

**High Commission of India
Dar es Salaam**

No. Dar/Com/201/1/2009

19 October 2009

Economic and Commercial Report for the month of September 2009

1. Gross Domestic Product: Tanzania's GDP growth for the year 2007 was estimated at 7.3%, 2008 was 7.7% and projected growth for 2009 is 7.8%, compared to the 6.2% in 2006 and the 6.9% in 2005.

Tanzania's GDP:	Purchasing power parity	US\$ 56.22 billion (2008 est.)
	Per capita (ppp)	US\$ 1,400 (2008 est.)

2. Budget Trend 2006 – 2009

(Exchange Rate: US\$ 1 = Tshs.1,000)

Fiscal Year	Total budget		Re-current Expenditure		Development Expenditure		
	Tshs (trillion)	App. US\$ (billion)	Tshs (trillion)	App. US\$ (billion)	Tshs (trillion)	App. US\$ (billion)	%
2006/7	4.8	4.8	3.1	3.1	1.7	1.7	(35%)
2007/8	6.0	6.0	3.866	3.866	2.2	2.2	(36%)
2008/9	7.2	7.2	4.726	4.726	2.4	2.4	(33%)
2009/10	9.51	9.51	6.69	6.69	2.2	2.2	(29%)

3. Rate of Inflation: The annual inflation rate in the month of July 2009 decreased to 10.9% compared to 10.7% in June 2009 and 9.5% in July 2008. Annual food inflation decreased to 16.9% in July 2009 compared to 17.0% in June 2009 and 11.2% in July 2008. The annual non-food inflation increased to 1.9% in July 2009 compared to 1.0% in June 2009.

4. Exchange Rate: The end-period exchange rate of the Tanzanian shilling (TSh) was TSh 1,324.63 per US dollar in July 2009 from TSh 1,324.45 per US dollar recorded in June 2009, and TSh 1,168.49 per US dollar in July 2008.

5. External Debt: Tanzania's external debt was US\$ 7,071.9 million at the end of July 2009, compared to US\$ 6,999.4 million registered at the end of previous month. Out of the total external debt stock, US\$ 5,483.0 million (78.3%) was disbursed outstanding debt and the remaining balance of US\$ 1,534.4 million (21.7%) was interest arrears. During July 2009, external debt service payments amounted to US\$ 6.0 million, out of which principal payment was US\$ 3.2 million and interest payment amounted to US\$ 2.8 million.

6. Current Account Balance: On a year-to-year basis, Tanzania's current account deficit for the year ending July 2009 was US\$ 2,297.5 million, a decrease of 16.8% compared with a deficit of US\$ 2,762.0 million for the year ending July 2008, owing to a significant increase in the official current transfers. During the review period, imports outweighed the marginal increase in exports of goods and services: while imports increased by 2.2% to US\$ 7,571.6 million, exports recorded a decrease of 0.2% to US\$ 4,340.2 million.

7. Strategic Grain Reserves: According to official estimates, Tanzania's strategic grain reserve was about 88,841 tons at the end of July 2009, compared to 94,699 tons recorded in June 2009. On annual basis the SGR stock increased by 17.8% from 75,438 tons recorded in July 2008, this mainly due to purchase of grains from domestic market to replenish food reserves.

8. Tanzania's revenue collection: Tanzania's monthly revenue collections increased to Tsh 331.7 billion (App. US\$255 million) July 2009 compared to Tsh 147 billion (App. US\$90.5 million) in December 2005 when the Kikwete government took office.

9. Foreign Trade: Latest available figures pertaining to export and imports of merchandise goods are given below (source-Bank of Tanzania):

(Figures in millions of US Dollar)

Item	2005	2006	2007	2008	Year ending July		% annual change
					2008	2009	
Exports	1,462.81	1,686.7	2,006.6	2,608.5	2,392.7	2,491.8	4.1% increase
Imports	2,839.08	3,864.1	4,826.9	6,327.9	5,912.1	5,917.3	0.1% increase
Trade deficit	1,376.29	2,177.4	2,820.4	3,719.4	3,519.4	3,425.6	2.7% decrease

[Source: Bank of Tanzania]

10. Trade with 10 major countries as of December, 2008

Tanzania's principal export destinations: Switzerland, China, Kenya, South Africa, and India-fifth largest importer.

