



Doing Business in Tanzania: 2011 Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Tanzania

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Market Overview

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Tanzania returned to strong 7% GDP growth in 2010, helped by consistent stable macroeconomic policies. Inflation declined below the double digits of 2009, though increased again in early 2011 due to growing fuel and food prices. Exports performed particularly well in 2010; gold alone brought in 1.4 billion US dollars, overtaking the tourism sector which contributed 1.3 billion US dollars. Also, in 2010 the industrial sector contributed significantly to foreign earnings for the first time, generating \$900 million. The agricultural sector -- the mainstay of the country's economy employing about 80% of the population -- contributed 480 million US dollars. Transit goods earnings contributed 380 million USD. Tanzania's 2010 GDP per capita reached 600 USD, doubling from 300 USD in 2006.

Tanzania's main trading partners are the EU, China, India and neighboring Southern African Development Community (SADC) and East African Community (EAC) countries. Tanzania's exports to the U.S. are dominated by agricultural commodities, minerals, and textiles while imports from the US include wheat, agricultural / transport equipment, chemicals, used clothes and machinery.

Basic economic statistics (2009/2010 figures):

- GDP: USD 20.49 billion
- Real GDP Growth rate: 7 percent
- GDP per capita: USD 600
- Inflation: 6.6 percent as of February 2011
- Total Exports: USD 2925.8 million
- Total Imports: USD 5834.1 million
- Exports to the United States of America: USD 49.3 million
- Imports from the United States of America: USD 154 million
- Mean Exchange Rate: Tsh 1,470 per USD
- Population Total: 41.8 million people

Source: Bank of Tanzania (BOT) and National Bureau of Statistics (NBS)

Market Challenges

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Doing business in Tanzania has several challenges, including:

- Bureaucratic “red tape” and widespread corruption
- Difficulties enforcing contracts through the courts
- Poor infrastructure, e.g., underdeveloped transport system, unreliable power
- Limited availability of skilled labor
- Difficulties in accessing land
- High interest rates

Market Opportunities

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Tanzania experienced a steady rise of foreign direct investment over the last decade, although investment decreased in 2009 as a result of the global financial crisis. In 2009, the value of Foreign Direct Investment (FDI) was USD 650 million compared to USD 744 million in 2008 (the highest figure recorded in Tanzania in the past eight years). In the last decade the total FDI stock in Tanzania exceeded USD 6 billion, making the country a leading FDI destination in the East Africa region. Tanzania’s strategic location makes it a natural East African hub for investors seeking to exploit not only resources but also a growing market of 527 million consumers in East and Southern Africa.

Best prospect sectors include:

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

In addition, U.S. consumer goods and franchise concepts are increasingly attractive to the Tanzanian market. With an estimated population of 40.7 million, about 20% urban, Tanzania offers a sizeable market in urban areas, despite low per capita income.

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

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

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

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Chapter 2: Political and Economic Environment

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

<http://www.state.gov/p/af/ci/tz/>

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Using an Agent or Distributor

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

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

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

Establishing an Office

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In Tanzania, all business entities require legal registration and a business license to operate in the country. These licenses are issued by the relevant ministries (depending on the nature of the business). All enterprises operating in Tanzania, whatever their legal forms, must register with the Business Registration and Licensing Agency (BRELA). BRELA manages the National Business Registry, and all necessary registration forms can now be downloaded from its website. The Tanzania Investment

Center (TIC) is the focal point for investor inquiries; it facilitates registration and incentives for foreign investors.

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

- www.brela-tz.org
- www.tic.co.tz

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

Franchising

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

Direct Marketing

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In recent years, with the increasing use and development of information technology, more Tanzanian consumers have been able to buy products from non-store sources, particularly via the Internet. Still, credit card use is minimal, and direct marketing in Tanzania must be conducted with caution, particularly when it comes to the question of payment. Secure credentialing is nascent in Tanzania and on .tz websites, and there is no national ID card or credit bureau hence fraud is a significant risk.

Joint Ventures/Licensing

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

Selling to the Government

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

Government procurement has been decentralized from central to local government level. The Public Procurement Regulatory Authority (PPRA) is responsible for ensuring application of fair, competitive, transparent, non-discriminatory and value-for-money procurement standards and practices. PPRA provides advice to the Central Government, Local Governments and Statutory bodies on all procurement policies and practices. The World Bank and other donors have request a review of selected recent public tenders due to allegations of impropriety by bid review committees.

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

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

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

Distribution and Sales Channels

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

Selling Factors/Techniques

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

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

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

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

Electronic Commerce

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E-Commerce is not widely used in the Tanzanian market. In the private sector, e-business is growing, but is still in its infancy. Very few private sector companies have

established business-to-business websites, secure credentialing is still nascent, and very few buyers have internationally accepted credit cards. However, m-commerce, via mobile phones, is growing rapidly. The arrival of the SEACOM undersea fiber optic cable in July 2009, the completion of Phase I of the national terrestrial fiber backbone in June 2010, and the connection of the Eassy submarine cable from South Africa in August 2010 have increased opportunities in this area.

Trade Promotion and Advertising

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The following media are recommended for advertising:

Websites:

Tanzania Trade Development Authority (Tan Trade): <http://www.tantrade.or.tz/>

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

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

Tanzania Private Sector Federation Newsletter: www.tpsftz.org

Newspapers:

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

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

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

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

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

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

Radio Stations:

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

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

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

Clouds FM <http://www.cloudsfm.co.tz>

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

Television stations:

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

Dar es Salaam Television Network, e-mail: dtv@raha.com

Independent Television (ITV), e-mail: itv@ipp.co.tz web: www.itv.com

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

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

Pricing

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

Sales Service/Customer Support

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

Protecting Intellectual Property

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The Fair Competition Commission, housed under the Ministry of Industry and Trade, is charged with protecting property rights in Tanzania. The agency is responsive to requests for assistance from private companies, but lacks resources for comprehensive identification of counterfeits and nation-wide investigations. The process for taking action against counterfeiters is as follows: the complaining company sends a letter requesting FCC action and pays an investigation fee of Tsh 3m (about USD 2,000); following a consultation with the complaining company, FCC raids the suspected offender and confiscates fakes; the offender can choose to sign a written confession and pay a Tsh 5m (USD 3,300) fine, or go to court and face a Tsh 10-50m fine. The vast majority of offenders confess and pay the lower fine rather than engaging in the court process, which can drag on for years.

Protecting Your Intellectual Property in Tanzania:

Several general principles are important for effective management of intellectual property ("IP") rights in Tanzania. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Tanzania than in the U.S. Third, rights must be registered and enforced in Tanzania, under local laws. Your U.S. trademark and patent registrations will not protect you in Tanzania. There is no such

thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Tanzania market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Tanzania. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Tanzania law. A list of local lawyers is available at: http://tanzania.usembassy.gov/list_of_lawyers2.html

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

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Tanzania require constant attention. Work with legal counsel familiar with Tanzanian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Tanzania or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/ipprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Tanzania at: US Embassy Pretoria, South Africa, DHS/ICE Attaché, tel: +27 12 431 4731; website: <http://southafrica.usembassy.gov/> .

Due Diligence

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U.S. firms may contact the Embassy for referral to local business consultants that can evaluate the performance and credibility of firms in Tanzania. In some cases, the US Embassy can carry out an International Company Profile on a local firm.

Local Professional Services

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The Embassy can assist in identifying qualified local professional services. Well-established international business consulting firms such as PriceWaterhouseCoopers, Ernst & Young, and Deloitte & Touche all have offices in Dar Es Salaam. The Embassy maintains a list of local attorneys for hire by U.S. firms, available at: http://tanzania.usembassy.gov/list_of_lawyers2.html.

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[Business Registrations and Licensing Agency](#)

[Tanzania Investment Center](#)

[Tanzania Trade Development Authority \[www.tantrade.or.tz\]\(http://www.tantrade.or.tz\)](#)

[Tanzania Revenue Authority <http://www.tra.go.tz/>](#)

[US Commercial Service, East Africa](#)

[US Embassy Tanzania - Commercial Section](#)

[Tanzanian Public Procurement Agency <http://tender.ppra.go.tz/>](#)

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

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Telecommunications

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The introduction of the SEACOM and Eassy undersea fiber optic cables in 2009/2010 meant great potential for increasing productivity and economic growth in Tanzania. The Kenya-based TEAMS cable has yet to cross the border. Recently broadband internet prices have halved, the national fiber backbone is nearing completion, and the World Bank plans to address Last Mile access for rural areas.

In February 2005, Tanzania initiated liberalization of its telecommunications sector, ending the exclusivity of the government-owned telecommunications monopoly, TTCL. Licenses to operate various telecommunications services are made available to any investor. The government's effort to privatize TTCL has stalled. TTCL has been given management of the national fiber backbone, and will service all districts; private operators must contract for service with TTCL. In addition, investors report that though the GOT has authorized some private companies to build terrestrial fiber networks, governing regulations remain unclear and inconsistently applied. Theft of service and intellectual property rights is a major problem for cable content providers.

On January 29, 2010 the Tanzanian parliament passed the Electronic and Postal Communication Act of 2009. The Act requires telecom firms to list their shares on the Dar Stock Exchange (DSE) by 2013 and makes permanent a 35/65 local to foreign ownership requirement.

Tanzania's telecommunications sector is one of the country's most competitive. Mobile phone penetration is growing at a considerable rate, especially in urban areas. According to the Ministry of Finance and Economic Affairs, the overall mobile subscriber base grew from 15 million people in 2009 to 20.7 million in 2010. Mobile subscribers now outnumber fixed lines in Tanzania by more than 10:1. Despite a decrease in airtime usage due to the mandatory registration of sim cards in 2010, Tanzania's communications sector displayed strong growth in 2010, with growing use of m-banking.

