



Invest in Tanzania: Investment Opportunities in Agriculture, Livestock and Fisheries

Presentation Made at the AGRF Deal Room 2020

9th September, 2020

Prepared by the ASLMs in collaboration with the TIC





Presentation Outline

- 1. Introduction**
- 2. About TIC**
- 3. Categories of investments projects**
- 4. Why Invest in Tanzania? Incentives to investors**
- 5. Investment Opportunities in the agriculture sector (crop, livestock and fisheries)**
- 6. Concluding Remarks-Take Away Points**



Introduction (1)

Tanzania aims to become an industrialized economy and logistics hub for Africa.

- To be a semi-industrialized country by 2025.
- The targets are, to increase the manufacturing sector's share of GDP to 18% of GDP by 2025, boosting its share of employment to 12.8% and ensuring that the manufacturing subsector provides 40% of all new job opportunities.
- Agriculture accounts for 28.7% of the GDP, employs 66.3% of the total population and contributes about 20% of the total export earnings.
- The government has set clear targets related to agro-industrialization.
- Agro-industrialization would enhance GDP and social benefits such as the creation of employment opportunities.

Introduction (2)

- **Key Strategic Documents Guiding Investments in the Agriculture Sector**

- **Agricultural Sector Development Program Phase 2(ASDP II)**

- Ten-year program to be implemented in two phases of five years
- Designed to propel socio-economic development and contribute to achieving semi-industrial economy by 2025 through agro-industrialization
- Transform the agricultural sector towards higher productivity, commercialization and value addition , raise income and wellbeing of about 9 ml. SHF, guarantee food and nutrition security.
- First five years estimated to cost USD 5.9 bln. o/w 60% private sector investments
- Implementation commenced 2018/19
- 14 priority CVC's

- **Tanzania Livestock Master Plan**

- Is a complementary to ASDP II setting out livestock specific interventions to meet targets on productivity, production in key livestock value chains

About Tanzania Agro-Industries Development Flagship (TAIDF)

- Designed to provide a framework to implement these government's aspirations on industrialization (from the agriculture sector point of view)
- Prepared by the ASLMSs has been approved by the Government (the Steering Committee of ASDPII)
- Framework for mobilizing and coordinating investments to the agro-industrialization
- The Goal of TAIDF is achieve enhanced structural economic transformation through improved agro-industry based growth. Specific Objectives of TAIDF are:
 - i. To expand and strengthen local agro-industry
 - ii. To contribute towards agriculture modernizations and intensification
 - iii. To enhance market opportunities for agricultural products
 - iv. To enhanced individual and institutional capacity to implement and sustain agro-industrialization efforts in the country



About the Tanzania Investment Center (TIC)

- TIC is mandated by the Government to champion the industrialization vision of the country by facilitating investors



TANZANIA INVESTMENT CENTRE (TIC) - CERTIFICATE OF INCENTIVES



COMPANY INCORPORATION, INDUSTRIAL & BUSINESS LICENSE - BRELA



RESIDENCE PERMIT CLASS A & B - IMMIGRATION DEPART



WORK PERMIT- CLASS A & B - MINISTRY OF LABOR



LAND DERIVATIVE RIGHT - MINISTRY OF LANDS



PRODUCT STANDARD CERTIFICATE - TBS



MEDICINES AND MEDICAL DEVICES - TMDA



TAXPAYER IDENTIFICATION NUMBER - TRA



ENVIRONMENT CERTIFICATE - NEMC



OCCUPATIONAL SAFETY & HEALTH - OSHA



NATIONAL IDENTIFICATION AUTHORITY - NIDA

Investment Categories

A. Normal Investors

Minimum capital requirement

Foreign investors - USD 500,000

Local investors – USD 100,000

B. Strategic Investors

Minimum capital requirement

Foreign investors - USD 50,000,000

Local investors – USD 20,000,000

There are some additional incentives to Strategic Investors

Strategic Investors Status

1. The amount of capital to be invested (normally above US\$ 50 million)
2. The contribution of the project in terms of creating employment opportunities
3. New and innovative technology to be introduced by the Prospective strategic investment project
4. The extent to which the Project brings capacity to manufacture products for export and the earning of foreign exchange
5. Whether the Investment is in the Special Economic Zone or Geographically disadvantaged regions

Why Invest in Tanzania?