Tanzania's exports (US\$ millions)

country	Tanzania's exports 2004	Tanzania's exports 2005	Tanzania's exports 2006	Tanzania's exports 2007	Tanzania's exports 2008	Tanzania's exports July 2009
Switzerland	29.79	115.64	242.24	422.53	616.80	291.20
China	71.16	92.14	115.54	156.35	262.78	247.70
Kenya	84.51	80.03	85.05	106.38	233.17	115.73
South Africa	114.99	278.34	159.49	190.59	232.51	96.09
India	101.69	64.18	56.56	78.65	171.82	98.13
Netherlands	60.33	96.89	81.83	98.31	157.89	65.09
Japan	64.97	71.88	65.87	63.43	146.54	111.82
DRC					124.04	53.80
Italy					67.33	37.23
Germany	33.24	77.81	101.09	97.90	65.89	24.93
UAE	17.70	35.16	38.06	89.26	65.78	35.27
United Kingdom	469.65	119.97	47.20	29.47	64.80	17.30

[Source: Tanzania Revenue Authority]

Tanzania's trade in services

11. In July 2009, Tanzania's export of services increased slightly to US\$ 171.5 million compared to US\$ 139.7 million in the previous month mainly due to an increase in travel earnings during the peak tourist season which runs from July through September. For the year ending July 2009, services receipts decreased by 5.6% over the previous year's level to US\$ 1,848.5 million following a significant drop in transportation receipt.

(Figures in millions of US Dollar)

Item	2004	2005	2006	2007	2008	Year ending July		% annual change
						2008	2009	
Service Exports	944.1	1072.7	1,446.4	1,697.0	1,998.5	1,957.9	1,848.5	5.6% decrease
Service Imports	972.1	1162.9	1,282.1	1,479.4	1,633.0	1,499.7	1,654.2	10.3% increase
Service trade balance	-28.0	-90.2	+164.3	+217.6	+365.5	+458.2	+194.2	57.6% decrease

[Source: Bank of Tanzania]

12. Tanzania's principal import sources as of December, 2008: UAE, India (Second largest import source), South Africa, China, Singapore, and Japan.

Tanzania's Imports (US\$ millions)

country	Tanzania's imports 2004	Tanzania's imports 2005	Tanzania's imports 2006	Tanzania's imports 2007	Tanzania's imports 2008
UAE	186.56	205.54	500.11	781.68	891.17
India	218.29	191.21	237.02	512.41	859.73
South Africa	282.99	403.52	545.72	593.12	790.99
China	173.21	223.62	308.40	415.82	711.83
Singapore			13.41	254.29	438.36
Japan	182.44	209.77	250.78	262.44	342.91
Saudi Arabia	54.45	43.82	252.81	220.88	257.72
Germany	76.07	89.59	151.41	156.09	210.63
Netherlands					209.80
United States			121.21	186.99	200.45
Kenya	131.47	173.12	154.53	101.45	197.92
United Kingdom	111.43	124.54	157.18	171.31	165.04
Switzerland			64.93	254.56	137.76
Bahrain	insignificant	78.03	407.54	171.93	43.72

[Source: Tanzania Revenue Authority]

13. Tanzania's principal import sources as of July, 2009: (India is leading)

Tanzania's Imports (US\$ millions)

country	Tanzania's imports 2004	Tanzania's imports 2005	Tanzania's imports 2006	Tanzania's imports 2007	Tanzania's imports 2008	Tanzania's imports as of July 2009
India	218.29	191.21	237.02	512.41	859.73	389.29
UAE	186.56	205.54	500.11	781.68	891.17	380.41
South Africa	282.99	403.52	545.72	593.12	790.99	368.86
China	173.21	223.62	308.40	415.82	711.83	340.11
Japan	182.44	209.77	250.78	262.44	342.91	234.56
Kenya	131.47	173.12	154.53	101.45	197.92	163.00
Germany	76.07	89.59	151.41	156.09	210.63	143.60
United Kingdom	111.43	124.54	157.18	171.31	165.04	111.13
Saudi Arabia	54.45	43.82	252.81	220.88	257.72	110.55
Singapore			13.41	254.29	438.36	102.55

[Source: Tanzania Revenue Authority]

14. The principal export commodities

(Values in US\$ million; figure in bracket indicates % share of the commodity)

Item	2005	2006	2007	2008	Year ending July		<u>% annual change</u>
					2008	2009	
Gold	641.7 (41.9%)	737.1 (43.7%)	762.9 (38.0%)	898.8 (32.5%)	947.7	838.4 (33.4%)	-11.5
Manufactured goods	156.06 (10.2%)	195.6 (11.6%)	309.2 (15.4%)	595.1 (21.5%)	492.0	571.8 (22.7%)	16.2
Fish & Fish Products	146.88 (9.6%)	138.3 (8.2%)	137.7 (6.9%)	142.0 (5.1%)	148.9	134.2 (5.3%)	-9.9
Cotton	111.69 (7.3%)	55.7 (3.3%)	66.4 (3.3%)	115.5 (4.2%)	91.7	127.8 (5.1%)	39.3
Tobacco	81.09 (5.3%)	65.8 (3.9%)	72.8 (3.6%)	108.2 (4.0%)	59.6	143.3 (5.7%)	140.4
Coffee	74.97 (4.9%)	60.7 (3.6%)	98.1 (4.9%)	100.1 (3.6%)	83.7	121.4 (4.8%)	45.1
Vegetable & oil seeds	62.73 (4.1%)	47.2 (2.8%)	214.2 (5.0%)	283.5 (7.6%)	241.1	267.4 (0.9%)	10.9
Other Minerals	50.49 (3.3%)	50.6 (3%)	94.6 (6.2%)	65.2 (3.2%)	40.0	30.8 (1.7%)	-22.8
Cashew nuts	45.90 (3%)	38.8 (2.3%)	13.2 (0.7%)	40.2 (1.5%)	56.3	48.6 (1.9%)	-13.7