There are six major mobile-phone operators as of December 2010 – market share was Zantel 7%, Airtel (formerly Zain) 30%, TIGO 22%, Vodacom 40%, Benson 0.02% and TTCL 2% - with coverage in almost every part of the country. In addition, 62 operators held ISP and Data licenses. The license categories in the converged licensing framework include: network facility, network service and content service.

The Tanzania Communications Regulatory Authority (TCRA), established by the TCRA Act no. 12 of 2003, is an independent authority governing the Postal, Broadcasting and Electronic communications industries in the Tanzania. TCRA regulates Tanzania's telecommunications industry. For more details visit: www.tcra.go.tz.

Sub-Sector Best Prospects

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

- Wireless services and equipment
- Mobile operations
- Internet service and equipment
- Voice over Internet Protocol services
- Broadcasting stations
- Postal and courier services
- M-Commerce
- Cable content

Opportunities

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With less than 5% internet penetration, growth is inevitable as consumers demand greater connectivity. Due to the relatively wider prevalence of mobile phones, telecommunications companies are looking at ways to offer internet services via handset.

With less than 12 percent of the population holding a formal bank account and considerable unmet demand for savings products, m-commerce is used by more than 9 million of Tanzania's 20 million mobile subscribers. E-commerce is constrained by the lack of a national payment system, international credit cards, and a legislative framework appropriate for e-business/cybercrime. Tanzania's legal framework does not yet provide adequate safeguards to create an environment of trust for e-business transactions. Consequently, financial institutions are reluctant to support e-transactions. However, mobile banking is an area of growth, as many more Tanzanians use cell phones than use the internet. With smaller average transaction amounts, money laundering safeguards are a lesser concern.

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

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

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

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Tanzanian Communications Regulatory Authority: www.tcra.go.tz

Ministry of Communications: www.moct.go.tz

Tanzania Commission for Science & Technology <http://www.costech.or.tz/>

Energy

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Tanzania's energy sector remains underdeveloped, particularly the petroleum, gas and electricity sub-sectors. Although endowed with diverse energy sources, including natural gas, hydropower, coal, wind power, and solar power, Tanzania's energy sources are largely untapped. Tanzania has a per capita electricity consumption of 46/KWh per annum. Approximately 14 percent of the population has access to electricity and consumption is growing at the rate of 11–13 percent annually. Despite the significant potential of domestic energy resources and a tangible increase in access to electricity from 7.5 per cent in 2000 to 14 per cent of the population in 2009, the electrification rate in Tanzania remains low and users face severe and prolonged power outages. Where electricity is available, the quality of supply is poor and blackouts and other service interruptions are common. Currently, maximum demand is 833 MW and installed capacity is 1006 MW but average availability is 650MW. There is no reserve margin, and hence during breakdowns and droughts load shedding of about 160 MW is common 12 hours a day.

The main sources of energy in Tanzania include:

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

Oil exploration in Tanzania has been intermittent for the last 40 years. Recently, however, Tanzania has seen an increase in oil exploration in southern Tanzania and in several off-shore sites as a result of the Tanzanian government signing key production and data sharing agreements. Currently there are sixteen multinational companies conducting petroleum exploration and production in Tanzania after signing 23 Production Sharing Agreements with the GOT. Initial reports from the Minister of Energy indicate promising results.

Extensive offshore gas fields at Songo Songo and Mnazi Bay contain an estimated 44 billion cubic meters of natural gas. Songo Songo's natural gas resources are currently being exploited by Songas under a gas-to-electricity project launched in 2004. Natural gas presently supplies about 30 percent of Tanzania's total electricity requirements, but

has potential to add significantly more. Natural gas resources at Mnazi Bay are currently underutilized, with only 12MW being produced for rural electrification in Mtwara.

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

Hydroelectric energy continues to be the single most important indigenous source of commercial energy in the country. This source has a potential installed capacity of 4.7 GW, of which only about 10 percent is developed. Coal reserves are estimated at about 1.2 billion tons, of which 304 million tons are proven.

PanAfrican, a British company, controls the Songo Songo gas fields. Currently, 75% percent of PanAfrican production goes to electricity (including to TANESCO via Songas), while 25% goes to industrial use (half of this to cement factories). The government-set price for the sale to Songas barely covers production costs, while the sale price to industry is higher. PanAfrican plans to begin exploratory drilling next year to the west of the current oil fields at Songo Songo and plans a major plant expansion. Feasibility studies are being conducted on extending the current gas pipeline to Bagamoyo, Tanga, and Mombasa, and PanAfrican is seeking financing.

The Renewable Energy office at the Ministry of Energy prioritizes the most affordable sources of energy, e.g., gas, hydro, and wind, and thus it is difficult for solar to compete. The Ministry reported strong growth of more than 5 percent per year in the photovoltaic solar energy market in 2010, saying Tanzania boasts on average 8 hours of sun per day despite high cloud cover, with irradiation of 200 watts per square meter. Despite high investment costs, with only 14 percent of Tanzania's population connected to the grid there is strong local demand for solar water heating, phone charging, and lighting. Areas such as Singida boast more than 80m/s in wind speeds, but no construction of wind mills has started yet due to negotiations with state power utility Tanesco over tariffs.

Low tariffs are a barrier to investment in energy. Tanesco's average on-grid tariff is only 10 cents per kwh. In 2010 Tanesco submitted a rate case to regulator EWURA requesting a 34.6% increase to move toward cost-recovery. However, only an 18.5% increase was granted. Though it's deficit has decreased, Tanesco is still bankrupt. EWURA in 2010 released standard tariffs for renewable projects below 10 MW in an effort to attract investment in off-grid projects.

In 2010 the GOT released guidelines for investment in biofuels. Tanzania has preferential trade access to the EU under Everything But Arms (EBA) and the United States under AGOA, the Africa Growth and Opportunity Act. The agreements allow African exporters duty-free and quota-free access to EU and U.S. biofuel markets and favor ethanol over biodiesel exports because tariffs on ethanol imports are higher. The domestic market for biofuel producers may also provide an attractive alternative to exporting because of high fuel prices and rapid growth in fuel demand. However policy uncertainty and slow decision-making have made this an unattractive sector for investors in recent years.

Sub-Sector Best Prospects

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

Opportunities

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- World Bank-supported rural energy projects, including solar, min-hydro, wind, and geothermal generation.
- 240 MW Kinyerezi Natural Gas generation, 220kV transmission line financed by JIBIC/NEX and DBSA
- 400KV Iringa-Dodoma-Singida-Shinyanga transmission line financed by IDA and other donors
- Makambako-Songea 132kV transmission and distribution lines financed by SIDA
- Bulyanhulu-Geita-Nyakanazi 220kV transmission line financed by BADEA.
- 160 MW Mpanga hydropower project, 132kV transmission line to be developed by RUBADA and Sino Hydro
- 118 MW Masigira Hydropower project and transmission line; feasibility study to be financed by NORAD.
- 63 MW Rusomo Falls shared Tanzania, Rwanda, Burundi project, feasibility study financed by World Bank
- Reinforcement of transmission and distribution networks in Dar, Kilimanjaro and Arusha, financed by World Bank, JICA, Korea EXIM Bank.

The IDA will finance one section of the proposed overhead 400kV double-circuit backbone transmission interconnection between the towns of Iringa and Shinyanga, where many mining operations are located. The project includes a Fiber Optic Communication Line (FOCL) and the Shield Wire System (SWS) as a local distribution technology; and the expansion of the associated 220kV substations at Iringa, Dodoma, Singida and Shinyanga. The estimated cost is about USD 434.76 million. The African Development Bank (AfDB), European Investment Bank (EIB), Japan International Cooperation Agency (JICA) and Korean Economic Development Cooperation Fund (EDCF) are expected to be parallel financiers to the project. AfDB and JICA are planning to co-finance the Dodoma to Singida segment of the transmission line (USD129.7m) while the EIB is expected to finance the Singida to Shinyanga segment of the transmission line (USD134.5m). Korea EDCF is expected to finance the expansion of four substations (USD36.06m).

Despite relatively low tariffs, various incentives are available for rural electrification projects. The government, through the Ministry of Energy and Minerals and the World Bank, is trying to accelerate electricity access to rural areas through the Tanzania

Energy Development and Access Project initiative. The Rural Electrification Agency, supported by the World Bank and a 1 percent levy charged to all Tanesco customers, offers subsidies for off-grid projects in rural areas.

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

Web Resources

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Ministry of Energy and Minerals under the National Web site: www.tanzania.go.tz

Tanzania Electric Supply Company (TANESCO): www.tanesco.com

Rural Electrification Authority www.rea.go.tz

RUBADA www.rubada.com

National Development Corporation www.ndctz.com

Tanzania Petroleum Development Corporation <http://www.tpdz.com/>

Mining

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Tanzania's earnings from gold exports in the year ended July 2010 increased by 31% on account of improved gold prices on the international market as well as the commencement of gold shipments from the Buzwagi Gold Mine in northwest Tanzania.

38.1 metric tons of gold was exported in the year ending July 2010 compared with 29.1 tons exported in the same period last year.

Gold outperformed tourism as the biggest foreign exchange earner, fetching \$1.36 billion compared with \$1.24 billion for tourism. Tanzania made \$845.1 million from gold last year.

In 2010 the GOT passed legislation giving it a "free carried share" of up to 10% of private mining companies operating in Tanzania, at the discretion of the Minister of Energy and Minerals, as well as requiring mining companies to list on the Dar Es Salaam Stock Exchange.

