

**PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE**



PRESS RELEASE THIRD QUARTER FOR 2020/21

Tanzania Investment Centre (TIC) is a Government Institution established under Investment Act No. 26 of 1997 to coordinate, encourage, promote investment and advice the government on how to improve the investment environment in the country. Between July 2020 and March 2021, Tanzania Investment Centre continued to conduct its activities considering its strategic plan, national development vision 2025, ruling party election manifesto and speech or different directives from Country Leaders as having been issued on different occasions. In the past nine months (July 2020 and March 2021), the centre has achieved the following:

(i) Improving Project Registering System (TIW) used in Tanzania Investment Centre

Tanzania Investment Centre has improved Project Registration System and providing Certificate of Incentives by which in using the system the applications with complete documentations get processed and completed within only three (3) working days.

(ii) Project Registration

Between July 2020 - March 2021, a total of **151** projects has been registered. These projects are expected to invest capital of 987.04 million Dollars and provide **13,857** employment opportunities. Comparing with the same period last year

(July 2019 – March 2020) where the Centre had registered 169 projects, the number of projects has decreased due to the effects of the Corona pandemic globally. The Industry Sector has continued to lead projects registered at the Tanzania Investment Centre where it has registered a total of **94 (62.25%)** projects capital gains of **463.17 US million Dollars (46.9%)**, and provide estimated employment of about 9,220 Tanzanians.

Between January to March 2021, the Centre has successfully registered a total of 51 new projects. Capital expected to be invested at 451 million US Dollars has increased by 63 per cent and 4,272 new jobs expected to be created have increased by 3.5 per cent compared to the same period last year where the Centre registered 54 projects that were expected to invest 283 million dollars capital and generate 4,127 new jobs.

The Manufacturing Sector leads by the number of projects where registered projects are 30 equivalent to 59 per cent of all projects. Tourism is the leading industry in the production of new employments where is expected to produce 572 jobs equivalent to 13.4 per cent of all employments. Among the projects registered this month (April 2020), it is the construction project of the largest Fertilizers Company **Itracom fertilizers** built in the Nala industrial area in Dodoma City which plans to invest 180 million US\$, generate 3,000 direct jobs and produce 500,000 tones of fertilizer.

Of the 51 registered projects, 13 projects equivalent to 25 per cent are local investor projects, 26 projects equivalent to 51 per cent are Foreign Investor projects, and 12 projects equivalent to 24 per cent are joint venture projects between Tanzanians and foreigners.

In addition, it is important to note that TIC keeps records of registered investment projects with the Centre. Thus, investors who have invested in the country without going through TIC, they are not in those figures. Some investors are registered with EPZA, The Mining Commission and others invest directly without going through TIC nor EPZA. Thus, it is incorrect to use the statistics of registered TIC projects as the only criteria for measuring investment growth in the country.

Generally, foreign capital investment (Foreign Direct Investment – FDIs), global decreased. According to the World Investment Report, 2020), the trend of capital investment from abroad in developing countries has decreased by 2 per cent. This decrease was contributed by the trend of economic growth and decreased demand for raw products (dampened demand for commodities).

(iii) One Stop Centre Investor Services

Accreditation and Licensing Services Institutions

One-Stop Facilitation Centre Services has been improved by increasing the number of institutions serving investors by 11 April 2021 as follows:- Immigration Department, Labor Department (Labor), Tanzania Revenue Authority (TRA), Ministry of Land, Registrar of Companies (BRELA), National Identification Authority (NIDA), Tanzania Environment Council (NEMC), Tanzania Standards Agency (TBS), Tanzania Medicines and Medical Equipment Authority (TMDA) and the Tanzania Labor Security and Health Authority (OSHA). In addition, Tanesco's electricity application service is expected to start being provided soon at TIC. Similarly, relevant institutions have imposed officers with authority to make decisions to enable them to process and issue relevant permits and licenses.

Incentives for Foreign Experts for Investment Projects

Article 24 (1) of the Investment Act of 1997 and Article 19 of the Employment Act for Foreigners act 2015 is specifically for the coordination of work permits for investor projects where it has provided "Five Automatic Immigrant Quota" (5) for projects without the terms available to applicants of other groups as an investment incentive. TIC as a coordinator in collaboration with the Department of Labor and relevant stakeholders have improved services in the provision of the attraction especially in terms of the time spent and improving procedures in the provision of permits. Any challenges present in this area have been provided solutions.

National Investment Facilitation Committee – NIFC

The Centre has been able to successfully meet members of the NIFC Committee who are heads of institutions providing various permits and licenses to investors over a quarterly period and the latest Committee session took place on April 21, 2021. The

committee is responsible for helping eliminate the various challenges faced by investors in areas managed by Government institutions.

Provision of Services for Electronic Systems

Through the NIFC Committee, institutions located in the area of joint services install electronic systems for handling permits and licenses to investors including labour department services, Immigration Department, Ministry of Lands and Housing Development, NEMC, TBS, OSHA, TMDA and NIDA. Investors are welcome to TIC to get those services. It is the goal of the TIC to coordinate all service-providing institutions to keep their TIC license issuance systems. In addition, institutional chiefs have agreed to activate different institutional systems and have one window to provide all permit and license services to investors online (Investment Single Window). These systems will help speed up the issuance of permits and licenses to investors.