[Source: Bank of Tanzania]

15. The principal import commodities

(f.o.b Values in US\$ million; figure in bracket indicates % share of the commodity)

	2005	2006	2007	2008	One year period ending July		% annual change
					2008	2009	
Other Consumer Goods	585.42 (22%)	602.8 (15.6%)	793.3 (7.0%)	966.7 (5.0%)	924.3	965.7 (16.3%)	4.5
Machinery	532.20 (20%)	722.4 (18.7%)	842.2 (19.4%)	1,221.8 (21.6%)	1,056.6	1,246.3 (21.1%)	18.0
Oil	510.91 (19.2%)	1146.5 (29.7%)	1,505.3 (34.7%)	1,798.4 (31.9%)	1,721.5	1,455.1 (24.6%)	-15.5
Transport equipment	290.05 (10.9%)	374.8 (9.7%)	479.9 (11.1%)	776.4 (13.8%)	686.8	756.4 (12.8%)	10.1
Building & construction equipment	258.12 (9.7%)	338.0 (8.7%)	416.6 (9.6%)	609.8 (10.8%)	527.1	576.1 (9.7%)	9.3
Industrial raw materials	255.46 (9.6%)	376.5 (9.7%)	428.7 (9.9%)	522.0 (9.2%)	568.7	463.1 (7.8%)	-18.6
Food & foodstuffs	167.64 (6.3%)	249.2 (6.5%)	301.3 (7.0%)	285.0 (5.0%)	290.3	356.0 (6.0%)	22.6
Fertilizers	63.86 (2.4%)	53.9 (1.4%)	59.1 (1.4%)	147.9 (2.6%)	136.8	98.6 (1.7%)	-27.9

[Source: Bank of Tanzania]

16. India-Tanzania Bilateral Trade

India's exports **US\$ 512.40 million in 2007**, representing about 116% increase from US\$ 237.0 million in 2006; while in 2008 it stood at US\$ 859.73. Imports from Tanzania were **US\$78.65 Million** in 2007 compared to US\$56.56 million in 2006; in 2008 it stood at US\$171.82. **Principal commodities: Exports** –Petroleum products, iron & steel, pharmaceuticals, engineering goods, motor vehicles, cotton textiles, electric apparatus, Organic Chemicals, consumer goods, garments; **Imports** – raw cashew nuts, gemstones, raw cotton, pulses, timber.

(Figures in million US dollars)

	2002	2003	2004	2005	2006	2007	2008	2009 As of July
Imports from India	106.8	169.5	218.3	191.2	237.0	512.40	859.73	389.29
Exports to India	64.4	73.2	101.7	64.2	56.6	78.65	171.82	98.13
Trade Volume	171.2	242.7	320.0	255.4	293.6	591.05	1,031.55	487.42
Trade Balance in favour of India	42.4	96.3	116.6	127.0	180.4	433.75	687.91	291.16

[Source: Tanzania Revenue Authority]

Major categories of service trade

Exports

17. Tourism: For the one-year period ending July 2009, Tanzania's service receipts in the tourism sector amounted to US\$1,181.5 million compared with US\$1,204.8 million in the year ending July 2008.

18. Transportation: During the year ending July 2009, transportation receipts decreased to a total of US\$324.7 million compared with US\$ 380.6 million in the previous year.

Imports

19. On annual basis, service payments increased by 10.3% to US\$ 1,654.2 million in the year ending July 2009, largely due to increase in payments of freight, and travel services.

Major investments in Tanzania

20. Tanzania Investment Centre (TIC) in 2008 registered 871 projects worth US\$6,680 million (Tsh8.6 trillion), creating 109,521 jobs in the year. 450 projects were wholly owned by local investors while 213 projects were joint ventures. In 2007, the centre registered 701 projects worth US\$5,715 million (Tsh7.35 trillion) which created 103,958 jobs in the year. The United Kingdom continued to lead among countries with more investment in 2007 with 59 projects; China 40; USA 27; Kenya 25; Germany 21; South Africa 19; Netherlands and **India 16 projects** each. In terms of value India is the second (US\$1,016 million) while the United Kingdom is leading (US\$1,055.25 million). Major areas of investment were: tourism, natural resources, energy, manufacturing, telecom, banking and insurance, transportation and infrastructure.

