0	1,131.3
Nigeria	36.8	44.1	468.8	684.0	1,004.9	774.7	753.5	831.6	832.1	887.3
South Africa	2,130.2	2,271.6	2,056.4	2,058.7	1,493.4	1,310.6	1,090.4	1,062.9	790.0	836.7
Australia	293.9	302.3	170.8	70.1	36.2	56.6	617.5	507.1	614.1	696.8
China	182.1	191.7	161.2	178.6	327.3	602.4	352.2	342.7	625.9	650.1
Canada	1,192.6	1,313.7	521.6	84.7	14.7	24.7	67.3	229.5	343.1	504.9
Kenya	421.8	497.1	405.0	462.5	572.8	912.1	809.6	824.0	423.3	468.8
France	123.7	150.3	69.7	139.7	132.7	200.3	170.6	188.3	262.3	301.2
Bermuda	3.1	5.7	93.2	123.5	33.4	135.1	129.2	143.5	284.0	301.1
Germany	42.9	52.5	106.4	92.5	95.9	17.3	28.6	22.6	249.5	267.9
Russia	0.0	0.0	142.1	206.2	274.3	228.0	206.8	216.4	230.8	243.4
United states of America	237.2	255.7	151.3	228.8	394.7	775.3	212.6	222.9	179.8	184.4
Others	18.6	20.5	76.8	97.8	0.0	368.4	126.7	127.5	144.6	179.5
Gurnesey	140.0	150.0	0.0	0.6	0.3	32.9	153.4	164.7	174.9	178.9
Denmark	75.2	107.3	110.8	120.1	73.7	16.8	88.6	101.3	124.7	150.0
Switzerland	245.9	154.9	170.5	172.6	862.5	98.1	109.4	116.7	133.9	141.0
United Arab Emirates	118.6	133.6	271.7	211.6	248.8	265.0	220.8	256.6	130.0	131.3
Botswana	107.1	82.9	125.1	146.8	124.8	156.4	72.2	66.9	98.3	100.4
India	81.8	83.8	68.3	107.5	91.8	71.2	77.8	79.0	74.6	78.7
Japan	118.3	103.7	100.9	127.7	4.4	85.6	6.6	7.2	64.8	73.5
Bahamas	39.5	50.9	30.7	54.1	78.1	47.6	55.7	54.9	69.3	70.6
Luxembourg	292.9	289.3	86.2	129.9	18.8	90.6	55.8	55.6	88.8	65.8
Jersey Channel Islands	318.6	339.5	265.9	467.9	102.9	79.2	53.8	56.7	65.7	64.2
Oman	0.0	0.0	14.4	0.6	66.1	64.1	82.3	78.0	49.1	52.1
Zimbabwe	23.7	19.9	8.8	16.1	0.3	0.2	0.1	0.1	43.5	43.4
IFC - International Financial Cooperation	2.1	52.6	19.6	27.1	33.1	0.0	0.0	0.0	52.1	41.8
Panama	39.1	36.5	10.7	13.0	0.0	10.9	0.0	0.0	36.6	33.7
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	31.6
Morocco	0.0	0.0	0.0	0.0	0.0	22.1	0.0	0.0	27.3	30.3
Zambia	8.9	9.3	5.2	7.4	2.1	26.7	25.1	28.6	27.6	29.6