The three largest gold mines in Tanzania are:

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

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

In recent years, mineral exploration has increased in several parts of the country. The sector has attracted substantial new foreign investment in mineral development exploration, with local investment surpassing one billion US dollars. Recent nickel, uranium and coal finds have spurred increased interest on the part of investors.

Sub-Sector Best Prospects

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The mining sector depends on imported machinery and supplies, and investors can import capital goods at zero duty. There are significant opportunities for the export of

U.S. technology, machinery, and services. Mining companies have significant demand for better power alternatives as they currently rely on diesel generators. The GOT encourages mining companies to procure local goods and services whenever possible, and many of the foreign mining executives would like to increase local consumption to support the Tanzanian economy. There is significant opportunity to supply foodstuffs, clean water, and other services. With an unreliable power grid and rail system, alternative energy and transport solutions are also in high demand. A nickel mine (Kabanga) near Burundian border has been announced as coming online this year, and Buzwagi (the newest gold mine) has begun operations, resulting in increased volume for transit. Mining executives estimate the nickel coming out of Kabanga will increase current container movements from approx 100/month to 1000/month.

Opportunities

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All gemstones to date have been exported rough and there is ample opportunity to develop local processing capacity. In 2010 the GOT passed new legislation banning the export of unprocessed gemstones in a bid to spur local value addition, thus there is ample space for investors interested in bringing technology, know-how and capital to establish local polishing and cutting industries. For specific information on current opportunities please contact Rose Swai, Economic Assistant, U.S. Embassy Dar es Salaam, Email: Roses2@state.gov.

Web Resources

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Government of Tanzania website on mining: www.tanzania.go.tz/miningf.html
Tanzania Chamber of Minerals and Energy: www.chamberofmines.com
Tanzania State Mining Company STAMICO <http://stamico.co.tz/>
Southern & Eastern Africa Mining Center <http://www.seamic.org/>

Tourism

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Despite a drop in visits in 2009 due to the global financial crisis, the tourism sector is enjoying robust growth and is Tanzania's second largest foreign exchange earner, earning over USD 1 billion in 2010.

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

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

Year	No. of Tourists (000)	Revenue \$M
------	-----------------------	-------------

2005	613	823
2006	644.12	950
2007	719.03	1,198.76
2008	770.38	1,288.699

Source: Ministry of Natural Resources & Tourism

Sub-Sector Best Prospects

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Investment opportunities in the tourism sector include:

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

Opportunities

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US companies can compete on customer service and hospitality strengths. While the GOT is scouting for new markets in Russia, China, South Asia, Americans are now the number one visitors to Tanzania, especially in the high-end, low volume market.

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

Web Resources

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Tanzania Tourism Board: www.tanzania-web.com

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

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

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

Construction & Real Estate Development

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The Tanzanian construction sector enjoyed 12-15% growth in recent years, largely stemming from an increase in infrastructure projects and new construction in residential areas due to huge unmet need for housing. The government is developing public-private partnerships for the construction of residential and commercial projects in urban centers, satellite cities to ease congestion in major towns, civil servant / middle-income housing, and Export Processing Zones and Industrial Parks. The World Bank is also providing support for affordable urban housing. However, access to land is complex in Tanzania and investors regularly encounter delays and non-transparent bureaucracy when attempting to purchase property and register title deeds. The Tanzania Investment Center has land available for investment through its land bank, and can offer foreign investors derivative rights, as all land in Tanzania is state-owned and leased up to 99 years renewable.

Tanzania's increasing housing shortage and need for mortgage products offers U.S. investors opportunities in the construction and housing finance sectors. Currently few private banks offer mortgages, and rates average 15-20 percent with short terms, e.g., 6 years, although one bank recently offered a 15-year term. The central Bank of Tanzania is now opening up a long term mortgage financing window to accommodate longer-term financing.

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

Sub-Sector Best Prospects

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

Opportunities

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The Export Processing Zone Authority (EPZ-A) is looking for investors to build infrastructure and facilities at its growing EPZs throughout the country. EPZ-A has earmarked 4000 hectares for export clusters, and is seeking investment in infrastructure

and facilities. Official statistics estimate more than 200,000 units of affordable housing are urgently needed per year. The National Housing Corporation and Tanzania Building Agency are charged with facilitating the housing needs of civil servants and managing the privatization of GOT properties. The World Bank is financing affordable urban housing solutions. The National Social Security Fund, which invests in commercial and residential properties, recently came under pension guidelines and should soon have a regulator; this bodes well for the management of its ample funds. Kindondoni Municipal Council, with responsibility for the attractive Msasani Peninsula suburbs, manages the titles for land in the area and is seeking investors for waterfront entertainment complexes.

Web Resources

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

National Housing Corporation (NHC): www.nhctz.com

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

Kinondoni Municipal Council: www.kmc.go.tz

World Bank Tanzania www.worldbank.org/tz

National Social Security Fund <http://www.nssf.or.tz/>

National Development Corporation www.ndctz.com

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

Infrastructure

Overview

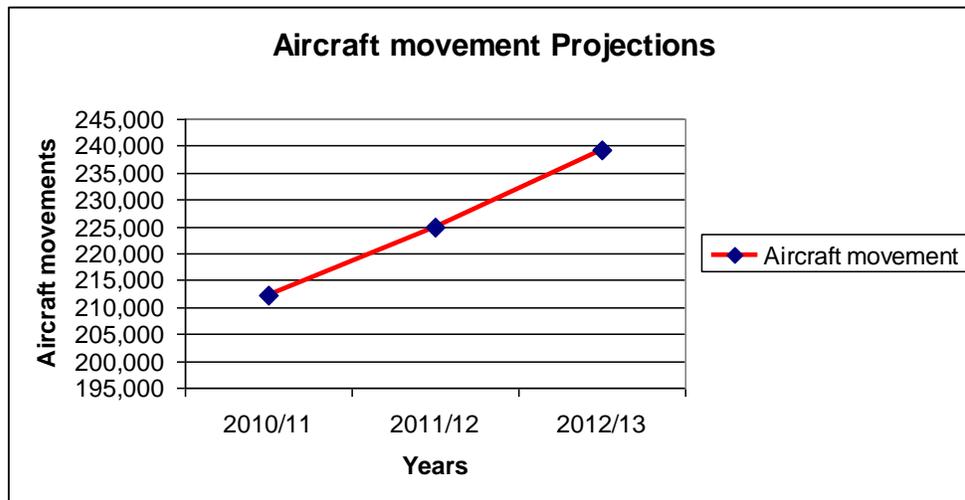
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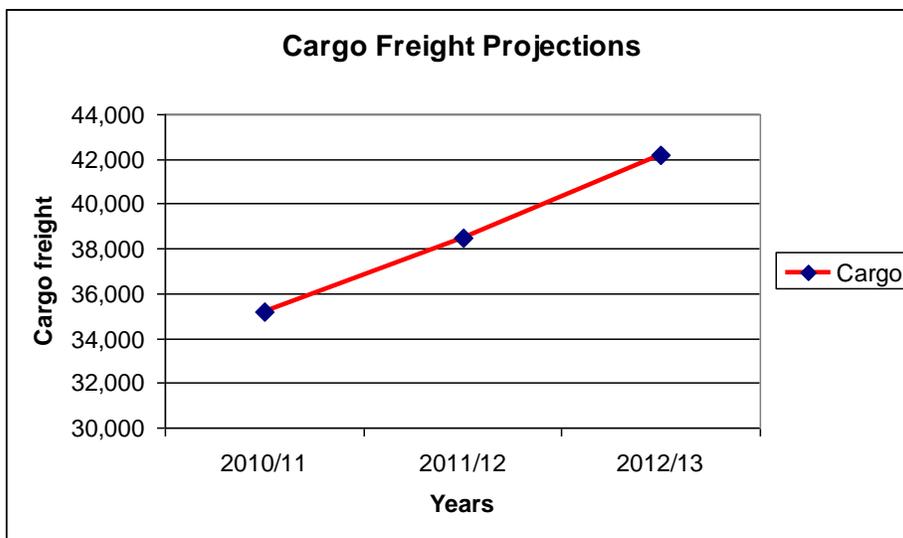
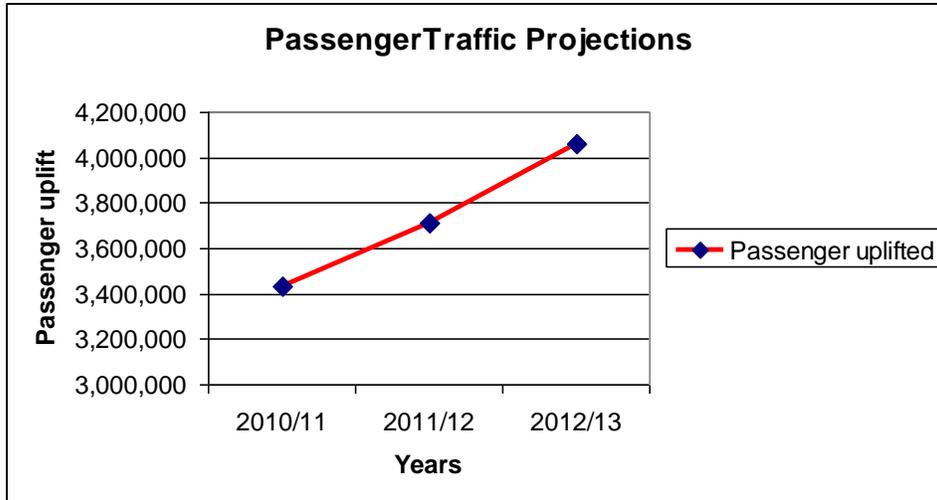
In 2010 there were 50 domestic and foreign licensed aviation operators in Tanzania. The GOT invested \$2.5m in airport upgrades and navigational equipment in 2009/10, but this was projected to decrease in 2010/11 due to budget constraints.