Target sectors which TIC promotes for investment are agribusiness, extractive industries, infrastructure and tourism. In the agribusiness sector, in addition to traditional crops are horticulture, floriculture, fish and aquaculture, sugar ethanol, palm oil and jatropha, pyrethrum and Artemisia as well as organic cotton. Another area that the TIC is interested to attract FDI is that of setting up Import substitution industries. Such as fertilizer production plants, agricultural machinery plants, and other farm implements such as tractors and ploughs. Establishment of factories for packaging material for various agricultural commodities is highly encouraged and the state offers strategic incentives to attract such investments into the country. In the extractive industries sector the emphasis are on minerals-base metals and gemstones, gold, Tanzanite, hydrocarbons (oil and natural gas) and Coal. Refining, processing, smelting, cutting and polishing. In the infrastructure sector the focus are on power, ICT Backbone, roads, seaports as well as airports. In the Tourism sector the much welcomed investments are on Beach tourism, conference tourism, sports/golf tourism, city tourism, medical tourism as well as historical tourism.

21. Tanzania is a seeker of foreign investment and is not a major investor abroad.

Developments in business and investment during the month of September 2009

22. South African Mantra and Uranex Get Government go ahead to Mine Uranium in Tanzania

Uranium mining company Mantra Resources Ltd (Mantra) of South Africa and Uranex have been given the go ahead by the Tanzania government to mine uranium after they met all environmental conditions as mandated by the National Environment Management Council. Mantra expects to complete a pre-feasibility study anytime, ahead of the awarding and commencement of a full feasibility study.

The drilling programmes are scheduled to be concluded by December and will be followed by a revised resource estimate expected to be completed in the first quarter of 2010. The results of Mantra's drilling at the company's flagship Mkuju River Project in southern Tanzania have confirmed the presence of multiple thick zones of sandstone-hosted uranium mineralisation at shallow depths at the Nyota Prospect. An inferred mineral resource of 35.9 million pounds (U₃O₈) has been estimated for the prospect. This initial resource estimate is based on drilling that covers only a small part of the total area of the prospect, and the potential exists to substantially grow the resource base with ongoing work.

Minister for Energy and Minerals William Ngeleja said that two companies will engage in mining of uranium in the next three years. The deposits at Namtumbo were estimated at 35.9 million pounds of uranium oxide. The results of a recently completed scoping study have confirmed the technical and economic viability of the project, and its capacity to operate with strong cash margins. Using the current resource estimate as a base case scenario, the project can support a minimum annual production of 2.5 million pounds U₃O₈ for a minimum 10-year mine life. Uranex's area of exploration has an estimated 6.7 million pounds of uranium oxide.

Tanzania has about 53.9 million pounds of uranium oxide deposits. While Mantra is involved in the exploration at Namtumbo, Uranex is working on the Bahi project in Dodoma with an estimated 6.7 million pounds. The two companies are among 20 licensed to explore for uranium in the country.

23. Artumas to farm out energy blocks

Canada's Artumas Group Inc. plans to transfer part of its stakes in Tanzania's Mnazi Bay energy block and Mozambique's Ruvuma blocks to France's Maurel & Prom and Britain's Cove Energy Plc. The Oslo, Norway-listed oil and gas firm discovered a gas deposit in Mnazi Bay in Mtwara. The government says the deposit has about 2 trillion cubic feet of proven gas deposits, or gas in place. Artumas says it estimates the gas potential at 3 trillion cubic feet.

Subject to government and partner approval, Maurel & Prom will farm in to a 38.22% interest in petroleum operations and a 47.775% stake in exploration. Cove will take a 16.38% interest in Mnazi Bay petroleum operations and 20.475% in exploration. State-run Tanzania Petroleum Development Corporation (TPDC) will hold 20% in all but exploration activity, where it has no stake. Cove will take Artumas' entire stake in Offshore Area 1 Ruvuma Block and assume participating costs backdated to July 1, and 10% in Onshore Ruvuma Block, leaving Artumas with 15.3%

24. Tanzania natural gas firm plans Nyuni pipeline

A subsidiary of Irish petroleum explorer Aminex Plc plans to lay a pipeline from Tanzania's natural gas-bearing Nyuni block to a nearby processing plant. Ndovu Resources operates the Nyuni block on behalf of other shareholders, whose sharing agreement covers the Kiliwani North field where 40 million cubic feet per day natural gas discovery was made in 2008 in the Kiliwani North-1 (KN-1) well. The well is close to Songo Songo Island gas field, off Tanzania's coast, whose gas deposits are already used by Songas Limited to generate electricity, and supplies some of it to about 30 industrial customers in Dar es Salaam.

Aminex holds a 50% stake in the Nyuni licence, while United Arab Emirates' RAK Gas Commission has 25% and Australian firms Key Petroleum Ltd and Bounty Oil & Gas hold 20% and 5% respectively.

25. Climate change spells doom for Tanzania's agricultural sector

Tanzania is expected to experience a tremendous fall in agricultural productivity by around 33 per cent this year due to drought, climate and weather variations in the coming harvest season. Minister of State in the Vice-Presidents Office responsible for Environment Dr Batilda Burian said on 30th September, 2009 when addressing the United Nation's Convention to Combat Desertification (UNCCD) going on in Argentina, which started on September 21 and ends on 30th September, 2009.

