

📍 CAPITAL CITY: DODOMA



CFC COUNTRY FACTSHEET: Tanzania

Tanzania has experienced strong growth in recent years, with an average growth of 6.3% in the last decade, thanks to a high level of exports in natural resources, developments in the tertiary sector (telecommunications, transportation, finance, tourism) and the establishment of a liberalization program.

Tanzania has an ambitious industrialization plan to transform into a middle-income economy by 2030. Energy and transportation infrastructure sectors must become more reliable and efficient if Tanzania is to reach this goal.

Investors are drawn to the country's commitment to implementing sound macroeconomic policies, its efficient privatization program and abundant natural resources. However, low levels of industrial development, environmental concerns, lack of transparency and poor compliance with legislation are barriers to investment.


Key Facts




POPULATION
 64.8 Million (2023)


CURRENT GDP
 US\$ 68 Billion (2021)


UPCOMING ELECTIONS
 2025


PRIMARY EXPORT
 Gold
 US\$ 3.14 billion (2021)


INTERESTS & CURRENCY
EXCHANGE RATES

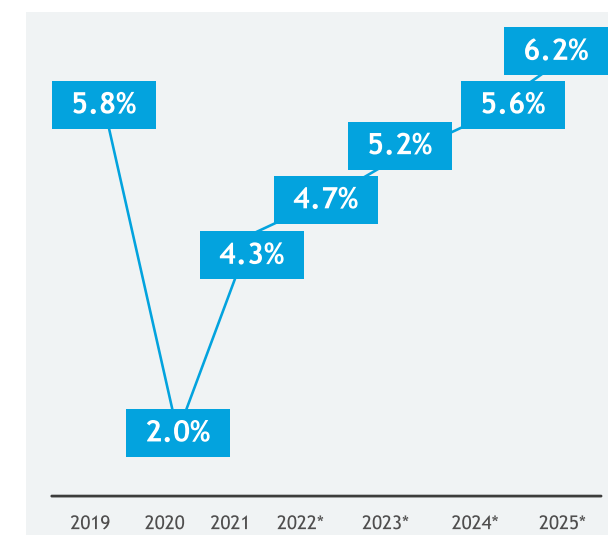
Current Bank
Rate : 5%

Currency
Tanzanian shilling (TSh/TZS)

USD 1 = TZS 2301.86 **EUR 1 = TZS 2536.88**

Bank of Tanzania, May 2023

GDP GROWTH



Source : World Bank Data, IMF

4.3%	Inflation (April 2023)	US\$ 922 million	FDI (Net Inflows) (2021)
2.6%	Unemployment rate (2021)	66 YEARS	Life expectancy (2023)
2.3%	Demographic growth (2020)	US\$ 1099	GDP per capita (2021)
-3.4%	Current account (2021)	82%	Literacy Rate (2022)

Source : World Bank Data, IMF

Attractive Industries in Tanzania?

Tanzania has several attractive industries that offer potential investment opportunities.



Mining: Tanzania is rich in mineral resources such as gold, diamonds, tin, and nickel. The government has implemented policies aimed at attracting investment in the mining sector.



Agriculture: Tanzania has a diverse range of agricultural activities. The government is keen on promoting agriculture as a key driver of economic growth.



Tourism: Tourism is one of Tanzania's leading foreign exchange earners and accounts for about 24% of its exports and 17% of its GDP. It is a fast-growing sector that offers plenty of investment opportunities.



Leading Companies in Tanzania

1. CRDB Bank (FS)
2. DCB Commercial Bank (FS)
3. Swala Oil and Gas (Oil & Gas)
4. Jatu Plc (Agri business)

As a foreigner, do I need a work permit ?

All foreign nationals taking up employment in Tanzania must obtain both residence and work permits.

In December 2022, the government has updated rules for foreign investors registered with the Tanzania Investment Centre as per the updated Investment, **there is no longer a limit on the number of work and residence permits that can be granted to new investors.**

What is the tax regime in Tanzania?

The standard corporate tax rate is **30%**

Newly listed companies with at least **30%** of their equity ownership issued to the public are taxed at a reduced corporate tax rate of **25%** for **3** consecutive years from the date of listing.

Withholding tax (WHT):

Description of Payment	Rate for Resident	Rate for Non Resident
(i) Dividends from the Dar es salaam Stock Exchange listed corporations	5%	5%
(ii) Dividend from resident corporation to another resident corporation where the corporation receiving the dividend holds 25% or more of the shares in the corporation	5%	NA
Dividends from other corporations	10%	10%
Interest	10%	10%
Royalties	15%	10%

Personal income tax rate:

The individual tax rates are progressive from **0%** to **30%**. Non-residents are taxed on their Tanzania-source employment income at a rate of **15%**, which is a final tax.

Value Added Tax:

The **standard rate of VAT is 18%**.

Exports of goods and services are subject to a zero rate of VAT, subject to certain conditions.

Tax treaties

Tanzania has concluded tax treaties with the following countries

COUNTRY	DIVIDENDS	INTEREST	ROYALTIES
Canada	20%/25%	0%/15%	20%
Denmark	15%	12.5%	20%
Finland	20%	15%	20%
India	5%/10%	10%	10%
Italy	10%	12.5%	15%
Norway	20%	15%	20%
South Africa	10%/20%	10%	10%
Sweden	15%/25%	15%	20%
Zambia	0%/D	D	D

Investment incentives offered in Tanzania

Tanzania Investment Centre (TIC)

The TIC was established to act as a “go to” center for investors and to coordinate, encourage, promote, and facilitate foreign direct investment in Tanzania. One aspect of the eligibility criteria for the center is a minimum capital threshold of **US\$50,000** for locals and **US\$500,000** for foreigners.

Strategic investor incentives

The Tanzania Investment Act provides that a relevant minister can identify an investment as a “strategic” or “major” investment. In doing so, the minister, in consultation with the Finance Minister, can issue a gazette notice setting out specific incentives to be granted to the “strategic investor” or the “special strategic investor”.

A special strategic investor is one whose investment is at least **US\$300 million**, while a strategic investor is one whose investment is at least **US\$20 million** for local investors, and at least **US\$50 million** for foreign investors.

Tanzania's International Membership

- Southern African Development Community
- East African Customs Union
- East Africa Community (**EAC**)
- African Growth and Opportunity Act beneficiary country
- African Development Bank
- Commonwealth of Nations
- G-77
- WTO
- African Union (**AU**)



Useful Links / Sources



1. [Tanzania Investment Center](#)
2. [Bank of Tanzania](#)
3. [African Markets](#)
4. [World Bank](#)
5. [Deloitte Africa Fiscal Guide](#)