Market share of the major domestic scheduled operators was as follows:

- Precision Air 58.9%
- Coastal Travels 14.3%
- Air Tanzania (ATCL) 6.1 %
- Regional Air, Air Excel, TanzanAir, Zanair and other small carriers 20.7%

Data Source: Tanzania Airport Authority





Sub-Sector Best Prospects [Return to top](#)

- Dar Es Salaam International airport passenger terminal upgrade
- Zanzibar International airport passenger terminal upgrade
- Mafia Island airport upgrade, financed by MCC
- Regional business and tourist passenger services
- Dar Es Salaam urban transit, financed by World Bank, JICA
- Rehabilitation of Mwanza Airport, runway extension
- Rehabilitation of Bukoba Airport, financed by World Bank
- Construction of Songwe international airport in key southern agricultural zone

Expansion in Tanzania's aviation sector is currently constrained due to lack of infrastructure. Only 11 out of 368 aerodromes are asphalt paved (of these 11, some are in a very poor state and need total rehabilitation); the rest have gravel and grass surfaces. Terminal buildings at most airports are lacking or have inadequate capacity. Only 6 airports have AGL Systems, allowing for 24hr operation when needed. International carriers like South African and Emirates must stagger their departures because their passengers overwhelm the entire airport. Airports also have trouble handling the baggage load. In addition, runways in remote regions like Kigoma and Tabora are unpaved which leads to maintenance costs three times that of landing on paved runways. The Dar es Salaam international airport (JNIA) could be a regional hub, but needs additional terminal capacity for passengers, retail and office space.

According to the Ministry of Infrastructure Development, air traffic at JNIA is growing by 11 percent each year, but its facilities cannot keep up. The Tanzania Airports Authority (TAA) projects over a million tourist arrivals by 2012. TAA's goal is to eventually process 8 million passengers per year at JNIA, while currently the passenger terminals can only handle 1.5 million, which is already more than they are designed for. The GOT's goal is for Dar to serve as a strategic regional hub; private airlines agree the Dar Es Salaam airport has potential for increased business travel.

Precision Air, a competitive locally-owned private carrier, plans to add another Boeing to its 10-aircraft fleet by the end of the year and begin service to South Africa. After listing as an IPO on the Dar Stock Exchange, Precision plans to buy additional jets in the next few years and add service to West Africa and the Middle East. According to the Tanzania Civil Aviation Authority, Cessna sells about one plane per month in Tanzania, at an average cost of \$2m each.

The GOT has been looking for investors to take a 50% stake in national airline Air Tanzania, which has been losing money for many years, and take over the management.

The GOT is currently promoting investment in a new international airport at Songwe, in Mbeya region, in the heart of Tanzania's agricultural breadbasket region. The area has been targeted for investment by the World Economic Forum as an agricultural growth corridor where large multinationals will provide a market for the produce of Tanzanian farmers organized into clusters based around commercial farming hubs. The Mbeya City Council has set aside the Lwambi area for an Export Processing Zone while the Isyesye area has been earmarked for residential and commercial development. The scope of the airport construction includes runway rehabilitation to bitumen standard, new apron and taxiway both to bitumen standard, a new terminal building, security fence and associated infrastructures.

In 2010 the GOT opened up cargo handling, previously monopolized by Swissport, to competition. Precision Air has begun providing cargo services, as well as other private players.

International competition has been robust while prices for regional travel remain relatively high. The GOT has signed the Yammassoukro Decision Protocol and

recognizes that liberalization is key to improving service quality and lowering airfares. Implementation is ongoing, with gradual opening of regional frequency, capacity and tariff policies. Key opportunities for investors lay within the region, especially developing the Mwanza airport to serve mining and fishing interests around Lake Victoria and developing Kilimanjaro and Arusha airports for horticultural exports and tourism / EAC business travel.

Upgrading Dar urban transit will have three focus areas: rapid transit (roads), rail and ferry. The new agency being proposed, DUTA, will cover all these areas, while DART will focus on rapid transit and be under DUTA. In August 2010 President Jakaya Kikwete inaugurated the construction of initial phase of the Dar es Salaam Rapid Transit (DART) project that is scheduled for completion by 2025. The project, which has been on the drawing board for years, is expected to improve the public transport system and get rid of heavy traffic congestion in Dar es Salaam. The project was designed by the Japanese government through the Japanese International Cooperation Agency (JICA). and is being implemented through the Prime Minister's Office. It will be implemented in six main phases involving six corridors and arterial roads in the City.

Web Resources

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DART www.dart.go.tz

Ministry of Infrastructure Development www.infrastructure.go.tz

TAA <http://www.taa.go.tz/>

TCAA www.tcaa.go.tz

TIC www.tic.co.tz

Prime Minister's Office of Investment www.pmo.go.tz

Mbeya City Council www.mbeya.go.tz

Tanzania has 44 million hectares of arable agricultural land, of which only 24.5% is utilized. Tanzania's agricultural economy provides readily available raw materials for the agriculture-based industrial sector. A range of climates favors the production of a wide variety of products including coffee, tea, cashew nuts, sisal, cotton, tobacco, sugar, and others. There is also significant production of subtropical fruits and vegetables, meat, dairy products, groundnuts and cut flowers and, in recent years, non-traditional cash crops such as vanilla, black pepper and other spices.

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

Opportunities:

- Abundant land; currently less than 25% under cultivation
- Huge unmet need for irrigation, modern techniques; less than 1% irrigated
- Huge unmet need for storage; post-harvest losses 20-40%
- Tanzania boasts Africa's third largest livestock herds, but virtually no commercialization
- New GOT emphasis on investment in commercial farming, e.g., SAGCOT;
- Agriculture budget increased to 7.7% of total in 2010, goal is 10% as per AU CAADP pledge
- Significant USG funding of Tanzanian agricultural development under Feed the Future
- Duty exemptions on agricultural equipment
- High import tariffs benefit local farms
- GOT recently passed biosafety legislation and released guidelines for the use of GMOs and biotech

Challenges:

- Foreign access to land can be complex and bureaucratic
- Periodic confusing export bans
- Local financing for agriculture growing but still limited; high interest rates
- Coop unions, crop boards, minimum prices hinder free market competition
- Low productivity of smallholder manual labor

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

- Production of fruit concentrates and juices and all forms of fruit and vegetable canning
- Cashew nut processing

- Specialty coffee processing
- Sugar cane processing at sugar factories
- Fish processing and packaging for export
- Meat processing and packaging from both cattle and game meat
- Production of processed dairy products such as sweetened condensed milk, milk powder, infant milk formula, butter, margarine, ice cream, yogurt, cheese, etc.
- Horticultural packaging, including cut flowers and fresh vegetables.
- Quality storage technologies
- Irrigation pivots
- Tractors, mechanization

In addition, the existence of an abundant supply of cotton provides significant opportunities for investment in the textile industry, which can leverage duty free access to the U.S. market under the African Growth and Opportunity Act (AGOA). Export markets for processed agricultural goods include the East African Community, the EU (duty free access), the Gulf States, and Asia.

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

Ministry of Agriculture: www.kilimo.go.tz

Tanzania Investment Center: www.tic.go.tz

African Growth and Opportunity Act: www.agoa.gov

Southern Agricultural Growth Corridor <http://www.africacorridors.com/sagcot/>

Feed the Future www.feedthefuture.gov

CAADP www.caadp.net

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Chapter 5: Trade Regulations, Customs, and Standards

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Import Tariffs

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

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

As part of the East African Customs Union, Tanzania imposes the EAC common external tariff on goods from non-EAC countries. The tariffs range from 0% for raw materials to 10% for industrial used goods and 25% for consumer goods. As of January 1, 2010 there are no tariffs on EAC-origin goods from countries within the union.

Trade Barriers

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

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

Import Requirements and Documentation

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The Import Declaration Form (IDF) is available on the Tanzanian Revenue Authority's (TRA's) website www.tra.gov.tz or at any Tanzanian Customs office.

Importers in Tanzania are required to establish whether or not the goods to be imported are subject to Pre-Shipment Inspection (PSI). In general, any shipment valued at over USD 5,000 is subject to PSI. Some goods are exempt from PSI. 1.2 percent of FOB value must be paid to a designated commercial bank when submitting the IDF for the bank, for consignments requiring PSI. Importers must provide full contact details of actual suppliers.

U.S. Export Controls

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

Temporary Entry

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

Labeling and Marking Requirements

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

Prohibited and Restricted Imports

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

Customs Regulations and Contact Information

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On February 25, 2011, the Tanzania Revenue Authority launched a new World Customs Organization and World Trade Organization-compliant Imports/Exports Commodity Database to compile standard customs values for an exhaustive listing of import and export goods. TRA expects this to be a boon to port productivity, shortening clearance times and increasing transparency on valuation decisions

c/o Walid Juma, Commissioner of Customs
Customs and Excise Department
Tanzania Revenue Authority
PO Box 9053
Dar es Salaam, Tanzania
Phone: 255-22-2127783 or 2119269
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E-mail: customs@afsat.com; wjuma@tra.go.tz
Website: www.tra.go.tz

Standards

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

Standards Organizations

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

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

TBS is also a member of the East African Community Bureau of Standards and the South African Development Community Committee of Experts for Standards, Quality Assurance, Accreditation and Metrology. TBS is a participating member to the Codex

Alimentarius Commission of the Joint FAO and WHO and is fully represented on technical issues concerning standards and quality.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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The Testing and Calibration Department is composed of seven laboratories: the Food and Microbiology Laboratory, the Chemistry Laboratory, the Textile and Leather Laboratory, the Electrical Engineering Laboratory, the Mechanical Engineering Laboratory, the Building and Construction Laboratory, and the Metrology Laboratory. The laboratories provide facilities for the testing of products to ensure their conformity to the requirements of relevant standards, and calibration of precision instruments and measuring and scientific equipment for various clients.