Dr Burian said about 45 to 70% of the country is classified as dry land out of which 50% is degraded. She said there are 33 million hectares of forests and woodlands while 92,000 hectares of land are lost annually.

Investment/Business developments in East Africa during the month of September 2009

26. Regional power project for East Africa to cost US\$280 million

The inter-state electricity network between five member-states of the 'Nile Equatorial Lakes' has been estimated to cost about US\$282 million. The meeting that was held in Kampala on 8th September, 2009 that brought together representatives of EAC countries with different stakeholders in the project aimed at discussing modalities of kick-starting the much needed energy project to serve the countries of Uganda, Democratic Republic of Congo, Kenya, Burundi and Rwanda. The two-day meeting is organised by the Nile Basin Initiative (NBI) and Nile Equatorial Lakes Subsidiary Action Program (NELSAP) in collaboration with the African Development Bank (AfDB).

The project will create a power exchange market among the countries which will consequently reduce the cost of energy, bring about stability and optimizing usage of energy. It will cover more than 700km of new transmission lines while 262km of existing lines will be upgraded in all the five countries. It will start at the end of 2010 and be completed in 2014. Mobilisation of funds is currently underway and AfDB has already approved loans and grants totalling US\$162 million for the project. Other donors interested in funding the project but have not yet approved their financial commitments include JICA, the World Bank, and the Netherlands government.

India's investment interests

27. In a period of 1990 – 2007, investments with Indian interest cost US\$1,022.67million which employed about 20,685 people. Potential exists for Indian investment/participation in projects relating to development of IT and telecom systems, power generation - gas, hydel as well as coal based, power transmission, construction-roads, bridges, ports, hospitals and infrastructure development, mining, agro processing, gem cutting and polishing, educational services, railways.

Major agreements proposed/ finalised during September 2009:

28. Denmark Provides Tshs. 230 billion (App. US\$ 177 million) in support of the health sector

Tanzania and Denmark on 15th September, 2009 signed an agreement under which the latter will disburse Tshs.230billion (App. US\$ 177 million) in support of the health sector in the country in the coming five years. Speaking at the signing ceremony, Permanent Secretary in the Ministry of Finance and Economic Affairs Ramadhan Khijjah and Danish ambassador to Tanzania Madame Sus Ulbaek said the support would target the health sector on the Mainland and in Zanzibar as a multi-sectoral response to HIV/Aids. The last agreement was signed in 2004 to support the Health Sector Reform Programme Phase 3, which covered the period between 2004 and 2009.

The Health Sector Programme Support (HSPS) IV would continue to contribute to the implementation of Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA) on the Mainland and MKUZA in Zanzibar.

29. Germany provide Euro 15 million – grant to Tanzania

Germany on 14th September, 2009 signed three bilateral grant agreements with the government to support the health sector. The agreements cover non-reimbursable assistance of 15 million euro, equivalents to Tshs27billion. Permanent Secretary in the Ministry of Finance and Economic Affairs Ramadhani Khijjah signed on behalf of the government while Dr. Guido Herz, German Ambassador to Tanzania, represented his government.

In the first agreement, euro 9 million would be provided to support the health window under the Local Government Development Grant System to improve access to quality health services, whereas euro 4.5 million will be provided to support of social marketing of condoms and contraceptives. The third bilateral agreement involves 1.5 million euro for technical cooperation in the health sector. Over the last five decades, German bilateral cooperation with Tanzania has amounted to almost euro 1.6 billion equivalents to Tshs2.88 trillion.

30. Prime Minister Mizengo Pinda called upon the Indonesian firm (PT Rutan) to make small tractors in Tanzania

Prime Minister Mizengo Pinda has called upon the Indonesian firm implements manufacturing firm, PT Rutan, to make small tractors fit for Tanzanian farmers. The premier made the call in September, 2009 when he toured the company's headquarters in the Indonesian capital, Jakarta. He further urged the firm to send experts to Tanzania to assess the business environment, with the aim to invest heavily on small scale

tractors affordable to many Tanzanian farmers. He further stressed that the market was not only in Tanzania but also in the neighboring countries, like Kenya, Uganda, Rwanda, Burundi, The Republic of Congo, Zambia, Malawi and Mozambique.

PT Rutan is among the giant farming implements manufacturing firms in South East Asia, making among other products tractors, water pumps, irrigation machines, paddy husking machines and aluminum boat generators for fishing. Tanzania is currently engaged in implementing 'Kilimo Kwanza' strategy aimed at promoting agricultural sector in the country.

31. Swiss firm pledges US\$350 million for Serengeti airport

A SWISS firm has pledged to release US\$350million (App. Tshs 500billion) to finance up to eighty per cent of construction costs of an international airport in Serengeti District, Manyara Region. The Permanent Secretary in the Ministry of Infrastructure Development, Mr Omar Chambo said on September 21, 2009 in Dar es Salaam that the government was yet to receive official declaration from the firm for negotiation processes, but said the pledge was welcome. When completed, the airport would enable jets carrying tourists from different parts of the world land in Mugumu town in Serengeti directly.