USD Million

Source country/ Multilateral institution	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Singapore	11.8	8.3	1.4	3.3	1.8	22.3	28.4	26.7	24.4	27.1
Egypt	0.0	0.6	0.3	0.3	116.6	54.5	52.5	45.4	43.3	21.0
Seychelles	0.0	0.0	0.0	1.0	0.0	4.8	0.6	0.8	8.3	18.7
Sweden	36.0	26.3	140.6	132.7	3.7	18.7	25.4	30.3	22.1	17.9
Sri Lanka	0.0	0.0	0.0	0.0	0.0	0.0	5.7	5.6	6.3	16.0
Finland	0.0	0.0	0.0	0.7	12.9	9.5	8.2	8.1	9.1	15.6
Turkey	0.0	0.1	0.7	1.4	1.2	0.3	0.0	0.0	18.6	13.5
Malaysia	8.5	7.8	16.5	20.6	29.5	16.8	10.2	17.2	11.8	12.0
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.1	10.7
Togo	30.9	31.8	14.3	11.8	38.4	14.3	13.8	8.3	8.2	8.9
Greece	17.3	16.4	8.8	5.9	7.3	3.6	7.7	9.3	8.2	8.0
Vietnam	0.0	33.0	168.9	209.5	0.2	1.0	3.8	3.8	7.3	7.2
Uganda	1.7	1.9	21.0	14.8	9.1	0.2	1.2	1.2	0.5	6.6
Cod'Ivoire	0.0	0.0	5.4	12.3	13.7	0.0	0.0	0.0	4.9	5.4
Malawi	0.8	1.0	0.0	0.9	0.0	0.0	0.0	0.0	6.8	4.7
Ireland	0.4	0.4	109.7	137.9	7.0	3.1	1,247.8	1,251.8	4.8	4.7
Pakistan	24.5	22.4	18.2	20.8	20.4	31.2	18.6	8.1	4.7	4.4
Isle of Man	5.5	4.7	4.0	13.9	18.8	6.5	12.2	16.0	4.0	4.3
British Virgin Island	84.0	82.4	0.0	21.2	46.9	10.7	40.5	43.2	0.6	4.1
Latvia	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	3.7	4.0
British Indian Ocean Territory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	4.0
Leichtenstein	2.6	3.0	0.0	4.3	5.6	4.1	3.7	3.6	3.6	3.7
Lebanon	5.0	3.6	2.8	0.9	5.6	4.0	3.1	2.9	3.3	3.3
Jordan	0.0	0.0	0.0	0.0	0.0	0.6	1.4	2.6	2.9	2.6
Belgium	6.4	9.0	7.2	292.2	324.2	262.1	313.1	325.2	2.2	2.3
Brazil	3.4	2.8	0.0	8.7	0.0	0.0	6.5	6.4	3.3	2.2
Korea - South	3.4	3.9	0.0	0.0	0.0	0.0	0.6	10.4	1.4	1.5
Mauritania	0.0	0.0	0.0	11.3	0.0	5.5	33.7	50.3	0.0	0.6
Barbados	0.0	0.0	0.0	0.0	0.0	875.5	0.0	0.0	0.0	0.5
Indonesia	0.2	0.2	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Italy	0.9	1.9	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.1
Austria	7.0	6.1	2.9	0.0	0.0	545.8	8.6	8.6	0.1	0.1
Poland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Thailand	0.0	0.0	0.0	0.0	5.0	9.0	7.9	7.9	0.4	0.0
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Israel	0.4	0.4	0.5	84.8	0.0	0.0	0.0	0.0	0.0	0.0

USD Million

Source country/ Multilateral institution	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
New Zealand	2.2	2.0	0.2	0.0	0.0	0.4	0.4	0.4	0.0	0.0
Swaziland	0.0	5.7	24.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
African Development Bank	1.1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Burundi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cameroon	0.0	0.0	0.0	0.0	0.0	0.0	4.1	4.0	0.0	0.0
Chile	0.0	0.0	0.0	10.3	13.0	0.0	0.0	0.0	0.0	0.0
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Congo DRC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cyprus	7.7	7.7	7.7	1.6	0.0	0.0	17.4	16.4	0.0	0.0
Djibouti	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Europe	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
European Investment Bank (EIB)	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Georgia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ghana	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0
Gibraltar	0.0	0.0	1.8	6.8	0.0	0.0	0.0	0.0	0.0	0.0
Hungary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iceland	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iran	4.3	8.1	8.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Korea - North	0.1	0.1	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0
Kuwait	0.0	0.0	0.0	19.6	0.0	21.7	0.0	0.0	0.0	0.0
Malta	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.0
Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mozambique	4.5	4.0	4.6	5.0	0.0	2.1	3.3	3.3	0.0	0.0
Namibia	0.1	0.1	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
Nepal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Niger	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Portugal	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Senegal	4.6	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Serbia	0.4	0.3	0.0	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Sierra Leone	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Somalia	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	1.1	1.0	0.9	0.0	0.0	0.0

