

**TALKING NOTES FOR H.E. BARAKA LUVANDA,
AMBASSADOR OF THE UNITED REPUBLIC OF TANZANIA
TO JAPAN AT THE OCCASION OF THE COUNTRY STUDY
MEETING WITH AFRICAN AMBASSADORS ORGANISED BY
JAPAN AFRICA SOCIETY, 24 NOVEMBER 2023, IN TOKYO**

Dear Friends,

Jambo! Konichiwa! A very good afternoon to you!

COURTESIES:

Let me begin my presentation by sincerely thanking our host, and organizer of this meeting, Amb. Sumio Kusaka, Managing Director of Japan Africa Society, for not only conceiving this idea of the country - study meetings with African Ambassadors, but also for the extended generous hospitality and for the substantive inputs into this exchange.

I cannot thank you enough. But, as we say in Kiswahili language, Asante sana!

Let me also express my sincere appreciations to each one of you for accepting this invitation despite the busy schedule each one has. Thank you very much.

I am particularly happy and appreciative for the African Society to arrange this meeting which has presented to us an opportunity to we get to know other.

Friends,

I have always considered the opportunity to brief prospective investors about business and investment opportunities in Tanzania as one of my core functions as a representative of my country abroad. So, here I am before you today to explain about my country to you and the potentials it has and eventually to invite you to come as tourists or invest or do business with us in Tanzania.

1. INTRODUCTION

The United Republic of Tanzania (Tanzania) is an East African country within the African Great Lakes region. It borders Kenya and Uganda, to the north; Rwanda, Burundi and Democratic Republic of the Congo, to the west; Zambia, Malawi and

Mozambique to the south; and the 800 km coastline of the Indian Ocean to the East.

The name Tanzania is a combination of two names of then two sovereign nations, namely, Tanganyika and Zanzibar. Tanganyika and Zanzibar were autonomous countries until April 26, 1964, where they were merged to form the United Republic of Tanzania.

Tanzania is a democratic country under multiparty system since 1992; and has enjoyed peace and stability since Independence in 1961 (The political environment is more stable than any African nation). The first Multi-party elections were held in 1995 where the President and Members of the National Assembly are elected concurrently by direct popular vote for five-year terms. The President's mandate is limited to a maximum of 2 five-year terms, next election in 2025.

Tanzania has had six Heads of State since Independence to present. The Late Julius Kambarage Nyerere was the First President and Father of the Nation; and the current President is H.E. Dr. Samia Suluhu Hassan, who is also the first ever female President, the country has.

Tanzania occupies an area of 945,087 km², compared it is about two and a half times the size of Japan. As of 2016, Tanzania is divided into thirty-one regions twenty-six on the mainland and five in Zanzibar (three on Unguja, two on Pemba); with the Capital City of Dodoma and Commercial City, Dar es Salaam.

According to the 2022 national census, Tanzania has a population of nearly 62 million, making it the most populous country located entirely south of the equator.

Tanzania's population is composed of about 130 ethnic, linguistic, and religious groups. Christianity is the largest religion in Tanzania, with substantial Muslim and Animist minorities.

Over 130 local languages are spoken in Tanzania, making it the most linguistically diverse country in East Africa; Swahili is the National Language of the country spoken by 90% of the entire population, while, English is the second widely spoken language used in foreign trade, in diplomacy, in higher courts, and as a medium of instruction in secondary and higher education.

2. TANZANIA DIPLOMATIC SITUATION

Since gaining independence and unifying with Zanzibar to form the United Republic of Tanzania in 1964, the government has implemented various strategies to ensure economic growth. One of the key strategies has been diplomacy, which involves establishing diplomatic relations with other countries, regional and international organizations to promote development within the country.

In the early years of its independence, Tanzania based its foreign affairs on principles of equality, freedom, non-alignment, Pan-Africanism, and respect for human rights and dignity. Its foreign policy was strongly influenced by the desire for self-determination of African countries, which prompted Tanzania's full participation in supporting liberation struggles in many African countries.

Tanzania considers diplomatic relations vital in achieving a better quality of life for its citizens and economic growth through interactions and cooperation with the international community. After the majority of African countries gained independence by the mid-1990s, Tanzania underwent political and economic development transformations, including a shift from a centrally planned to a market-led economy and the adoption of a multiparty system. These changes reduced Tanzania's focus on the liberation

struggle and increased its emphasis on pursuing national interests to promote development within the country.

