

High Commission of India
Dar es Salaam

Note on Trade and Investment Opportunities in Tanzania

- (i) Pharmaceutical:** Tanzanian authorities have been seeking collaborations with international pharmaceutical companies to promote the local manufacturing of medicines. Indian generic drug makers are encouraged to establish production facilities in Tanzania. The semi-autonomous region of Zanzibar is offering 5-10 year tax holidays for Indian pharmaceutical companies in this respect. Tanzania, through its Medical Stores Department (MSD) pool-procures pharmaceuticals for the 16-member SADC bloc; this also becomes potential market for the Indian pharma sector.
- (ii) Power/electrical equipment & items:** Tanzania's industrialization and village electrification policies which accompanied by a mega Hydroelectric Power Station, which is 2,115 megawatts to be operational by 2022 and add-up to 5,000 megawatts in the national grid. Tanzania intends to see the whole country, rural and urban connected to electricity by 2025 will raise a great demand for electrical equipment & apparatus as well as electronic items. There is a great potential for Indian exporters to export these products.
- (iii) Mining & minerals processing:** Tanzania emphasizing on value addition in the minerals before exporting. Minerals found in Tanzania are gold, silver, iron, base metals (copper, nickel, cobalt, tin, lead) and Platinum Group Metals (PGM) including Rare Earth Elements (REE), coal, uranium, diamond as well as varieties of coloured gemstones (including Tanzanite, Ruby etc.), limestones, graphite, kaolin, kyanite, magnesite, phosphate and gypsum. Indian companies are encouraged to invest in minerals processing.
- (iv) Agro-processing & Leather:** The government encourages manufacturing/processing of products for local consumption and before export such as cashew nut, pulses, cotton, cassava, sisal, edible oils and leather products. There are immense opportunities for Indian companies to invest in these sectors in Tanzania and enjoy tax incentives and region free trade zones of EAC, SADC and COMESA. Indian companies should also consider setting up independent production units or Joint Ventures in Tanzania or appoint Agents. Setting up of small and medium Rice Mills, oil seed plants, consumer goods manufacturing plants and

packaging materials have good potential as well as export of machinery etc.

- (v) Automobiles:** Tanzania is improving roads/transportation network in rural and urban areas, and also modernizing agriculture. In this regard Vehicles-two-wheeler, three-wheeler, buses, trucks, tractors (especially portable tractors), construction vehicles, heavy machinery, spare parts etc. have a good potential. Indian companies can also consider setting up automobile assembly units for passenger cars, 2 & 3 wheelers, buses, tractors & trucks, as well as units for local manufacturing of automobile spares.
- (vi) Chemicals & Agro-chemicals:** Laboratory chemicals & equipments, agro-chemicals, fertilizers, pesticides etc. Since the government of Tanzania started implementing a fee-free basic education policy, enrollment has increased in secondary schools and colleges. The needs for teaching/learning apparatus including laboratory chemicals & equipments, surgical diagnostics kit, laboratory reagents etc., are in great demand. Agriculture is contributing more than 25 percent of Tanzania's GDP and more than 75% of Tanzanians live in rural areas and depending on agriculture. Tanzania is also a food basket for neighboring countries. Agro-chemicals have a great potential for export.
- (vii) Construction & Services:** Tanzania's government has appealed to local and international investors to put up high-end hotels and various other accommodation facilities in the new capital, Dodoma. There is great potential in export of ceramics and sanitary ware to Tanzania at an affordable price. In this sub-sector, there is a great potential for export of construction/building materials including ceramics and sanitary wares. Hospitality services are also in demand in Tanzania.
- (viii) Petroleum products:** Tanzania is a net importer of petroleum products. Petroleum products supply in Tanzania has been conducted through a Bulk Procurement System (BPS). Indian suppliers of petroleum products are encouraged to participate in the competitive bidding process with tenders being floated by Petroleum Bulk Procurement Agency (PBPA).