USD Million										
Source country/ Multilateral institution	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Syrian Arab Republic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwan Province of China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tajikistan	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tunisia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ukraine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
USA Virgin Island	0.6	0.6	0.4	0.0	0.0	40.4	0.0	0.0	0.0	0.0
World Bank	121.6	119.5	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Yemen	0.8	0.8	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grand Total	10,851.4	11,897.3	12,146.8	12,868.6	13,274.4	14,092.0	14,762.9	15,612.6	15,741.1	17,137.4

APPENDIX III: QUESTIONNAIRE



National Bureau of Statistics
16 Lusinde Road, 41104 Tambukareli
P. O. Box 2683, Dodoma
Tel: (255) – 26 - 2963822
Website: www.nbs.go.tz



Bank of Tanzania
16 Jakaya Kikwete Road, 40184
P.O. Box 2303, Dodoma
Tel: (255) – 26 - 2963182-7
Website: www.bot.go.tz



Tanzania Investment Centre
Golden Jubilee Tower,
P. O. Box 938 Dar es Salaam
Tel: (255) – 22 - 2118253
Website: www.tic.co.tz

QUESTIONNAIRE FOR THE SURVEY OF COMPANIES WITH FOREIGN ASSETS AND

QUESTIONNAIRE TYPE: PCF/C15/2023 RESEARCHER.....

PART A: GENERAL INFORMATION (ALL RESPONDENTS SHOULD COMPLETE THIS PART)

A1: COMPANY DETAILS:

Company name:		
Previous name of the Company (if any):.....		
Date completed : (dd /mm/ yyyy).....		
Company Address: P.O. Box		
Tel: Fax: E-mail:Website:		
District:.....	Area:.....	Street/Plot:
RegionDate of Establishment:Date of Commencing Operations:		
Particulars of the person completing this questionnaire:		
Name..... Position:		
Mob: E-mail:		
Particulars of an alternative person to be contacted:		
Name: Position:		
Mob: E-mail:		

A2: COMPANY AFFILIATES:

- 2.1 Does your company have any subsidiaries² within Tanzania? Yes ☐ No ☐
- 2.2 If yes, are you supplying consolidated information for all the companies within the group? Yes ☐ No ☐
- 2.3 If no, please fill separate questionnaires for each individual Company in the group.

² A subsidiary is an enterprise who's more than 50% of voting right is controlled by another enterprise.

A3: ACKNOWLEDGEMENT OF RECEIPT OF THE QUESTIONNAIRE

I, _____ of _____ <i>(enter name of recipient)</i> <i>(enter name of company)</i>	
Acknowledge receipt of the survey questionnaire.	
Title:	
Tel/Mobile No:	
Signature:	
Date:	
Researcher:	Name:
	Mob:

NB: Copy of this page to be retained by the researcher.

A4: IMPORTANT NOTICE (PLEASE READ THIS FIRST)

Purpose of survey

This questionnaire collects information on investments in your company (group) operating in Tanzania. This information will be used by the Bank of Tanzania (BOT), National Bureau of Statistics (NBS) and the Tanzania Investment Centre (TIC) for Balance of Payments and National Accounts compilation, investment promotion as well as for policy formulation and review.

Focus

You are required to complete this questionnaire from the point of view of your transactions as an investor with foreign assets and liabilities in Tanzania regardless of your nationality or registration with TIC. Please supply copies of your audited financial statements for 2022. Where audited accounts are not ready, *unaudited figures are acceptable for this purpose*. We would rather have your best estimates than nothing.

Inapplicable questions

Please do not leave blank spaces even where a question does not apply to you. *Please, enter "N/A" in the appropriate box, or at the start of the question.*

Due Date

Please complete this questionnaire within one week after its receipt and keep the 'Respondent Copy' for your reference.