As a result, in 2001, Tanzania adopted a new foreign policy aimed at promoting and protecting social, political, cultural, and economic interests through sustainable economic diplomacy. Tanzania has benefited in various social and economic sectors through effective participation and implementation of the current foreign policy. Some of these achievements include expanding trade activities, increasing foreign direct investment, growth in the tourism sector, as well as development of other economic sectors through external assistance and support from development partners.

Currently, Tanzania has 35 diplomatic missions abroad, while 62 nations maintain diplomatic missions in Tanzania. Tanzania also, is a member of many international organizations such as the United Nations (UN), African Union (AU), East African Community (EAC), and Southern African Development Community (SADC) among many others. Additionally, due to the strength of Tanzania's non-alignment, unity and internal peace since independence, Tanzania frequently acts as a mediator and location of treaties and agreements between other nations, such as

the Arusha Agreement with Europe, as well as the Arusha Accords with Rwanda (1993) and Burundi (2000).

2.1 TANZANIA AND JAPAN RELATIONS

Tanzania, among other nations in the world, sees Japan as its largest stakeholder because of its significant economic and technological influence on the world. The two countries have maintained good relations since the establishment of diplomatic relations in 1961, when the Japan International Cooperation Agency (JICA) began operations in Tanzania immediately after independence. Since, then the relations have been growing from strength to strength. Japan maintains a fully-fledged Embassy in Dar es Salaam in 1964; and Tanzania is fully being represented in Japan from Tokyo in 1970.

Tanzania-Japan cooperation is guided by common objectives of promoting sustainable economic growth, social development and alleviation of poverty. Japanese Government under its New Assistance Country Programme (NACP) has been focusing its assistance in priority areas; namely, the improvement of Tanzania industrial technology; education; good governance and accountability; agriculture and water sectors; as well as long term planning and development of quality infrastructure such as

roads, power stations (energy projects), ports and inland waterways.

The Government of Japan through JICA also provides its official development assistance through technical cooperation, concessional loans and grant aid with the aim of implementing various development projects.

Japan has also supported industrial human resources development and capacity building for policy making in Tanzania through technical cooperation. Japanese Government through Programme of the African Business for the Youth under JICA (ABE Initiative) and other 9 programmes provide higher-learning education opportunities for the Tanzanian youth to study in Japan in the fields of agriculture, water, administration, finance, mining and transport sectors. Not only students but also Government officials come to Japan as JICA training participants.

Likewise, Japan has provided technical cooperation in the areas of industrial technology development, SME promotion, and trade and investment promotion to Tanzania. This includes improvement of institutional systems and human resource development, and industrial promotion in line with the focus of the Tanzania's industrialization policy at the time. KAIZEN

Project has been conducted in Tanzania for improving the quality and productivity of local industries and services as a joint project with the Ministry of Industry and Trade (MIT) and JICA since 2013.

Through the Project, Tanzanian KAIZEN trainers were trained by Japanese Experts, and they introduced and succeeded to implement KAIZEN for Tanzanian private companies, in 2020.

Another key project for improving industrial, trade and investment development technology is known as Next Innovation with Japan (NINJA) Project. Whereby, in 2020, JICA organized the regional business plan competition in Africa, “NINJA”, to discover the innovative business models and technologies that not only provide prescriptive solutions to the global pandemic of COVID 19 but also respond to the expected radical changes in post-pandemic socio-economic reality.

In Tanzania, three startups were selected as winners of the competition. JICA supported their Proof of Concept (PoC) activities technically and financially; and provided opportunities to connect them with Japanese companies/investors through PR events. In 2022, the second NINJA competition (NINJA2) was

organized in Tanzania to support further startups who are trying to overcome Tanzanian social challenges.

The multi – layered human resource exchange has also supported Japanese companies in their investment and expansion into Tanzania. There are several active Japanese companies in Tanzania on which some companies have already established their business relations with local companies. For example, Sumitomo Chemical has a joint venture with a local company A to Z in Arusha, which produces mosquito nets, a vital tool to protect people from malaria. Tanzania Cigarette Company Ltd (TCC), one of the largest contributors in tax payment and employment generation in Tanzania, is a member of the Japan Tobacco International (JTI) Group of Companies. AAIC Japan on the other hand, has made significant investments in large-scale coffee and avocado farming in Tanzania through a joint venture with local authorities.

In addition to that, Japan is one of Tanzania's most important trading partners since it provides duty-free and quota-free market access (DFQF) to Least Developed Countries, including Tanzania. These two countries provide various trade opportunities to its people, the situation has led the people of these two countries to

do industrial and agricultural business where Tanzania has been exporting to Japan coffee, sesame seeds, tobacco, tea, cocoa, spices mainly cloves, cinnamons and ginger, fish and seafood, cotton, wood and articles of wood, handicrafts (Makonde carvings and Tingatinga paints), minerals, precious and base metal ores.