The Most Favourable Investment Conditions



Peace & Political Stability

- ✓ Multiparty Democracy
- ✓ Good governance
- ✓ Stable post-election
- ✓ No civil wars



Economic Stability

High growth
Low inflation
Resilient economy



Rich Natural Resources

Arable Land,
Natural gas,
Extractives,
Tourist Destinations,
Labour force



Investment Guarantees

BIT' s
BTA' s
MIGA
ATIA
ICSID



Strategic Location

*Serves 6 LLC
*3 major Port
*3 International Airports



Access to Markets

EAC: 177 mil.
SADC: 342mil
TFTA: 650mil
AGOA: US (6,000 items)
EBA: EU





Fiscal Incentives

Exemption on Project Capital goods

Zero Import Duty on capital goods.
Zero Import Duty on raw materials

Tax Relief on Deemed Capital Goods

Import Duty exempted by 75%

Manufacturing of pharmaceuticals or leather products

*Reduced corporate tax to 20%
for the first 5 consecutive years*

Capital Allowance

1. Agriculture – 100%
2. Mining - 20% (first 5 years)
3. Hotels - 50%
4. Fish farming - 50%
5. Tourist services – 50%

Depreciation Allowance

*5% - 37.5% depending on the class of
the depreciable asset*

Assembly of motor vehicles, tractors, fishing boats or out boat engine

Reduced corporate tax to 10% for the
First 5 consecutive years



Non Fiscal Incentives

Automatic Immigration Quota:

Initially 5 expatriates during project implementation

Unconditional (Free repatriation) transferability of funds:

Transfer of funds is allowed through any authorized bank in freely convertible currency of:

Net profits, Repayment of foreign loans, Royalties, Remittance of proceeds and Payment of emoluments, etc.

Access to Land for Investment Purposes:

Foreigners can acquire Land for through TIC's derivative title.



INVESTMENT OPPORTUNITIES IN AGRICULTURE SECTOR



Priority Commodity Value Chains for ASDP II in Agro-Ecological Zones/ clusters

Commodity	Strategic Objective for the value chain	Priority AEZ
Maize	Tanzania becomes a major maize exporter in the region. Based on recent trends, Tanzania should aim to be exporting over 500,000 t of maize each year, mainly to neighbouring countries.	Southern Highlands West and south-west Northern highlands
Rice	Tanzania achieves self-sufficiency in rice production (and starts to export these grains (potential to become a regular exporter)	East All irrigated
Oil Crops	Tanzania food oil self-sufficiency (reducing by 50% dependence on palm oil imports)	Semi-arid (N) (sunflower) Semi-arid (S) (sesame/sim sim)
Milk	Tanzania substitutes 25% of its milk product imports by local production	Tanga Peri-urban
Meat	Satisfy local demand and export quality meat (Middle East)	Arid Semi-arid West & Southern Highland
Horticulture	fruits and vegetables). Production for consumption & export	All peri-urban areas & highlands
Traditional cash crops (cashew, coffee, sisal etc.)	Increased export quantity and quality	Lake zone, Coastal zone, Northern Highlands, Southern Highlands
Goat and chicken products.	Contribute to improved HH FS/ nutrition and farm revenues	All AEZ
Fish	Become major fish producers and exporter along the coast of Indian ocean. Making sure that, fishing activities is sustainably done and contribute to livelihood of fishers and GDP	Major lakes, (Victoria, Tanganyika, Nyasa and Rukwa). Also rivers and coast of the Indian ocean waters

Prioritized Investment Opportunities in Agriculture, Livestock And Fisheries being Promoted in the AGRF 2020 Deal Room





Investment Opportunities –Edible Oils



Edible Oils include: Edible oil crops (sunflower, groundnut, sesame, and palm oil)

Key facts

- Imports: US\$ 294 million (2016)
- Annual Demand: 570,000 tonnes
- Annual Supply: 180,000 tonnes
- Current Gap: 390,000 tonnes
- Demand forecast: 700,000 tonnes (2030)

Opportunities

- Large scale farming of oil seeds to address supply gap
- Establishment of oil seeds processing facilities
- Establishment of refineries.





Cotton and Textile



Key facts

- Tanzania is one of the largest cotton producers in Africa, with about half a million farmers growing cotton in 13 regions
- Seed cotton yield: 283,600 (five years average).
- 80% of produced cotton exported in raw form.
- Low cost labour