Collection Authority and Confidentiality

Completion of this questionnaire is compulsory under section 6(b) of the Tanzania Investment Act (Cap 38), Section 34 the Statistics Act (Cap 351) and Section 57 of the Bank of Tanzania Act (Cap 197). Failure to comply could result into legal action against your company.

The collected information will be published in aggregated form and shall be used for statistical purposes only. You are therefore assured that data for individual companies will not be made available to anyone outside BOT, TIC or NBS. A researcher failing to comply with confidentiality clause will face disciplinary action including summary dismissal in accordance with the Acts establishing these institutions.

Help Available

In case you encounter any problems in completing this questionnaire please contact any of the following:

NBS V. Tesha (255) 713 415146 National Bureau of Statistics Tel: (255) 26 2963822 Fax: (255) 26 2963828 Email:	BOT P. Kamazima (255) 784311330 Bank of Tanzania Tel: (255) 22 2233595 Fax: (255) 22 2234065 Email: placydia.kamazima@bot.tz	TIC A. Lyimo (255) 754442286 Tanzania Investment Centre Tel: (255) 22 2116328-32 Fax: (255) 22 2118253 Email: anna.lyimo@tic.go.tz
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THANK YOU IN ADVANCE FOR YOUR COOPERATION

SELECTED DEFINITIONS AND GUIDELINES

Residency: A company is a resident enterprise if it has been operating (or intends to operate) in the reporting economy for a year or more, regardless of its nationality. Non-resident individuals or enterprises constitute residents of the rest of the world if they have lived or operated (or intend to live or operate) outside the reporting economy for a year or more (even if they hold nationality of the reporting economy). A special case of residency are international organisations

An enterprise is in a direct investment relationship with a **Direct Investor (DI)** if the investment is from a non-resident enterprise or individual that directly holds 10 percent or more of its equity or voting rights.

An enterprise is in a direct investment relationship with a **Direct Investment Entity (DIE)** if the investment is from its non-resident subsidiary or associate enterprise that directly holds 10 percent or more of its equity or voting rights (Reverse investment).

An enterprise is in a direct investment relationship with a **Fellow Enterprise (FE)** if the investment is from a non-resident enterprise that directly holds less than 10 percent of its equity but also has the same direct investor. The two enterprises must have the same controlling parent company to be fellows irrespective of the parent's residency.

Portfolio Investment (PI) are cross border transactions and positions involving debt or equity securities, other than those included in direct investment or reserve assets.

Investment Fund Shares (IFS) are collective investment undertakings through which investors pool funds for investment in financial and/or non-financial assets. Investment funds include money market funds (MMF) and non-MMF investment funds.

Other investment is a residual category that includes positions and transactions other than those included in direct investment, portfolio investment, financial derivatives and employee stock options, and reserve assets. Other investment includes other equity; currency and deposits; loans (including use of IMF credit and loans from the IMF); nonlife insurance technical reserves, life insurance and annuities entitlements, pension entitlements, and provisions for calls under standardized guarantees; trade credit and advances; other accounts receivable/payable; and SDR allocations (SDR holdings are included in reserve assets).

Non-Affiliates (unrelated enterprises) are entities with which your enterprise has no equity, voting rights or equivalent and do not share a common parent.

Life & Non-life Insurance Technical Reserves consist of the reserves for unearned insurance premiums, which are prepayment of premiums and reserves against outstanding insurance claims, which are amounts identified by insurance corporations to cover what they expect to pay out arising from events that have occurred but for which the claims are not yet settled.

Pension Entitlements/Claims show the extent of financial claims both existing and future pensioners hold against either their employer or a fund designated by the employer to pay pensions earned as part of a compensation agreement between the employer and employee.

Standardised Guarantee are those guarantees that are not provided by means of a financial derivative (such as credit default swaps), but for which the probability of default can be well established. These Guarantees cover similar types of credit risk for a large number of cases e.g. include guarantees issued by governments on export credit or student loans.

A5: INDUSTRIAL CLASSIFICATION

Please indicate the sectors of economic activity of your company and its subsidiaries based on Total investments

Sector/Industrial Classification	Description of the economic activity	Estimated percentage contribution to company's total investment
1.		
2.		
3.		
4.		
5.		