We proudly engage in active trading partnerships with some of the biggest names in Japan's corporate landscape, including ITOCHU, Marubeni, Kanematsu, UCC Holdings, ITO EN and others. Though there is still underutilized export potential of Tanzania products to the Japan market. This gives an opportunity for Tanzania to increase exports of existing products such as coffee both beans and instant, fish fillets frozen, sesame seeds, cotton, precious stones, live plants and mushrooms, groundnuts, cocoa beans, avocados, guavas and mangoes (fresh and dried).

Tanzania on the other hand, has been importing from Japan motor vehicles, motorcycles, electronic products, medical and electronic machinery and equipment, industrial and agricultural machinery mechanical appliances, organic chemicals, pharmaceuticals products, leather products, textiles musical instruments and photographic materials. Japanese goods are very well-known in Tanzania for their high quality and durability.

They include among others; brands such as Toyota, Honda, Yamaha, Mitsubishi, Panasonic, Sony and many more.

3. ECONOMY OF TANZANIA

The economy of Tanzania is a lower-middle income economy that is largely dependent on agriculture. Tanzania's economy has been transitioning from a command economy to a market economy since 1985. According to the World Bank, GDP of Tanzania is \$84.033 billion USD (nominal, 2023 est.) with the growth rate of 5.4%.

Although Agriculture contributes large percent of the Tanzania GDP, our economy is also driven by a diverse range of sectors, including tourism, mining, energy, manufacturing, services, and the blue economy. Each of these sectors plays a unique and vital role in the country's economic growth and development.

3.1 Agriculture

Tanzania, like many other African nations, agriculture is the hallmark of economy and food systems. It employs about 65% of the population with GDP shares of 27% and 21% for Tanzania mainland and Zanzibar respectively and growing at about 5 percent annually.

The sector contributes about 30% of the total export earnings and supplies 65% of all industrial raw materials in the country. Such potential makes agriculture an engine for inclusive growth hence contributing immensely to delivery of 2030 Agenda of Sustainable Development.

Massive opportunities also exist in agriculture. As some of you may be aware, Tanzania with territory of 945,000 square kilometres or approximately 365,000 square miles is a relatively big country. Out of this 945,000 Sq. km of land, about **44 million** hectares are suitable for crop production and **50 million** for rangeland. Out of the total area suitable for crop production, only **10.8 million hectares (24.5 percent)** are cultivated annually, mainly by smallholder farmers. For the rangeland, about **24 million hectares (48 percent)** are used for livestock production. This means a lot of arable land and rangeland remain unutilized; hence there is huge potential for investment in this sector. Furthermore, the potential land for irrigation amounts to **29.4 million** hectares, out of which only **0.462 million hectares (1.6 percent)** are under irrigation.

Tanzania is warmly inviting potential investors to explore and undertake large-scale commercial farming and livestock keeping opportunities.

I should also mention to you that Tanzania is endowed with lakes, rivers and ground water sources and it borders the Indian Ocean **with 800 km coastline** which are preferable not only for irrigation but also fishing activities.

We do have good climatic conditions suitable for the growth of different tropical crops as well as temperate and semi-temperate crops.

3.2 Mining

Likewise, mining is the leading sector in terms of foreign investment although agriculture remains the mainstay. There are numerous mineral resources in Tanzania to explore and invest in. They range from gold to gemstones such as *Tanzanite*, diamond, gold, nickel, graphite, lithium, emeralds, ruby, and I could go on and forth.

I am pleased to inform you and indeed remind some of you that Tanzania is the only country in the World which is blessed with a rare and precious stone known as *Tanzanite*. So, I

welcome you to come in good numbers to explore business in these minerals and precious stones I have just mentioned to you.

3.3 Tourism

Moreover, travel and tourism added around four billion U.S. dollars to Tanzania's economy in 2021. The contribution to the Tanzanian GDP increased by eight percent compared to the previous year when the coronavirus (COVID-19) pandemic strongly affected the tourism sector. However, before COVID – 19, tourism was the largest foreign exchange earner, the second largest contributor to the gross domestic product (GDP) and the third largest contributor to employment.

Tourism is the sector that offers a variety of investment opportunities, and it is a fast-growing sector in Tanzania. Quite a good number of tourists visit Tanzania every year, but we need more tourists because we have in Tanzania abundant and diverse tourist attractions to cater for a large number of those visiting the country.