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

Product Certification

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

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

Accreditation

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

Publication of Technical Regulations

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

Labeling and Marking

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

Contacts

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Website: www.tbs-tz.org; www.eac-quality.net

Trade Agreements

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

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

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

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

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

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www.tbs-tz.org
<http://www.eac-quality.net/>

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Chapter 6: Investment Climate

Overview of Foreign Investment Climate

The Government of Tanzania (GOT) generally has a favorable attitude toward foreign direct investment (FDI) and has had considerable success in attracting FDI. However, the legacy of statism has not yet been overcome and some officials remain suspicious of foreign investors and free competition. After several years of growing FDI, new FDI in 2009 declined modestly due to the global economic crisis to USD 650 million from 2008's record USD 744 million.

Tanzania's Capital Account regime restricts the free flow of investment in and out of the country. Non-citizens cannot buy bonds and other debt securities in the domestic market. In addition, Tanzanians cannot sell or issue securities abroad, unless approved by the Capital Markets and Securities Authority (CMSA). The Dar Es Salaam Stock Exchange (DSE) forbids companies with more than 60 percent foreign ownership from listing. Under the terms of the planned East African Community (EAC) monetary union, all EAC residents are expected to receive national treatment by 2012, though this deadline will likely be pushed back.

There are no laws or regulations that limit or prohibit foreign investment, participation, or control, and firms generally do not restrict foreign participation in practice. In 2010, new legislation required foreign-owned telecommunications firms to list on the DSE within 3 years and gave the Minister of Energy and Minerals discretion to require foreign mining companies to give the government a free carried share of ownership in order to receive a Mining Development Agreement. Foreign investors generally receive national treatment; however, the Tourism Act of 2008 bars foreign companies from engaging in mountain guiding activities. According to the legislation, only Tanzanian citizens can operate travel agencies and car rental services and engage in tour guiding.

The Tanzanian Investment Center (TIC), established by the Tanzanian Investment Act of 1997, is the focal point for all investors' inquiries, screens foreign investments, and facilitates project start-ups. TIC has been given authority to manage Public Private Partnerships (PPPs) for foreign companies under 2010 PPP legislation that sets a framework for Build-Operate-Transfer arrangements with private companies. Filing with TIC is not mandatory, but offers incentives for joint ventures with Tanzanians and wholly owned foreign projects above USD 300,000. The review process takes up to 10 days and involves multiple GOT agencies, which are required by law to cooperate fully with TIC in facilitating foreign investment, but in practice can create bureaucratic delays. Projects are not currently reviewed for anti-competition concerns. Companies are not required to disclose proprietary information as part of the approval process. TIC continues to improve investment facilitation services, provide joint venture opportunities between local and foreign investors, and disseminate investment information. TIC does

not have specific criteria for screening or approving projects, but considers factors such as: foreign exchange generation, import substitution, employment creation, linkages to the local economy, technology transfer, and expansion of production of goods and services. Very few projects that submit all required documents are rejected. Approved projects receive TIC certificates of incentive and are allowed 100% foreign ownership; VAT and import duty exemptions; and repatriation of 100% of profits, dividends, and capital after tax and other obligations. Similar incentives are offered to investors in semi-autonomous Zanzibar through the Zanzibar Investment Promotion Agency (ZIPA). Among investment and trade opportunities promoted by the TIC are agriculture, mining, tourism, telecommunications, financial services, and energy and transportation infrastructure. Investment tax incentives can be unpredictable; in 2010 an export tax on air freight was imposed and then rescinded, capital goods tax exemptions were reinstated, and agricultural equipment imports were given generous exemptions.

Land ownership remains restrictive in Tanzania; under the Land Act of 1999, all land in Tanzania belongs to the state. Procedures for obtaining a lease or certificate of occupancy can be complex and lengthy, both for citizens and foreign investors. Less than 10% of land has been surveyed, and registration of title deeds is currently manual and mainly handled at the local level. Non-citizen investors may occupy land for investment purposes through a government-granted right of occupancy ("derivative rights" facilitated by TIC), or through sub-leases through a granted right of occupancy. Foreign investors can also partner with Tanzanian leaseholders. Rights of occupancy and derivative rights may be granted for periods up to 99 years and are renewable.

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

This "Road Map" to a better business environment has already started:

- reducing the number of roadblocks on main highways;
- streamlining business registration and making it available online;
- increasing agricultural lending through a dedicated loan window at the Tanzania Investment Bank, pending establishment of a full agricultural bank;
- introducing electronic case management systems in backed up courts and small claims commercial "streams" in lower courts; and
- reducing port clearing times by shifting goods to inland container depots and increasing storage fees.

The Road Map details plans to:

- computerize work permits processing,
- establish a port "single window",
- consolidate construction permit and inspection procedures,
- make tax filing and payment electronic,
- appoint more civil court judges and incorporate small claims commercial cases in mainstream courts
- computerize land registry titles.

The Economic Processing Zones Act 2006 authorized the establishment of Special Economic Zones (SEZs) to encourage greenfield investments in the light industry, agro-processing industry and agriculture sectors. The GOT's Export Processing Zones Authority (EPZA) continues to promote Export Processing Zones (EPZ) to attract investments in agricultural value added processing, textiles and electronics. EPZA has earmarked 4000 hectares for export clusters, though on-site infrastructure and facilities are lacking. 6 zones have already been developed; one is owned by the GOT and the rest by the private sector. (40 companies in total, mostly foreign textile exporters.) In early 2011 EPZ-A announced the Tanzania Revenue Authority had opened an office in its Mabibo EPZ, streamlining seamless tax and revenue procedures for participants. Investors in EPZs are eligible for various incentives including prime locations near ports and main roads, 10 year tax holidays, exemption on interest and dividend taxes for 10 years, duty free importation of capital goods, exemption on VAT for utilities and exemption of local tax levies.

EPZA has made the following steps towards improving the investment climate in 2010:

Licenses and Registration

By streamlining bureaucratic procedures and requirements, the EPZA has reduced the amount of time required to register and license new investors from one month in 2009 to a reported maximum 7 days in 2010.

Establishment of One Stop Service Center

The establishment of a One Stop Service Center at Benjamin William Mkapa Special Economic Zone puts various procedures from different departments under one roof e.g., work permit applications.

Serviced Land

The EPZA has set aside additional land, equipped with infrastructure, for EPZ activities in Bagamoyo and Mkuranga. The authority has earmarked an additional 16 sites countrywide for development.

Timely Clearance of Goods

Goods destined for EPZA registered companies have been accorded special treatment and exemptions and are treated as transit cargo. This results in faster clearance and lower clearance costs.

The financial sector has continued to expand, with an increase in foreign-affiliated financial institutions and banks operating in Tanzania. In 2010, Ecobank started operations in Tanzania. As of December 2010, the Bank of Tanzania listed a total of 28 commercial banks licensed and operating in Tanzania, (41 financial institutions in all) over half of which are foreign-affiliated. The banking system showed a high concentration of total assets - 57 percent - being held by four large banks. Foreign-owned banks in Tanzania account for about 48 percent of the banking industry's total assets. Competition among these foreign commercial banks has resulted in significant improvement in the efficiency and quality of financial services, though interest rates are still relatively high, reflecting the high risk of fraud due to the lack of a national ID or credit reference bureau.

The EAC's Customs Union came into force on January 1, 2010, after a five year transition period. All duties were removed on goods traded within the region (the EAC comprises Burundi, Kenya, Rwanda, Tanzania and Uganda). In July 2010 the member states enacted a Common Market Protocol to allow free movement of goods, people, and capital within the region. Although the EAC member countries continue to discuss economic integration and harmonize regulations, non-tariff barriers--such as the administration of duties and other taxes, and corruption--remain a problem. Tanzania is also a member of the Southern Africa Development Community.

Measure	Year	Index/Ranking
TI Corruption Index	2010	116/178
Heritage Economic Freedom	2011	58.3/100
World Bank Doing Business	2011	128/183
MCC Gov't Effectiveness	2011	84/100
MCC Rule of Law	2011	81/100
MCC Control of Corruption	2011	82/100
MCC Fiscal Policy	2011	20/100
MCC Trade Policy	2011	54/100
MCC Regulatory Quality	2011	74/100

MCC Business Start Up	2011	73/100
MCC Land Rights Access	2011	88/100
MCC Natural Resource Mgmt	2011	49/100

Note: MCC countries are ranked relative to the median in their income peer group. Tanzania was lower ranked on Fiscal Policy due in part to a relatively high dependence on donor budget support.

Conversion and Transfer Policies

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

Expropriation and Compensation

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

--Payment of fair, adequate and prompt compensation;

--A right of access to the Court or a right to arbitration for the determination of the investor's interest or right and the amount of compensation;

--Any compensation payable under this section shall be paid promptly and authorization for its repatriation in convertible currency, where applicable, shall be issued.

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

Dispute Settlement

Investment disputes in Tanzania can be protracted. The Commercial Court of Tanzania, established in 1999, is headquartered in Dar es Salaam. The government is establishing additional commercial courts in other regions, including in western and southern Tanzania. Lack of capacity is an issue, and cases are currently backlogged. Foreign investors sometimes complain that the government of Tanzania (GOT) "changes the goalposts" and doesn't honor agreements. There is a bankruptcy law in Tanzania, but according to the World Bank's Doing Business report it takes on average 3 years to close a business, while the recovery rate for creditors on insolvent firms is only 21.9 cents on the dollar. Judgments are typically made in local currency.