A6: SHAREHOLDING STRUCTURE

Source Country /Multilateral Organization	Shareholders name	Percentage Shareholding December 2021	Relationship: DI, FE, PI, Other, IFS and Resident	Percentage Shareholding December 2022	Relationship: DI, FE, PI, Other, IFS and Resident
1.					
2.					
3.					
4.					
5.					

PART B: EQUITY INVESTMENT IN YOUR COMPANY

Please report all values in TZS or USD and in full units (e.g. ten million units as 10,000,000 and **NOT** 10m)

Currency used (ticks the relevant currency and refer to a table of exchange rates in the last page):

TZS ☐ USD ☐

B1. DIRECT INVESTMENT

TABLE B1: EQUITY & INVESTMENT FUND SHARES BY NON-RESEDENTS

Equity Type	A Closing Balance December 31, 2021	B Purchase/ Increase During 2022	C Sales/ Decrease During 2022	D Official Use Only 'Other' Changes due to change in D1+D2+D3=E-(A+B-C)			E Closing Balance December 31, 2022
				D1	D2	D3	
				Price	Exchange rate	Volume	
Paid-up Share Capital							
Share Premium							
Reserves(Capital, Statutory, revaluation, & Other)							
Other Equity (e.g. Equity Debt Swaps, Shareholders Deposits)							
Accumulated Retained Earnings/Loss							

TABLE B2: PROFITS, DIVIDENDS, RETAINED EARNINGS AND HOLDING GAINS

A Net Profit (or Loss) After Tax During 2022	B Dividends Declared During 2022	C Dividends Paid/Profits Remitted During 2022	D Official Use Only Retained Earnings During 2022 (A- B)

PART C (i): NON EQUITY INVESTMENTS IN YOUR COMPANY

TABLE C1: NON EQUITY LIABILITIES.

Type of loan	Source Country /Multilateral organisation	Relationships: DI, FE, Other	Original Maturity LT- 12months or more ST-Less than 12 months (Indicate LT or ST)	A Closing Balance December 31, 2021 (Including accrued interest not paid)	B Amount received in During 2022	C Principal Repayment During 2022	D Official Use Only 'Other' changes due to change in $D1+D2+D3=E-(A+B-C)$			E Closing Balance December 31, 2022 (Including accrued interest not paid)	G Interest Paid During 2022
							D1	D2	D3		
							Price	Exchange rate	Volume		
Loans (<i>Including Financial Leases, Repos</i>)											
Debt securities (<i>Including Money Market Instruments, Bonds and notes</i>).											
Suppliers/Trade Credits & Advances											
Life & Non-Life Insurance Technical Reserves											
Pension Entitlements/Claims											
Other Accounts Payable											

PART D: INFORMATION ON FOREIGN AFFILIATE TRADE STATISTICS (FATS)

S/ N	Item description	20 21	20 22
1	Opening stock (<i>inventory</i>)		
2	Closing stock(<i>inventory</i>)		
3	Sales/turnover		
4	Tax on income		
5	Total assets		
6	Total liabilities		
7	Net worth (asset - liabilities)		
8	Total number of employees		
9	o/w Professionals (with advanced diploma and above)		
10	o/w Non-professionals (ordinary diploma and below)		
11	Total compensation of employees (include salaries and wages, fringe benefits, NSSF/Pension, Directors fees)		
12	o/w short term foreign		
13	o/w long term foreign		
14	o/w local		

Note: Professionals - with advanced diploma and above: **Non-professionals** - ordinary diploma and below

TABLE C2: EXCHANGE RATES (TZS/USD)

	December 2021	December 2022
End of period	2,281.2	2,287.9
Annual average	2,263.8	2,288.2

REFERENCES

BOT 2023, Monthly Economic Review, publications, various reports

BOT 2023, Annual Report 2022/2023

TIR 2022, Tanzania Investment Report, various editions

URT National Development Plan

URT 2022 Economic Survey 2022

URT 2018, Blueprint for Regulatory Reforms to Improve the Business Environment

WIR 2023, World Investment Reports, various editions