(iv) Investment Land - Land Bank

Investment Land Database

Land with infrastructure is key to investment so TIC in implementing its roles in this area by collaborating with stakeholders such as councils, government institutions such as Pension Funds, Housing Corporation, Private Institutions and institutions and citizens have been able to find, reserve and organize an investment land database for various sectors with 157 blocks and farms. Investors in need of investing in various parts of the country are welcome to visit the TIC website (www.tic.go.tz) then log in to Zonal Offices for more information about investment land reserve.

Land Provision for Foreign Investors

The Land Act sets out the wish for foreign investors to possess land through TIC for the non-native Document "Derivative Right". TIC in collaboration with the Ministry of Lands and Housing Development and Various Councils has improved the "Derivative Rights" provisional framework, including the National Land Allocation Committee authorized to provide land to foreign investors to handle applications more quickly.

(v) Monitoring and Evaluation (M&E) of Investment Projects and Aftercare Services

Between July 2020 to March 2021, the Department was able to coordinate the Project Assessment and Monitoring and Aftercare exercises through regional offices where a total of 1,200 projects have been evaluated to find out its progress and challenges for solving them.

(vi) Raising Investment Opportunities in the Standard Gauge Railway Construction Project (SGR)

The Centre is researching investment opportunities arising from the Standard Gauge Railway (SGR) project. This study will provide opportunities for investors to identify appropriate areas to be invested in and enable SGR Rail to work effectively. So far a total of 30 investment projects have been raised between the Dar es Salaam and Morogoro regions.

(vii) Encouraging Local Investment (Domestic Investment)

The Centre works in conjunction with the Regional Commissioners where for this financial year we have conducted 4 symposiums in Singida, Mbeya, Katavi and Coast, other symposiums have been postponed due to COVID-19 disease. Compared to the Q3 of 2020/2021, 3 conferences have been held accompanied by the launch of regional investment guidelines where Q3 of 2019/20 has held only one investment conference in the Songwe Region.

- 77 Tanzanian investor companies have officially project reached the Centre pursuing opportunities between July 2020 to March 2021, whereas, on the Third Quarter for 2021, the companies that reached are 30 compared to only 15 companies that reached to seek opportunities for the Third Quarter in 2020.
- The Centre is continuing to sell investment projects and has already developed 81 projects were 11 private individual projects have been received and laid out sale mechanism to get partnerships.
- The Centre has also received investment projects for processing to be able to obtain projects to be approved and presented at the Africa Investment Forum, which is expected to take place by the end of this year. So far, 38 projects have been presented from eight (8) institutions. The institutions are TPDC, NHC, NDC, TANROADS, TANESCO, TAA, TCCIA AND KIA. The projects submitted are in 8 sectors, the leading sector is the energy sector 10 projects, followed by the transportation sector 6 projects; Infrastructure 6 projects, oil and gas

industry 5 projects, construction and residential 4 projects, tourism industry 4 projects, mining industry 2 projects, and factory project 1.

(viii) Foreign Investment Awareness

The Investment Centre is working to attract external investment in collaboration with the Tanzanian Embassy Offices abroad, the Foreign Embassies Office in the country as well as various Government institutions. The tasks done are as follows:-

- For the fiscal year 2020/TIC in collaboration with Embassy offices, we have been able to receive interested investors (inward missions) to invest from Korea, the United States, India, Turkey, Austria, Japan, and Poland. Where companies that came to seek opportunities in the country were 87. Those investor companies who came up split as follows; from the European continent 7 countries, in Asia 6 countries, Africa 6 countries, the American continent 2 countries and Australia. Foreign companies that arrived for Q3 of 2021 are 36 compared to only 20 companies that came to seek out Q3 opportunities for 2020.
- TIC has participated in about 12 online investment conferences "Virtual Meetings" were 4 (Tourism, Agriculture, Cotton and Cashew conferences) were sectoral and 8 conferences were investments with relevant countries or regions (India, Philippines, Indonesia, Thailand, South Africa, Qatar, China and SADC). In the 2021 Q3 of 6 conferences took place compared to the Q3 period for 2020 held only 3 conferences.
- Foreign companies that officially came in the Third Quarter to seek opportunities were mostly in India, the United States, China, the United Arab Emirates, South Africa and Sweden. Other countries are Yemen, Kenya, Germany, Russia, Australia, Botswana, Egypt, France, Korea, Austria, Poland, Sri Lanka, Canada and Ukraine.
- The most targeted sectors in the Third Quarter for 2021 are Manufactured and Agricultural Production. Where in agriculture, 3 major investors in Africa expressed interest in investing in sugar farming and sugar production in the country and the facility in collaboration with the Sugar Board is working on it.

Overall, in recent days many investors and Ambassadors/Representatives of international organizations have expressed their happiness with the government

trends in the whole issue of improving investment infrastructure and have already begun to demonstrate a willingness to support a range of programs on investment environment improvement in the country.

(ix) Educating the Public through Radio and TV

The Centre is continuing to provide public education about investment opportunities and project registering procedures.

In continuing to improve investment in the country, the Centre has the following strategies:

- Continuously improving the system for registering projects used by the Centre
- Integrating the project registering system (TIW) used at the Tanzania Investment Centre and other systems that serve investors in the country.
- To mobilize further investments for indigenous and partnerships
- Closely monitor investors to identify challenges emerging in the implementation of their projects
- To further improve ICT use in all marketing and servicing investors activities

Finally, the Centre continues to welcome investors to invest in the country as the investment environment has improved and strengthened. The government continues to improve infrastructure to support investment including road transport, aviation transport, railway travel, energy availability, water and access to investment areas and improving TIC's One-Stop Services.

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