32. Finland provide US\$13 Million for Local Government Development in Tanzania

Tanzania has secured US\$13 million from the Finnish government towards its Local Government Development Grant system. The funding proposal will see the Finnish government remit US\$ 4.6 million in the 2009/2010 financial year and another US\$3.8 million in the 2010/2011 financial year. The Local Government Development Grant (LGDG) is an intergovernmental transfer system that provides transparent, discretionary and formula-based development funding to local government authorities for development.

LGDG is integrated with the national budget and the development partners support it by providing pooled funding as agreed in the memorandum of understanding for 2009-2013 between Tanzania and seven development partners -- Finland, Belgium, Germany, Ireland, Japan, The Netherlands and Sweden.

China - Tanzania

33. TIC Defends Chinese Entrepreneurs

The Tanzania Investment Centre (TIC) on 23rd September 2009 strongly defended Chinese entrepreneurs, saying they were genuine partners in development despite increasing public resentment against them. Apart from China being a major source of fake and low quality products in the market, Chinese investors are accused of engaging in hawking and small businesses instead of making capital investments in productive activities.

TIC executive director Emmanuel Ole Naiko said it is wrong to perceive the Chinese negatively since they were currently among the top investors in Africa, including Tanzania. He said in 2007 alone, China invested US\$3 billion in 10 African economies, of which US\$111 million was invested in Tanzania. African countries that received substantial investments from China during the same year included South Africa, where Chinese investments were valued at US\$702 million, Nigeria with US\$630 million and

Sudan with US\$575 million. Others were Zambia (US\$429 million), Algeria (US\$393 million), Niger (US\$135 million), Egypt (US\$132 million), Mauritius (US\$116 million) and Ethiopia (US\$109 million).

A recent survey conducted by Dar es Salaam regional authorities established that most Chinese entrepreneurs were engaged in businesses other than what their TIC certificates show.

India - Tanzania

34. IFM, Indian Varsity Team Up to Train Tanzanians in ICT

The Tanzanian Institute of Finance Management (IFM) in collaboration with India's Avanashilingam University undertakes to empower Tanzanians in ICT technologies. Speaking at the third graduation ceremony in Dar es Salaam in September 2009, IFM principal Prof Godwin Mjema, said the ICT course offered in collaboration with Avanashilingam University, has provided positive results.

Prof Mjema said the course uses international standards modules which enable graduates to compete internationally. Speaking at the same venue, Avanashilingam University vice-chancellor Dr Saroja Prabhakaran, said a large number of graduates from both institutions occupy top leadership positions in government departments and have proved to be excellent technocrats and technopreneurs.

35. TRL – government wrangle simmers

The Tanzania Railway Limited (TRL) has threatened to suspend passenger train services on its network if the government and Rail India Technical and Economic Services (Rites) fail to reach a consensus. TRL issued a sixty-day notice from September 10, stating that if the two partners who formed a joint venture to run the local railway company fail to resolve a wrangle that has almost paralysed it, the company will be forced to suspend services.

Minister for Infrastructure Development, Dr Shukuru Kawambwa, said in Dar es Salaam on 17th September, 2009 that the government was currently in dialogue with the firm to discuss possibilities of amending some of the terms of the controversial 2007 contract. The minister also expressed government concern over the Rites' move to withdraw its locomotives and coaches from the Tanzania Railway Limited (TRL) system, vowing that the government would not accept to be held at ransom. Dr Kawambwa blamed the TRL for not seeking the government's intervention earlier after it had failed to settle the debt now amounting to TSh15 billion (App. US\$ 15 million) in lease fees since 2007.

36. Tanzanian Prime Minister visited India

Tanzanian Prime Minister Mizengo Kayanda Pinda visited India from 13th to 17th September, 2009 leading a delegation comprising of Tanzanian Minister for Agriculture and Food Security, Zanzibar Minister for Agriculture, Livestock and Environment, Deputy Foreign Minister along with senior officials as part of an Asian tour including South Korea and Indonesia. During the visit the Tanzanian Prime Minister had a meeting with Vice President of India and the External Affairs Minister. The delegation visited several agricultural machineries manufacturing companies and the State of Gujarat. He visited the Gujarati Fertilizer Company, Kaira District Milk Producers Union Limited and the Amul Co-operative Society.

37. Tanzanian delegations visited India

(i) An eight member delegation comprising of six pharmaceutical businesspeople led by the Chairman of the Tanzania Association of Pharmaceutical Industries (TAPI) and two officials from the Tanzania Food and Drug Authority (TFDA) attended Indo-Africa Pharma Business Meet which was held in Hyderabad from September 25 to 27, 2009. The intercontinental meeting was organized by India's Ministry of Commerce and Trade in collaboration with Pharma-Export Council (Pharmexcil) of India.