Opportunities

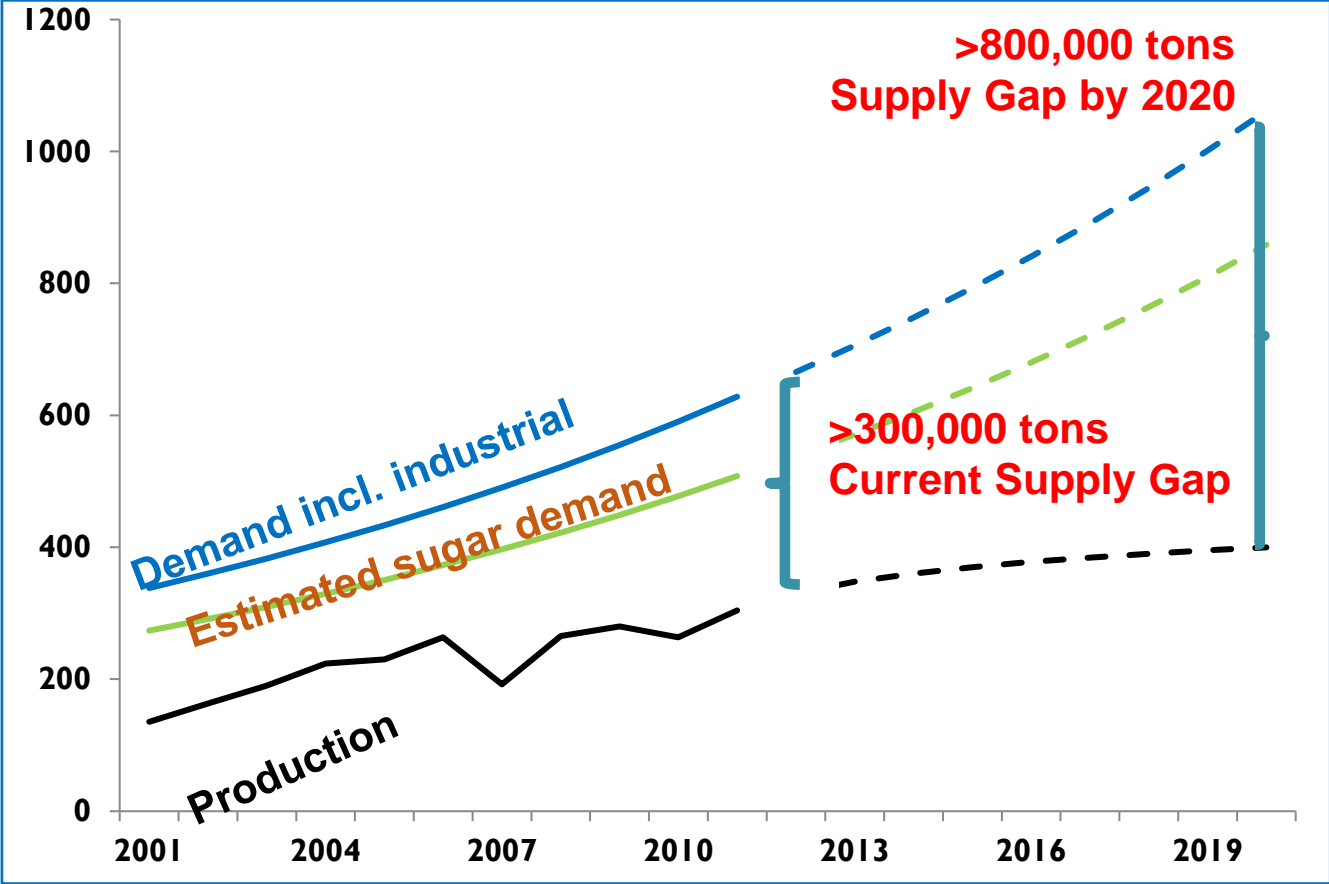
- Value addition from field to factory
- Ginning, spinning and weaving
- Textile
- Garments





Investment Opportunities – Cane Sugar Production

More than 300,000 tons sugar deficit in Tanzania



- ❑ Current production is 320,000 tons (full capacity).
- ❑ Highest average cane yields in the world, at 120 tons/ha (good soils and climate).
- ❑ Rainfall and generous rivers and best irrigation potential.
- ❑ Suitable Soil and topography.

- Per capita consumption to increase
- High increase in demand relative to supply capacity
- Current production could peak to 400,000 tons by 2020

Source: Sugar Board of Tanzania, Illovo, Mtibwa, TPC, FAO

Investment Opportunities – Production of Certified Seeds

Key facts

- Availability (2019/2020): 76,725.52 tones
- Annual Demand: 187,000 tonnes
- Local Supply : 69,173.17 tonnes
- Import: 7,552.35 tonnes
- Traditional seed (uncertified) 110,274.48 tones