Tanzania is a member of both the International Center for the Settlement of Investment Disputes (ICSID) and the Multilateral Investment Guarantee Agency (MIGA). The ICSID was established under the auspices of the World Bank by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States. The MIGA is also World Bank-affiliated and issues guarantees against non-commercial risk to enterprises that invest in member countries. There is no specific legislation in Tanzania providing for enforcement under the 1958 NY Convention or for the enforcement of awards under the ICSID Convention. In December 2010, ICSID ruled that state power utility Tanesco owed Dowans, a foreign emergency power producer, USD 65 million. In 2010 foreign mining companies complained the government did not honor pledges made in their individual Mining Development Agreements to exempt them from VAT on diesel fuel.

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

--Arbitration based on the arbitration laws of Tanzania;

--Arbitration in accordance with the rules of procedures of the ICSID;

--Arbitration within the framework of any bilateral or multilateral agreement on investment protection to which the Government and the country of which the investor is a national are parties;

--Arbitration in accordance with the World Bank's Multilateral Investment Guarantee Agency (MIGA), to which Tanzania is a signatory;

--Arbitration in accordance with any other international machinery for settlement of investment disputes agreed upon by the parties.

Performance Requirements/Incentives

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

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

Tanzania has largely completed its transition to a liberalized market economy, though the government retains a presence in sectors such as telecommunications, banking and mining. The GOT has sought foreign investors to manage formerly state-run companies in public-private partnerships, but successful privatizations have been rare. Though there is an official privatization program, bidding criteria are not always clear and transparent. In 2009-10 the government took control back from formerly privatized Tanzania Railways Limited, General Tyre, and Kilimanjaro International Airport after expressing disappointment with the failure of the management companies to achieve desired goals.

The Investment Code offers a package of investment benefits and incentives that are applied uniformly to both domestic and foreign investors by TIC, without performance requirements.

These include:

- Zero Custom Duty and deferred corporate tax and VAT on capital goods for investments in sectors such as mining, infrastructure, road construction, bridges, railways, airports, electricity generation, agro-processing, telecommunications and water services.
- 100% Capital allowance deduction in the years of income for the above mentioned types of investments.
- No remittance restrictions. The GOT does not restrict the right of a foreign investor to repatriate returns from an investment.
- Guarantees against nationalization and expropriation. Any dispute arising between the Government and investors can be settled through negotiations or submitted for arbitration.
- Allowing interest deduction on capital loans; removal of the 5-year limit for carrying forward losses of investors.
- Customs Duty and VAT tax deferral on capital goods for priority sectors, including agro-processing and transport.

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

There is currently no requirement that foreign investors buy from local sources, export a certain percentage of output or only access foreign exchange in relation to exports. The Mining Act of 2010 gives the Minister of Energy and Minerals discretion to require procurement of locally available goods in order for foreign mining companies to obtain a Mining Development Agreement. While TIC does guide foreign investors to specific locations through its land bank, there are no government-imposed conditions on permission to invest. Foreign investors are limited by difficulties in accessing land; the GOT plans to expand TIC's land bank and modernize its land titling and registration system are long delayed in execution. U.S. and other foreign firms can and do participate in government/donor-funded research and development programs on a national treatment basis.

Right to Private Ownership and Establishment

Tanzanian regulations allow foreign and domestic private entities to establish and own business enterprises and engage in legal forms of remunerative activity. The Business Registration and Licensing Act establishes licensing regulations for business operations. It provides the right to freely establish private entities, to own property both movable and immovable, and to acquire and dispose of property including interest in business enterprises and intellectual property. The Act stipulates that no business entity can enter into business activities in Tanzania before obtaining a business license through the Business Registration and Licensing Agency (BRELA). Registration fees or charges for foreign companies are significantly higher than for domestic companies. The government is now implementing the Business Activities Registration Act of 2007, which aims to reduce administrative barriers with one centralized licensing database. Under Tanzanian law, occupation of land by non-citizen investors is restricted to lands for investment purposes under the Tanzania Investment Act 1997 and the Land Act 1999. Land in Tanzania is state property that can be leased for up to 99 years. The law does not allow individual Tanzanians to sell land to foreigners. Foreigners can only lease land in Tanzania through the Tanzania Investment Center (TIC). The TIC has designated specific plots of land (a land bank) to be made available to foreign investors. Foreign investors may also enter into joint ventures with Tanzanians, in which case the Tanzanian provides the use of the land (but retains ownership, i.e., the leasehold).

Protection of Property Rights

Movable Property and Land Rights: Secured interests in property, both movable and real, are recognized and enforced under different laws in Tanzania. There is no single comprehensive law to secure property rights. Though the Tanzania Investment Center maintains a land bank, restrictions on foreign land ownership can significantly delay investments. Land not already processed for investment in the land bank has to go through a lengthy review and approval process by local level authorities as well as the President's office, in order to be officially re-designated, from Village Land, with

customary rights of occupancy, to General Land, which can be titled for investment and sale.

The Ministry of Lands and Human Settlements Development handles registration of mortgages and rights of occupancies. The Office of the Registrar of Titles is responsible for issuing titles and registering mortgage deeds. Title deeds are recognized as mortgage for securing loans from banks and upon failure to pay back the loans banks can sell an attached plot. Traditional Certificates of Occupancy for Village Land are still being piloted for use as collateral, and this is currently limited to groupings of village level borrowers.

Intellectual Property Rights

The Copyright and Neighboring Rights Act Number 7 of 1999, the current legislation in Tanzania addressing the protection of intellectual property rights (IPR), conforms to international copyright and property rights conventions and provides adequate protection for intellectual property, patents, copyrights, trademarks and trade secrets. This is one of the steps Tanzania has taken to implement and enforce the WTO Trade-Related aspects of Intellectual Property Rights (TRIPS). Tanzanians and foreign nationals may secure, exercise, and enforce exclusive intellectual property rights under the Act. The Act also established the Copyrights Society of Tanzania (COSOTA) to promote and enforce these rights, collect and distribute royalties on behalf of its members, maintain registers of works, productions and association of its members, search to identify and publicize rights of owners, and defend them. The Commercial Court deals with litigation of commercial cases, including those related to infringements of IPR, trade in counterfeit and pirated goods. The Commercial Court has handed down decisions in several cases involving rights to a trademark. The Commercial Court continues to develop its expertise in commercial law, including intellectual property rights and international business and financial transactions, but lacks resources and capacity to address its growing case load. The Tanzanian Fair Competition Commission (FCC) has taken positive steps towards combating counterfeits, though its current penalties (about \$3,300) are too low to be an effective deterrent. The FCC has apprehended importers of fake products, and seized and destroyed counterfeit products, though its limited resources do not allow for effective nation-wide investigations. The Tanzanian Food and Drug Authority has impounded and banned anti-malarial and other drugs deemed sub-standard or counterfeit. Tanzania has not signed or ratified the WIPO internet treaties.

Transparency of the Regulatory System

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

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

The private sector has a voice through private associations such as the Confederation of Tanzania Industries, TIC, and the umbrella Tanzania Private Sector Federation, though larger companies complained they were not being served well by the TPSF, which provides grants and business training for small local businesses. The Tanzania National Business Council (made up of 50% government and 50% Private Sector representatives) is the lead dialogue institution where the government interacts with diverse stakeholder representatives from the private sector for dialogue on strategic issues related to the investment process and business environment in Tanzania. The Council is chaired by the President of Tanzania. The President participates in several roundtables such as the local Investor's Round Table (LIRT), International Investor's Roundtable (IIRT) and the Chief Executive Officers (CEO) Roundtable on a regular basis to discuss specific issues aimed at improving Tanzania's business competitiveness. However, local businesspeople complain the government is not sufficiently responsive to the private sector's concerns.

Tax, labor, environment, health and safety, and other laws and policies do not impede investment, though bureaucratic procedures for licenses and permits are burdensome and time-consuming. The GOT's "Road Map" to improve the investment climate seeks to reduce the number of construction permits and inspection procedures. NGOs and private sector associations do not informally manage any regulatory processes, though the Tanzania Chamber of Commerce and Industry Association issues certificates of origin for companies exporting to the U.S. under AGOA. Proposed laws and regulations are sometimes published in draft form for public comment. There are many opportunities to provide input as government officials are relatively accessible, especially to industry associations. The Tanzania Chamber of Minerals and Energy was heavily involved in the years-long dialogue process that led to the Mining Act of 2010. However, the Electronic Communications Act, which requires telecommunications firms to list on the DSE, was passed in early 2010 with little opportunity for stakeholder comment. Legal, regulatory, and accounting systems are transparent and consistent with international norms. There are no efforts to restrict foreign participation in industry standards-setting consortia or organizations. Associations representing the tourism, telecommunications, and mining industries are composed of, and often led by, foreigners. In addition to the BEST program, the GOT established a Law Reform Commission (LRC) to review the legal and regulatory requirements relating to trade and investments. The GOT is also modernizing the business-licensing regime to reduce impediments to investment. Under the Tanzania Investment Act, the Tanzania Investment Center (TIC) has become a 'one-stop shop' that provides fast track assistance to obtain approvals and permits such as work permits, industrial licenses, and trading licenses from various ministries. The Business Activities Registration Act (BARA), enacted in February 2007, is implemented by the Business Registration and Licensing Agency (BRELA). BARA is rolling out a simplified and decentralized registration system which establishes a single national database for all registered businesses. The Tanzanian judicial system continues to function inefficiently and is

subject to influence by privileged individuals. These factors increase the cost and difficulty of doing business in Tanzania.