(ii) Two business members of Tanzania Chamber of Commerce, Industry and Agriculture attended the Reverse Buyer Seller Meet in Goa, India organized by CAPEXIL. The Meet coincided with the South Asia Print Congress 2009, from 28th – 29th September, 2009; and it was about Paper, Paper Board and Paper Products including Books, Publication, Printing and all its By-Products

38. Trade Disputes/Complaints

S/No	By Company	Against Company	Summary of the issue	Action taken
1.	<p>M/s. Hotel Travertine Ltd, P.O.Box 6550, Dar es Salaam. Tel: +255 774 290 229 / +255 786 760 763 Fax: +255 22 2171007 Email: info@hotel-travertine.com / julielamba@yahoo.com</p> <p>(Tanzanian company)</p>	<p>M/s. Suyesh Pet international Pvt Ltd, No 2, Shri Arihant Co-op, Housing Society Ltd Sector-1, Plot No. 123 RDP 11 KANDIVALI (W), Mumbai - India Tel: +91 22 32622874 / +91 98 20053369 Fax: +91 22 28699682 Email: pimpalegv@yahoo.co.in</p> <p>(Indian company)</p>	<p>Refund Claim of US\$ 50, 000 with 10% interest over breach of contract for failure of supplying of Pet blow moulding machines and accessories.</p>	<p>The issue was forwarded to Joint Secretary (FT-WANA), Ministry of Commerce, New Delhi on August 24, 2009 for further action; Still remain unresolved. The complainant still pressurising for solution.</p>
2.	<p>M/s. Kahama Oil Mills Ltd, P.O.Box 253, Shinyanga Tel: +255 28 2710658 Mob: +255 784 905907 raphael.mgaya@googlemail.com ; kahamaoilmill@iwayafrica.com</p> <p>(Tanzanian company)</p>	<p>M/s. Shamma Global Ltd, K.K. Nagar, TamilNadu, India. Tel: +91 452 4514130 Fax: +91 452 4524131</p> <p>(Indian company)</p>	<p>Non compliance with the already accepted business contract of purchasing 2,000 bales of cotton worth US\$335,146.33</p>	<p>The issue was forwarded to Joint Secretary (FT-WANA), Ministry of Commerce, New Delhi for further action; Still</p>

				remain un-resolved. The complainant still pressurising for solution.

39. Business Enquiries from India to Tanzania

From January, 2009 to **September**, 2009, a total of 162 trade enquiries from India were received and replied. Most of the enquiries were seeking for importers, distributors of electric & electronic products, building materials, gemstone & jewellery, agricultural products, pharmaceuticals, chemicals & agro-chemicals, textiles and other consumer goods.

Some of the enquiries from India during the month of **September**, 2009 are as follows:

S/No	Company	Enquiry	Action taken
I	Oxford Laboratory , Sujal Mansion, "B" Block, Bhangwadi, Kalbadevi, Mumbai – 400 002 (India)	Importers of Laboratory equipment, chemicals and Pharmaceuticals raw Materials	List of Tanzanian importers, useful websites, relevant authorities as well as chambers of commerce and industries were provided so that they could contact directly with their offers.
II	Abhinav Craft , 275-Sitapua Industrial Area, Tonk Road, Jaipur	Buyers/Importers of Wooden Furniture, Gift Items and Wooden Decorative.	
III	Metro Exim Suit 59, 4 th Floor, Real Regency Tower, No. 102, Pycrofts Road, Royapettah, Chennai-600 014	Buyers/Importers of agricultural products – pulses, chickpeas, pigeon peas, yellow peas etc.	
IV	Yogi Exports , 93, 1 st Floor, Sunrays Shopping Centre, Kandivali (West), Mumbai – 400 067	List of Plastic Processing Industry.	
V	P J Impex Traders , 15, Rambha Apts, 5 th floor, Khokhani Lane, R B Mehta Road, B. No. 15 Ghatkopar (E) Mumbai 400 077, India	Importers of Herbal Medicines	
VI	Basar Jewels Pvt Ltd , P.O.Box 4631, C/3, Dala Bombay Central, Mumbai - 4000	Importers of Jewellery	
VII	South Electric Company Pvt.	Importers/Distributors of	

	Ltd, C-5, 1 st Floor, Unity Buildings, J.C. Road, Bangalore 560 002, India	electrical items.	
VIII	M/s. ARI Healthcare Pvt. Ltd., 312, 3 rd Floor, Shopper's Orbit, Vishrantwadi, Dhanori, Pune 411 015 - India	Importers of Pharmaceutical, herbal products and surgical disposables.	
IX	M/s. C.K. International, Mumbai, India +91 9833274731	Importers of Spices, Food products & Garments	
X	Eastern Surgical Company, ESCO House, 3791, Darya Ganj Delhi-110002, India	Importers/Dealers of Medical Equipment & supplies, Hospital furniture & supplies, Laboratory equipment etc.	