Opportunities

- Large scale farming for seeds multiplication



Investment Opportunities –Chemical Fertilizer Industries

Key facts

Name	Local Production (tonnes)	Imports (Tonnes)	Balance from year 2018/2019	Total Availability	Demand for 2019/2020
Urea		176,132	41,839	217,970	219,305
ther N		5,240		5,240	
DAP		81,557	43,310	124,867	159,361
NPK _s		87,627	26,240	113,867	75,292
SA		21,020	33,253	54,273	28,033
CAN		51,367	17,132	68,499	74,008
MoP		4,572	4,174	8,745	1,978
Minjingu	22,135		889	23,024	23,745
Others		12,906	1,562	14,531	4,881
Lime	1,133		300	1,433	
Dolomite	120		106	226	
Gypsum	452		70	522	
Total	23,903	440,421	168,874	633,197	586,604

Available Raw materials

- Natural gas
- Phosphates

Opportunities

Investment in Chemical Industries (Fertilizer production)



Livestock and Leather Industry



Key facts

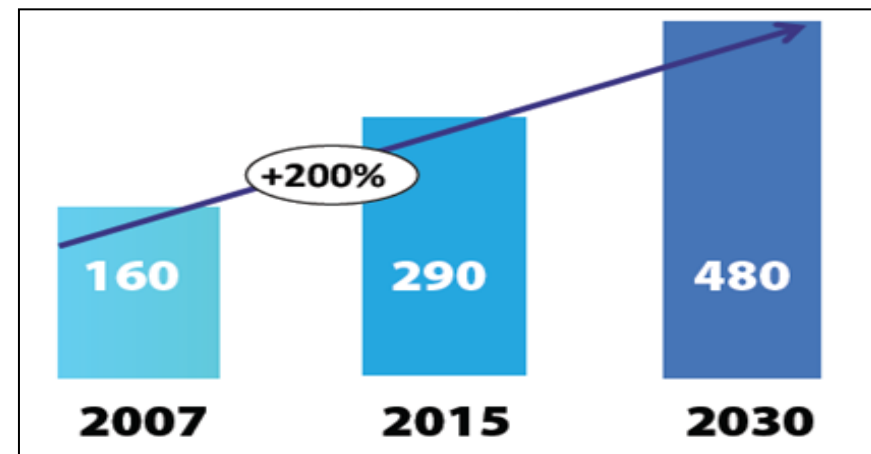
- **3rd** largest livestock population in Africa (**2017**)
- Potential for 4.0Mil hides and 6.1Mil skins, annually. (**2.8m hides, 4.8m skin**)
- About **50 Mil Ha** of Ranch land

S/N	ANIMAL	AMOUNT
1	Cattle	33.4 Mil
2	Goat	21.14 Mil
3	Sheep	5.65 Mil
4	Chicken	83.28 Mil
5	Pig	2.14 Mil

Opportunities



Projected Demand for Local Meat (,000Tons)



Investment Opportunities – Beef Cattle Production

- THE NATIONAL RANCHING COMPANY (NARCO) owns a total of 519,453 hectares of land .
- NARCO operates a total of 8 ranches from 7 regions of mainland Tanzania.
- Potential Public Private Partnerships in Ranching

NAME OF RANCH	AREA (HECTARES)	LOCATION	LIVESTOCK POPULATION			FULL RANCH CAPACITY
			CATTLE	SHEEP	GOAT	
1 KONGWA	38,000	DODOMA	8,032	118	768	100,000
2 MZERI	21,236	TANGA	3,400	200	349	60,000
3 RUVU	43,000	PWANI	3,762			120,000
4 MKATA	19,446	MOROGORO	0			35,000
5 KIKULULA	42,083	BUKOBA	8,730			150,000
6 MISSENYI	23,998	BUKOBA	7,309			68,466
7 WEST KILIMANJARO	19,910	KILIMANJARO	967	772		60,000
8 KALAMBO	23,588	RUKWA	1,733	25	35	80,000



Fishing and Aquaculture



Key facts

- Freshwater coverage: 54,337sq.km (6.1 % of surface area)
- Territorial Sea: 64,000 sq.km.
- Exclusive Economic Zone (EEZ): 242,000sq.km
- Coastline: 1,424 km along Indian Ocean.

Investment Opportunities

- Fishing ports and fishing in the EEZ.
- Fish processing and fishing boat building yards.
- Commercial fish farms in marine and freshwater areas.