Just to underscore certain facts, Tanzania is home to seven (07) UNESCO World Heritage Sites namely, the Ngorongoro

Crater, the Serengeti National Park where you have to visit around this time up until end of September each year to be able to see for yourself the world's phenomenal greatest animal migration, the Kilimanjaro National Park, the Selous Game Reserve, the Ruins of Kilwa Kisiwani and Songo Mnara which are the remains of two ancient ports located on two islands close to each other just off the Tanzanian coast about 300 kilometers South of Dar es Salaam, the Kondoa Rock Art Site and the Stone Town of Zanzibar.

Tanzania is also a home to 22 national parks and 28 Game Reserves. Tanzania has 42 Game Controlled Areas, 33 Wildlife Conservation Areas, six (06) nature reserves and four (04) Ramsar sites (the Malagarasi Muyovozi, the Kilombero Valley Flood Plain, the Lake Natron Basin and the Rufiji-Mafia-Kilwa Marine sites). Tanzania is a dedicated State Party to the Ramsar Convention which is a global framework for conservation and wise use of all wetlands through local and national actions and international cooperation.

Tanzania is home to the great lakes – Lake Victoria which is the largest tropical lake in the world and Lake Tanganyika which is the 2nd deepest freshwater lake in the world.

One more unique feature about Tanzania that attracts many to visit - Tanzania is the most peaceful and safest destination comprises with welcoming, hospitable, and charming and friendly people in Africa coined as "*The African Haven of Peace.*" It is therefore no surprising that for more than thrice, Tanzania has been voted as the best safari destination country in Africa.

3.4 Energy

Furthermore, Tanzania has ample resources for power generation ranging from hydro, geothermal, natural gas, coal, solar, wind, biofuel, and biomass. Again, the market is huge and the demand for power across countries is immense across countries there. Opportunities are also abundant in the energy sector notably, in power generation where Tanzania has the potential to become a power exporter to the region.

3.5 Manufacturing

Also, the manufacturing sector in Tanzania although is still relatively small but it has a significant contribution to the country's overall GDP. Over the past decade the sector has averaged 8% of GDP and a 4% annual growth rate.

Tanzania long-term development strategy is to transform from an agricultural economy to industrial-led economy using the abundant natural and agricultural resources that we do have in the country as raw materials.

Tanzania's industry is based on the processing of its agricultural goods and on import substitution—that is, the manufacture of products that were once purchased from abroad. The principal industries are food processing, textiles, brewing and cigarette production. Also, productions of cement, clothing, footwear, tires, batteries, bottles, steel mills and paper mills, take place as well.

You may wish to note that we are determined to become a manufacturing and a service hub for the region taking advantage of our geographic location. As such, the government has decided to put greater accent on building a strong industrial base. To this end, we have established the Economic Processing Zones (EPZs) and the Special Economic Zones (SEZs) as the steppingstones of industrial growth and services. I invite you to come to make full use of these readily available facilities for mutual benefit.

3.6 Service Sector

Service sectors on the other hand, is growing at unprecedented pace, contributing to economic development and connectivity. Apart from tourism as mentioned earlier is also **finance, trade and logistics, telecommunications, ICT, and transport sector.**

Tanzania doors are always open to welcome you to come and invest in these highly demanded services for your guaranteed and quick returns.

3.7 Blue Economy

Tanzania also, recognizes the role of the Blue Economy in promoting socio-economic development through better stewardship of the sea and related resources. This involves the utilization of maritime and marine resources to support inclusive and sustainable economic growth as well as creating employment opportunities. It has the potential to completely transform Tanzania's economy.

The entire Indian Ocean with 800 km coastline; and about 880 km length of both islands (Unguja and Pemba) has enormous marine resources and biodiversity with unlimited potential for development of a fishing industry.

For example, the 8th Government of Zanzibar has officially announced that it needs to focus on blue economy sector aimed at promoting economic growth, social inclusion, and improvement of Livelihoods of Zanzibaris while at the same time ensuring preservation of environmental sustainability of the oceans and coastal areas.

The sector has diverse components that include established traditional ocean industries such as fisheries tourism maritime transport and new emerging activities such as offshore renewable energy, aquaculture seabed extractive activities and many more.

4. WHY INVEST AND TRADE WITH TANZANIA

I wish to assure you that, Tanzania is ready and willing to do business with you and has everything that you need for your business. Moreover, Tanzania is a dedicated member of the International Centre for Settlement of Investment Dispute (ICSID) and Multilateral Investment Guarantee Agency (MIGA) of the World Bank.