40. Business Enquiries from Tanzania to India

Mostly, Tanzanians are coming to the office of the High Commission to present their enquiries verbally. From January, 2009 to September, 2009, a total of 61 trade enquiries from Tanzania were received and attended. Most of the enquiries were seeking for suppliers of machinery, building materials, agricultural products, pharmaceuticals, chemicals & agro-chemicals, textiles and other consumer goods. Some are seeking for the Indian importers of gemstone and tiles.

Some of the enquiries from Tanzania during the months of August and September, 2009 are as follows:

S/No	Company	Enquiry	Action taken
I	Andrew Enosy P.O.Box 54133, Dar es Salaam, Mob: +255 755 373952 +255 655 373952	Suppliers of Jaws stone Crusher from India	
II	Mr. Stephen Sayo African Group of Industries, P.O.Box 65365, Dar es Salaam	Manufacturers/ Suppliers of plastic bags machinery	
III	Joshua Chacha, P.O.Box 20842, Dar es Salaam Mob: +255 719 847595 +255 716 055090	Suppliers of food flavour from India	List of Indian manufacturers/suppliers/importe rs, chambers of commerce were provided as well as important websites which provide economic and business information in India so that they could contact directly with their offers.
IV	Mr. Felix Konga Konga Industries Ltd, P.O.Box 16621, Dar es Salaam Mob: +255 713 560 758 +255 767 560 758 Email: kilglobalexchange@yahoo.com	Indian Manufacturers/ Suppliers of Water purification machineries	

V	Ms. Kitty Narraidu, Group Business Development Manager, City Garden Group, P.O.Box 5896, Dar es Salaam gbd@citygardentz.com	Indian Manufacturers of agricultural equipment.
VI	Mr. Mosses Sagika Dar es Salaam sagikamoses@yahoo.com	Importers of Oil seeds.
VII	Mrs. Hawa Nneka M/s. Hزالine Investment, P.O.Box 40601, Dar es Salaam hhnneka@yahoo.com	Indian Manufacturers of edible oil/coconut machinery
VIII	Mr. Julius Mziray, Dar es Salaam Hj_coltd@yahoo.co.uk , brightco2001@yahoo.com	Indian textiles manufacturers/ suppliers
IX	Eng. Cosmas L.M. Massawe, P.O.Box 60500, Dar es Salaam cosmasawe@gmail.com , cosmaslmm@live.com	Indian manufacturers of electric motors
X	Al-Asbahi Transport Co. Ltd P.O.Box 6460, Dar es Salaam tanpoultry@hotmail.com / gaed77@hotmail.com	Indian Manufacturers/ suppliers of stainless steel kitchen sink

41. Trade Promotion – Buyer Seller Meet & Trade Fairs

Several Indian business promotion councils have been forwarding invitations of Buyer Seller Meet and Trade Fairs to the High Commission so as to be circulated to local (Tanzanian) business chambers in order that buyers/importers from Tanzania could attend/participate to the respective events in India. From January – September, 2009 the following were circulated to the relevant local business chambers/authorities:

S/No.	Event	Focus on	Prepared by
I	MP Expotech 2009; Reverse Buyer Seller Meet, February 27 – March 1, 2009	Pharmaceutical, Ayurvedic & Herbal products, Engineering Goods, Processing Food and Textiles.	Confederation of Indian Industry (CII), in association with Madhya Pradesh Laghu Udyog Nigam Ltd. (MPLUN)
II	26 th edition of India International Jewellery Show (IJS 2009) at Mumbai; during 6 th – 10 th August,	Gems and jewellery items	Gem & Jewellery Export Promotion Council.

	2009		
III	Indo-Africa Pharma Business Meet 25 th -27 th September 2009; at Hotel Marriott, Hyderabad	(Pharmaceuticals): Interactive meetings, Business Sessions, Technical Sessions and Exhibition with Drug Control Administrations etc.	Pharmaceuticals Export Promotion Council (PHARMEXCIL)
IV	The Reverse Buyer Seller Meet in Goa, India, 28 th – 29 th September, 2009	Paper, Paper Board and Paper Products including Books, Publication, Printing and all it's By-Products	CAPEXIL
V	India International Trade Fair; at Pragati Maidan, New Delhi, during 14 th – 27 th November, 2009		IITF
VI	12 th CII Exim Bank Regional Conclave on India-Africa Project Partnership, Gaborone, Botswana: 16 th -17 th November, 2009,		Confederation of Indian Industry (CII)
VII	Reverse Buyer Seller Meet in Mumbai during 27 th – 29 th January, 2010	Synthetic and rayon textile items	Synthetic and Textiles Export Promotion Council (SRTEPC)
VIII	The 16 th edition of 'Tex-Styles India' Fair at Pragat Maidan, New Delhi; 24 th – 27 th February, 2010	Fabrics, yarns, fibers, treads, home furnishings etc.	India Trade Promotion Organisation

N .J. Gangte
 Counsellor & Head of Chancery
 High Commission of India
 82 Kinondoni Road, Dar-es –Salaam
 Tel +255-22-266-9047, 2669040
 Fax +255-22-266-9043, Email couns@hcindiatz.org