Efficient Capital Markets and Portfolio Investment

Indicators of the financial strength of the banking system show that the system continues to be sound and stable in aggregate terms. Most banks were well capitalized and liquidity was well above the regulatory requirements; the banking industry has been consistently profitable. Only 12% of the population participates in the formal banking sector.

The Tanzanian Capital Markets and Securities Authority (CMSA) Act of 1994 facilitates the free flow of capital and financial resources to support the product and factor markets. Foreign individuals or companies can invest in shares though the limit for foreign participation is 60 percent of the aggregate value of the listed shares. Foreign individuals or companies are not permitted to participate in government securities. There are no "cross-shareholding" and "stable shareholder" arrangements used by private firms to restrict foreign investment through mergers and acquisitions. There are no measures designed to protect against foreign hostile takeovers. Foreign investors can get credit in the local financial market, where credit is allocated on market terms. Recent bank lending rates ranged from 13 to 15 percent for ordinary borrowers. Corporate borrowers can negotiate lower lending rates. Credit to the private sector has continued to grow rapidly though there are few local institutions large enough to finance significant deals such as infrastructure projects and power stations. The financial sector in Tanzania has expanded in recent years, with a significant increase in the number of foreign-affiliated financial institutions and banks. Of the 28 commercial banks licensed and operating in Tanzania, more than half are foreign-affiliated banks. The banking sector is adequately capitalized and has limited reliance on foreign borrowing. Private sector companies have access to a variety of commercial credit instruments including documentary credits (letters of credit), overdrafts, term loans, and guarantees. Foreign investors can open accounts and make deposits in registered private commercial banks. Interest earned by non-residents or foreign investors from deposits in banks registered by the BOT is exempt from income tax, in accordance with the Income Tax Act of 2004. Foreign exchange regulations have been eliminated to attract investors and simplify international transactions. Profits, dividends, and capital can be readily repatriated. Several venture capital funds have been established to meet the demand for equity injections into growing businesses. The Banking and Financial Institution Act of 2006 establishes a framework for a Credit Reference Bureau and permits banks and financial institutions to release information to licensed reference bureaus in accordance with regulations and allows credit reference bureaus to provide to any person, upon legitimate business request, a credit report. However, there is no national credit database. The Tanzania Bankers Association this year agreed to share information and the central Bank of Tanzania will consolidate credit histories for release to authorized bureaus.

Corporate Social Responsibility

CSR is practiced mainly by large foreign firms in the banking, mining and telecommunications sectors and is generally viewed favorably. Companies typically pay for media coverage of their charitable activities.

Competition from State-Owned Enterprises (SOEs)

Public enterprises do not compete under the same terms and conditions as private enterprises because they have access to government subsidies and other benefits. SOEs are active in the power, communications, railway, telecommunication, aviation, and port sectors. SOEs typically report to ministries and are led by a board which may be led by a presidential appointee but also composed of private leadership. SOEs do not have hard budget constraints. Tanzania does not have a sovereign wealth fund. SOEs do not discriminate against or unfairly burden foreigners, though they do have access to sovereign credit guarantees. SOE financial results are audited by donors and accessed by the media.

Political Violence

Tanzania is one of the most politically stable countries in Africa and the prospects for serious and sustained violence are very low. Since gaining independence, Tanzania has enjoyed a remarkable degree of peace and stability. Tanzania has held four national multi-party elections since 1995, the most recent in 2010. Elections on the mainland have been generally free of political violence. The 2010 elections in Zanzibar, held following changes to the constitution to mandate formation of a Government of National Unity, were the most peaceful since Zanzibar's entry into the union. Updated consular guidance on country conditions is available at: http://travel.state.gov/travel/cis_pa_tw/cis/cis_1038.html

Corruption

Corruption remains a major concern for foreign investors. While giving or receiving a bribe (including bribes to a foreign official) is a criminal offense in Tanzania, the enforcement of laws, regulations and penalties to combat corruption has largely been ineffective. The government launched a series of high-profile corruption prosecutions in late 2008 and secured a conviction in 2010. Corruption is economy-wide, and measures to combat it are applied impartially to foreign and domestic investors. Corruption persists in government procurement, privatization, taxation, and customs clearance. A 2010 nationwide survey by NGO Concern for Development in Africa (ForDIA) found the police were considered most corrupt, followed by local health authorities, the judiciary, state power utility Tanesco and the Tanzania Revenue Authority (TRA). The Tanzania Port Authority and the TRA remain a great hindrance to importers throughout Tanzania despite some success this year in reducing average port dwell times from more than 20 days to about 11 days by increasing storage fees and pushing more goods to inland container depots. Unpredictable and lengthy clearance delays and bribes to expedite

service are commonplace. Transparency International (TI) has consistently rated Tanzania poorly for its perceived corrupt business practices. TI's 2010 Corruption Perception Index (CPI) for Tanzania is 116 / 178 for a score of 2.7. (Note: The CPI score tracks perceptions of corruption seen by business and country analysts, ranging from zero as highly corrupt, to 10, not corrupt). The Tanzania police and judiciary featured in the list of the top 10 most corrupt institutions in the region. US businesspeople have identified petty corruption, particularly among customs and immigration agents and traffic police, as an obstacle to investment.

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

The government's efforts to fight corruption have been fitful. Late 2008 saw the first-ever major court cases on grand corruption, with the arrests of individuals whose companies allegedly siphoned funds from the Bank of Tanzania (BOT), along with several Bank employees, and the separate arrests of two long-serving former ministers on corruption-related charges. In May 2010, the former BOT Director of Personnel and Administration, Amatus Liyumba, was sentenced to two years in prison for abuse of office in connection with construction of the BOT headquarters. This conviction marked the first in the grand corruption cases. Overall, the court cases have progressed slowly and several other well-publicized scandals have yet to result in prosecutions.

Tanzania is a party to the UN Convention against Corruption. Tanzania is not a signatory to the OECD Convention on Combating Bribery. Anti-corruption legislation passed in 2007 established the Prevention and Combating of Corruption Bureau (PCCB), which investigates corruption and imposes penalties such as jail sentences and fines on individuals engaging in corruption. However, the PCCB's progress has been slow.

Bilateral Investment Agreements

Currently, the United States of America and Tanzania do not have bilateral investment or taxation agreements. Tanzania is a member of the East African Community (EAC), which signed a Trade and Investment Framework Agreement (TIFA) with the United States in July 2008. In November 2007, the EAC member states signed an interim economic partnership agreement with the European Union; as of 2010 this still had not been finalized.

OPIC and Other Investment Insurance Programs

The U.S. Overseas Private Investment Corporation (OPIC) signed an incentive agreement with the GOT in December 1996. While the number of U.S. subsidiaries and

affiliated companies that could qualify for OPIC financing remains small, a few companies have participated in OPIC funds in Tanzania. Tanzania is an active member of the Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group that promotes foreign direct investment in developing countries by offering political risk insurance (guarantees) to investors and lenders, and by providing technical assistance to help developing countries attract and retain foreign investment. The Export-Import Bank (Ex-Im Bank) of the United States has established a cooperative agreement with the EXIM Bank of Tanzania Limited to facilitate access to guarantees by investors and importers within Tanzania. In 2010, several Tanzanian companies initiated the process to apply for EXIM-guaranteed financing for US agricultural and construction equipment. Tanzania is also a member of the International Center for Settlement of Investment Disputes (ICSID). Investments in Tanzania are guaranteed against nationalization and expropriation.

The risk of currency depreciation over the next year is low due to stable reserves and sound central bank management. The US Embassy used a total USD 24.5 million, about Tsh 34.4 billion, across mission operations last fiscal year. The average exchange rate in 2010 was 1,402 Tsh to 1 USD.

Labor

Tanzania faces persistent shortages of skilled labor. While the number of university graduates, especially in business management and information technology, continues to grow, tertiary education is very limited, and many foreign investors find that local labor is insufficient to fill even administrative positions. Currently, only a few professions within the EAC, such as English and science teachers, are granted cross-border access to Tanzania's labor market without a work permit. Labor and immigration regulations permit foreign investors to recruit up to five expatriates; more work permits may be granted under specific conditions. As an incentive under the EPZ Act, the government may provide work permits for management and technical staff when these skills are unavailable locally. Capital equipment is relatively expensive to import, making labor more attractive.

Tanzania's minimum wage is set by categories covering eight employment sectors. The minimum wage ranges from 65,000 Tsh per month for manual hotel workers to 350,000 Tsh per month for workers in the mineral sector. Tanzania's minimum wage was last changed in May 2010.

The union and Zanzibar governments have separate labor laws. Workers on the mainland had the right to form and join independent trade unions. Trade unions must consist of more than 20 employees and were required to register with the government. A trade union or employers' association must register within six months of its establishment; failure to register is a criminal offense. The registrar in the Ministry of Labor exerted significant power over trade unions, including the right to deregister unions if overlap existed within an enterprise. Unions had to submit financial records and a membership list to the registrar annually. The registrar could suspend a trade union if it determined that the union violated the law or endangered public security. Association with an international trade union required government approval.

As of 2010, approximately 33 percent of the formal sector work force(550,000 workers) were members of the Trade Union Congress of Tanzania, (TUCTA) the sole labor federation. In the agricultural sector, the country's largest employment sector, an estimated 5 to 8 percent of the work force was unionized.

The law provides for collective bargaining in the private sector, and workers and employers practiced it freely during the year. In the public sector, the government set wages administratively, including for employees of state-owned organizations.