- (i) Tanzania is a peaceful and politically stable nation.** It has enjoyed peace and uninterrupted political stability since

attaining independence from British colonial rule in 1961. Our country has not only enjoyed peace and stability since independence, but also, we have often-times facilitated peace processes within our region and beyond.

(ii) Attractive investment environment.

The Government of Tanzania has successfully undertaken structural economic reforms and embraced market economic policies. These, coupled with comprehensive macro-economic reforms have paid dividends. More importantly, the Government has put in place both institutional policy framework, investment laws and regulations which have created an attractive investment environment for both local and foreign investors across the full spectrum of our economy.

(iii) Tanzania borders.

Tanzania is a gateway to East and Southern Africa geographically and by virtue of being a member of the East African Community (EAC) with a market of about 177 million people and the South African Development Community (SADC) with a market of about 350 million people. It is one of the biggest countries in the region and it has good

connectivity with all its neighbors. Tanzania has three major ports in Dar es Salaam, Tanga and Mtwara that cater for the entire region.

As you may be aware, Tanzania is surrounded by eight countries of which, six of them, are land-linked and therefore they depend on Tanzania's ports for their imports and exports through the Indian Ocean.

(iv) Investment facilitation

The Government has simplified bureaucracy and has undertaken necessary economic liberalization measures to facilitate investors in the country. For instance, it now takes not more than three (03) working days (if all documents are in place) to register a company in Tanzania under the Tanzania Investment Centre (TIC).

The TIC is a one stop center that provides fast tracked services of about eleven government regulatory authorities related to investment. Through the TIC, investors can resolve all matters related to investment permits, licenses, and certificates in the shortest possible time. Also, Tanzania has well established Special Economic Zones (SEZs) and Export Processing Zones

(EPZs) that are intended to produce quality goods and services for both the local and export markets.

(v) Improving the investment and Business Environment in Tanzania

In complementing the legal and policy reforms, the Government has improved physical infrastructure that ideally provides conducive environment for investors to operate.

- The Government has invested heavily in the construction of the Standard Gauge Railway (SGR) which will connect the coastal and the hinterland economic zones of the country and the neighboring countries (Rwanda, Burundi, and the Democratic Republic of Congo).
- The construction of the Julius Nyerere Hydro Electric Plant is going very well, and it is expected that after completion, the power plant will double the amount of electricity and consequently cut the price of electricity by a half.
- The Government has opened in the recent past a new airport terminal (Terminal III) at the Julius Nyerere International Airport which serves as a gateway for domestic, regional, and international travel hence, giving investors assurance that they can invest and trade competitively.

(vi) Availability of basic infrastructure services.

The basic infrastructure services such as water, power, roads, rail, air transport and telecommunication are readily available at varying degrees countrywide.

At present, one is assured of electricity and more power generation is on the way. Equally important, most of key economic centres are well connected with good roads and more roads are being constructed. Again, telecommunication services are adequately available throughout the country and air transport to the country and within the country is satisfactory.

Conclusion

Dear Friends,

As I said at the beginning, Japan and Tanzania enjoy excellent bilateral relations. What we only need to scale up is translating these excellent relations between our two countries into economic benefits for our two peoples. I have explained to you some of comparative advantages that Tanzania can offer if you make a wise decision to trade with and invest in Tanzania.

Let me add, in closing, one more factor which I believe is very important, that is the political will. Her Excellency Dr. Samia

Suluhu Hassan, President of the United Republic of Tanzania is dedicated in making business environment in Tanzania free from corruption and other malpractices. In the two years since she took office, her 4Rs philosophy has been widely evident as a key driver of the achievements recorded so far. The 4Rs stand for Reconciliation, Resilience, Reforms, and Rebuilding, and serve as necessary tools in addressing contemporary issues affecting the country's social, political, and economic systems.

Under her philosophy, you can therefore be assured of not only a safest, reliable, secure, and conducive investment environment, but also an environment without unnecessary bottlenecks.

Let me end by welcoming you to Tanzania, the Land of Kilimanjaro and Spice Islands of Zanzibar, a beautiful Country, with lovely and friendly people. I can assure you one sure thing that you will never regret travelling to Tanzania, investing in Tanzania and trade with Tanzania.

Our doors are open in the whole government and our Embassy in Tokyo functions 24/7 for any enquiry that you may have.

I Thank you for your kind attention!

Domo Arigato Gozaimasu