Additional Investment Opportunities in Fisheries

- ❖ Fish processing plants
- ❖ Fishery gears manufacturing (nets, boats etc)
- ❖ Ecotourism along the beach
- ❖ Fishing of Ornamental fish
- ❖ Mari culture- (Aquaculture, Sea weed + intercropping)
- ❖ Cold chain facilities (transportation and storage)
- ❖ Fishing Infrastructure (Fishing ports, Cold Chain, Fishing Boats and Vessels)
- ❖ Fishing Labs (Nyegezi in Mwanza, Branch in Dar es salaam)
- ❖ Supporting Protection Units



Investment Opportunities in Zanzibar

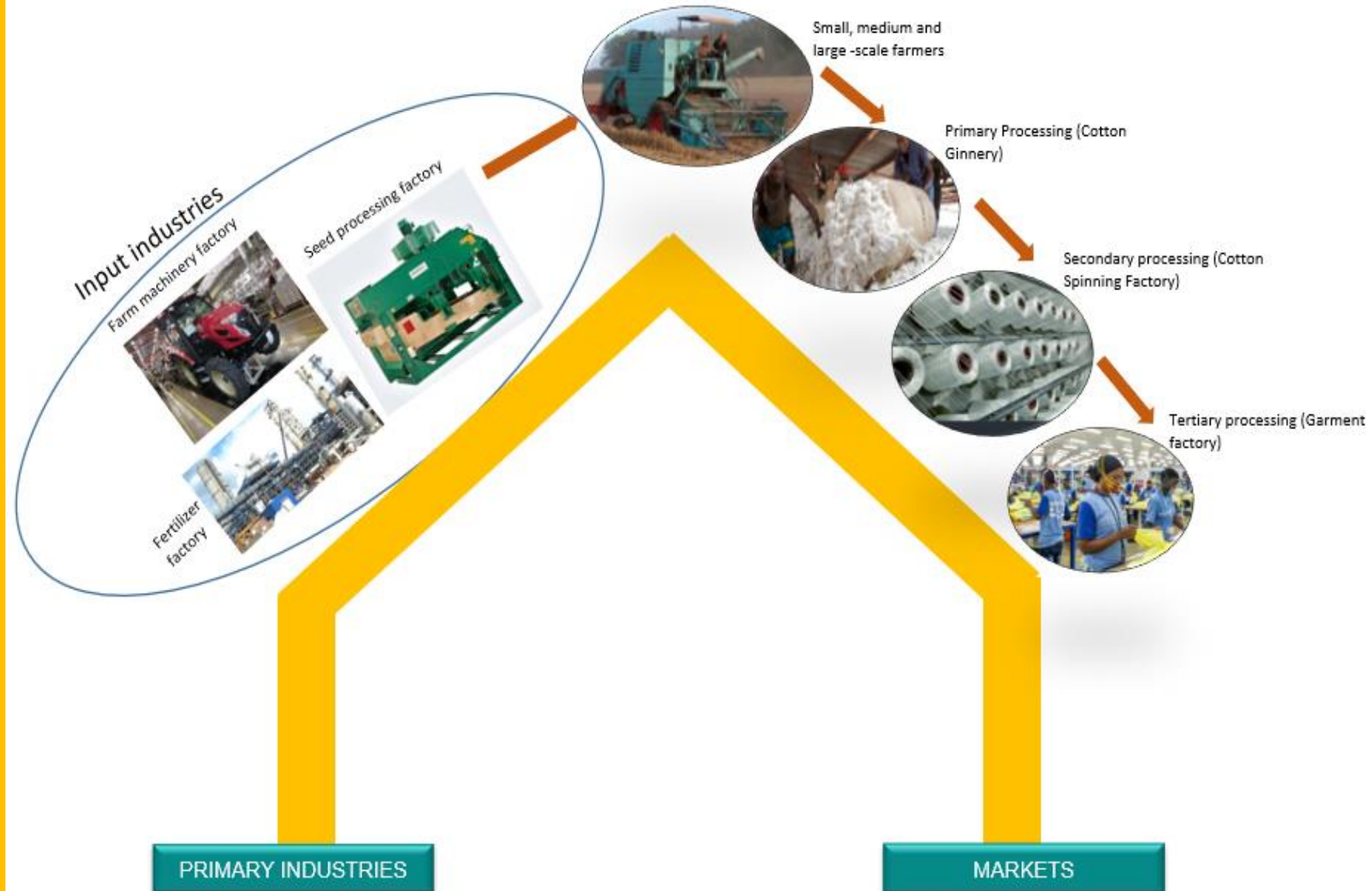


1. Deep Sea Fishing
2. Fish Farming
3. Crop Production
4. Fish Processing and canning
5. Essential Oils
6. Horticulture
7. Spices



Concluding Remarks-Take Away Points

1. Investors are cordially welcome to invest in Tanzania
2. We invite agro-investments along the value chains from input production, agriculture production, agro-trade and agro-processing
3. Government is keen to see the agriculture sector contribute to the country's industrialization agenda
4. The Government encourage Investment in agro-industry for production of **agriculture inputs** and **agro-processing**





THANK YOU FOR YOUR ATTENTION!

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