On the mainland disputes were regulated and resolved by mediation through the Commission for Mediation and Arbitration. If the mediator failed to resolve a dispute within 30 days of referral, or any longer period agreed upon in writing by both parties, either party to the dispute may give notice of its intention to commence a strike or lockout. If the mediation fails to resolve the complaint, the Commission for Mediation and Arbitration may appoint an arbitrator to decide the dispute, or it may be referred to the labor court.

On the mainland the law prohibits discriminatory activities by an employer against union members; however, in practice many private sector employers adopted anti-union policies or tactics. The law required employers found guilty of anti-union activities to reinstate workers.

Mainland workers have the legal right to strike, and employers have the right to a lockout after complying with certain legal requirements and procedures. These rights are qualified according to the law. For example, all parties to a dispute may be bound by an agreement to arbitrate, and neither party may then engage in a strike or a lockout until that process has been completed.

A lawful strike or lockout is protected and does not constitute a breach of contract, nor can it be considered a criminal offense. An employer may not terminate the employment of an employee for participating in a lawful strike or terminate an employee who accedes to the demands of an employer during a lockout.

The law restricts the right to strike when to do so would endanger the life and health of the population. Workers in certain sectors (water and sanitation, electricity, health services and associated laboratory services, firefighting, air traffic control, civil aviation telecommunications, and any transport services required for the provisions of these services) are restricted from striking. Workers in other sectors may also be subject to this limitation.

The labor law in Zanzibar applies to both public and to private sector workers. Zanzibar government workers do have the right to strike as long as they follow outlined procedures in the Employment Act of 2005. They are not allowed to join mainland-based labor unions. The Zanzibar labor law requires a union with 50 or more members to be registered and sets literacy standards for trade union officers. An estimated 40 percent of the Zanzibar workforce is unionized. In collaboration with the International Labor Organization (ILO), the Zanzibar government worked to draft regulations under the Employment Act of 2005 to facilitate a smooth implementation of the Act. The regulations have been finalized but have not yet been implemented.

Foreign Trade Zones/Free Ports

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

Foreign Direct Investment Statistics

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

Year	02/03	03/04	04/05	05/06	07/08	08/09	09/10	10/11
USD m	430	526.8	469.9	325	501.5	647	744	650

In recent years, the top sources of FDI into Tanzania have been the United Kingdom, Kenya, South Africa, India, China and the United States. Significant US and other foreign investments include: telecommunications services; energy infrastructure; road construction; breweries; tourism / hotels; coal, diamond, gold, nickel and uranium mining; and agriculture. Tanzanians are currently restricted from investing abroad by capital controls, and very few international firms (primarily Kenyan) list on the Dar es Salaam stock exchange. There is currently no information on Tanzanian FDI abroad (FDI outflows), as Tanzanians are legally barred from participating in foreign investment funds or offerings.

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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

For business-to-business transactions, most companies (both local and foreign) choose to make payments via check. Banks take 7-14 days to clear checks and collect funds

through the central bank's national payment system electronic clearinghouse. Companies prefer to make payments by check for both internal and external management and control of funds. Companies tend to prefer direct payment in cash for petty transactions. For parties in different cities or regions, direct payments through commercial bank accounts in the form of wire transfers and SWIFT are very common. Payments above Tsh 10 Million (about USD 6700) cannot be made by check but should be made through electronic transfer.

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

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

VAT exemption must be authorized by TRA in advance of individual payments.

How Does the Banking System Operate

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The Tanzanian banking sector was liberalized in June 1999 and is now increasingly competitive. Local state-owned banks have been privatized, though the government maintains minority shares in CRDB Bank, National Bank of Commerce (NBC) and National Microfinance Bank (NMB), among others. Currently, about 30 local and foreign private commercial banks are registered with the central bank (Bank of Tanzania) and are operating. International banks include CitiBank/Citigroup, Standard Chartered Bank, Barclays Bank and Stanbic Bank. Ecobank of West Africa entered the market in 2010. The influx of foreign banks has helped to improve the availability of financial services and the quality and pricing of existing services, either directly as providers of such services or indirectly through competitive pressures on domestic banks. The central Bank of Tanzania (BOT) increased capital requirements from \$3m to \$10m in 2010 to consolidate and better capitalize the banking sector.

Interest rates vary from 6% for large, multinational corporations to 25% for personal loans, with an average of 14%, while deposit rates remain around 1%. High interest rates in part reflect risk associated with consumer credit fraud; hence the Tanzania Bankers Association, in partnership with the BOT, has commenced information sharing for the development of a national credit reference bureau. (The Tanzania Revenue Authority is rolling out a "smart" drivers' license, but tenders for a national ID card have stalled.) Commercial banks invest more money in Tanzanian treasury bills than in any other sector, though the central bank was able to lower rates from 12% to 5% in 2010 to reduce competition with private borrowing.

The GOT is in the final stages of selecting a rating agency to determine the country's credit rating for a sovereign bond issue. This will make it easier to attract financing for major investments in infrastructure. Tanzania is currently relatively closed to outside capital markets, but officials are working towards eventual integration within EAC financial markets such that Tanzanians could participate in member states' offerings and vice versa.

Foreign-Exchange Controls

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Exporters are allowed to use or repatriate all export earnings and there are no controls on foreign exchange.

U.S. Banks and Local Correspondent Banks

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

Project Financing

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

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

Web Resources

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

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

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

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

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

U.S. Agency for International Development: <http://www.usaid.gov>

[Tanzanian Financing Resources:](#)

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

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

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

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

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

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

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

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

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

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

Multilateral Institutions:

World Bank Tanzania: www.worldbank.org

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

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

Development Bank of Southern Africa www.dbsa.org

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Chapter 8: Business Travel

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Business Customs

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General international business customs apply. Tanzanians strongly value face-to-face meeting, formal written letters of introduction and requests for meetings, and personal relationships. Patience and flexibility are essential for success in Tanzania. Conferences rarely start on time, especially when being opened by senior GOT officials.

Travel Advisory

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

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

Visa Requirements

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Tourist Visas

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

Residence / Work Permits

- **Class A Residence Permit** for investors can be requested from the Director of Immigration. The cost is USD 1600 for 2 years and allows the holder to work legally in Tanzania.

- Updated information can be found at the Directorate of Immigration website: <http://www.tanzania.go.tz/immigrationf.html> or from the Tanzanian Embassy in Washington DC: <http://www.tanzaniaembassy-us.org/tzevisa.html> .

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

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

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

Telecommunications

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

Transportation

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

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

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

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

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

Language

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

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

Proof of yellow fever vaccination is required to enter the Tanzanian mainland and Zanzibar.

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

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

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

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

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

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

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

In Zanzibar, business and government are closed Friday afternoons.

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

National Holidays (2011)

DATE	OCCASION
1 January	New Year's Day
12 January	Zanzibar Revolutionary Day
16 February	Maulid Day (*subject to lunar calendar)
7 April	Karume Day
22 April	Good Friday

25 April	Easter Monday
26 April	Union Day
1 May	Labor Day
7 July	International Trade Fair (Saba Saba)
8 August	Farmers' Day
August 30/31*	Idd-EI Fitr (*subject to lunar calendar)
14 October	Mwalimu Nyerere Day
6/7 * November	Idd-EI Hajj (*subject to lunar calendar)
9 December	Tanzanian Independence Day
25 December	Christmas Day
26 December	Boxing Day

Temporary Entry of Materials and Personal Belongings

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

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

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

Web Resources

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

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

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

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

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

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

US Embassy in Tanzania: <http://tanzania.usembassy.gov/>

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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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Commercial Officer
U.S. Embassy in Tanzania
PO Box 9123, Dar es Salaam
Tel: 255-22-2668001
Fax: 255-22-2668296
drscommercial@state.gov
http://tanzania.usembassy.gov/commercial_section.html

American Chamber of Commerce-Tanzania
C/o Commercial Officer, American Embassy
PO Box 9123, Dar es Salaam
ababoard@satconet.com

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

Tanzania Chamber of Minerals and Energy (TCME)
P.O. Box 13369, Dar es Salaam
Tel: 255 22 2137865
Fax: 255 22 2137868
Email: tcm@twiga.com; immaj@chamberofmines.org
Website: www.chamberofmines-tz.com

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

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

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

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

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

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

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

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

Permanent Secretary
Ministry of Industry and Trade
Lumumba St.

P.O. Box 9503, Dar es Salaam.
Tel. 255 22 218 0075
Fax: 255 22 218 0371
Email: mic@intafrica.com

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

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

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

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

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

Permanent Secretary
Ministry of Communication
Tancot House, Sokoine Drive
P.O. Box 9144, Dar es Salaam

Tel. 255 22 211 4426
Fax: 255 22 211 2751
E-mail: msthe@msthe.co.tz
www.tanzania.go.tz/science

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

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

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

Tanzania Revenue Authority
PO Box 11491
Mapato House
DSM, Tanzania
Tel: +255-(0)22- 212 7783/4/6/8
<http://www.tra.go.tz/>

Dar Rapid Transit Agency
Ubungu Plaza, First Floor
P.O. Box 724
Dar es Salaam, Tanzania
Tel: +255 22 2461093/4/6
Fax: +255 222461098
Email: ce@dart.go.tz
www.dart.go.tz

Market Research

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

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

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

<http://www.export.gov/tradeevents/index.asp>

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

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

Embassy Dar Es Salaam is a non-Commercial Service post, but, through an MOU with the regional Commercial Service office in Nairobi, can offer Contact Lists, International Buyer Program recruitment and facilitation, International Company Profiles on a case-by-case basis and Gold Key introduction Services. For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

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

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

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

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