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# Economic Report 2023

## Tanzania

August 2023

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### Executive summary

Tanzania's macroeconomic parameters are promising. They highlight the country's economic resilience, with GDP growth hovering around 4.5% in 2022. Leading indicators such as cement production, electricity generation, private sector credit, exports of goods and services, mobility and tourist arrivals have all improved in 2021, although activity in most sectors has remained below pre-pandemic levels.

Tanzania's economy has significant potential to move up the value chain. It benefits from rich natural resources, significant agricultural potential, a key geographical position (offering maritime access to its landlocked neighbours) and a developed tourism industry.

Since March 2021, the newly appointed **President Samia Suluhu Hassan** has demonstrated a strong commitment to supporting free trade, attracting foreign investment and creating a more conducive business environment. In addition, the new administration is working to complete critical infrastructure projects and develop policies to support the country's industrialisation.

As the political environment has changed radically since the last administration, foreign investors are showing renewed interest in Tanzania. Swiss companies might identify future opportunities in several sectors such as construction, agriculture or manufacturing.

Nevertheless, much remains to be done in Tanzania to achieve the Government's ambitions. Foreign companies continue to suffer from challenging regulatory frameworks, an unpredictable fiscal landscape and a slow and inefficient bureaucracy. The Government has shown efforts to improve the level playing field via the *Blueprint for Regulatory Reform to improve Business Environment* and has initiated the amendment of several pieces of legislation. If adopted, it remains to be seen how these policy reforms will be implemented.

The Swiss Business Community continues to describe the country as a **“challenging but promising”** market. A **Swiss-Tanzanian Chamber of Commerce** is in the process of being set up with the aim of creating a platform to support Swiss companies exporting and investing in the country.

In 2022, **Swiss exports** to Tanzania reached **CHF 36.2 million** while **imports** from Tanzania topped **CHF 348 million** (gold accounting for **95.4%** or CHF 332 million). Including gold, Switzerland is thus the 4<sup>th</sup> most important export market for Tanzania after the United Arab Emirates, India and South Africa. Compared to the 52 Sub-Saharan African countries trading with Switzerland, Tanzania is the 5<sup>th</sup> most important market for Swiss exports in the region behind South Africa (representing 46.8% of total Swiss exports in the region), Nigeria, Kenya, and Botswana.

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## 1. ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

### 1.1. 2022: Development

#### *General context*

President Samia Suluhu Hassan was sworn in on March 19, 2021, as the United Republic of Tanzania's sixth, and first woman, president, following the death of President John Magufuli on March 17, 2021. The new administration took a significant different stance on the pandemic, acknowledging the presence of the virus and putting efforts to address it (including implementing WHO guidelines). The first vaccination started on July 28, 2021 (with the President herself). As of March 2023, 39.4 million of vaccine doses had been administered.<sup>1</sup>

On July 1, 2020, Tanzania obtained the *Lower-Middle Income* status as per the World Bank's definition. Gross national income (GNI) per capita continued its progression from USD 1,140 in 2021 to USD 1,200 in 2022. In comparison, in 2022, Kenya GNI per capita reached USD 2,170, Rwanda USD 930, Uganda USD 930 and Burundi USD 240.<sup>2</sup>

#### *Gross domestic product*

In 2022, Tanzania's real gross domestic product (GDP) grew by 4.5% (4.9% in 2021) (see ANNEX 2). The growth slow-down, also observed in other African countries, is mainly attributed to the tightening global financial conditions, and supply chain disruptions exacerbated by Russia's invasion of Ukraine. In the Eastern African Community (EAC), other countries have proved less resilient. For instance, Kenya's GDP grew by 5.5% in 2022 when it was 6.7% in 2021.<sup>3/4</sup>

In 2021, the sectors that contributed to Tanzania's growth were services (38.9%), agriculture (19.6%), construction (13.1%), mining and quarrying (8.8%), manufacturing (8.0%), trade and repair (6.2%) as well as transport and storage (5.7%) (see ANNEX 1). On services, accommodation and restaurant as well as arts, entertainment and recreation activities, which had recorded negative growths in 2020, continued to in 2022 (11.7% and 19% respectively).<sup>5</sup>

#### *Government priorities*

The new Sixth Phase administration has adjusted policies and programs to reflect an evolving social and economic context, but broad policy objectives remained guided by the *Tanzania Development Vision 2025* and its supporting *Third Five-Year Development Plan (2021-2026)*. Its main goal remains to diversify the economy and enhance its industrial capacity.

#### *Monetary policy*

In 2022, the Bank of Tanzania (BoT) shifted from pursuing an accommodative monetary policy to a less accommodative one in response to the spillover effects of the global economic shocks caused by the war in Ukraine, the residual effects of COVID-19 pandemic and domestic economic conditions. The BoT fixed three targets to keep GDP growth rate around 5% and inflation rate less than 5.4%: i) growth of reserve money (M0) of 11.4%, ii) extended broad money supply (M3) of 10.3%, and iii) growth of credit to the private sector of 10.7%. The BoT further aimed at maintaining adequate foreign exchange (FX) reserves to cover at least 4 months of projected imports. To this end, the national bank has deployed a range of instruments such as repurchase agreements (Repos), Treasury bills allocated for liquidity management and FX operations. In July 2021, additional measures were instituted to provide liquidity to banks, facilitate lowering lending rates and increase private sector credit growth.<sup>6</sup> As results:

- GDP growth rate target was achieved (4.7%);
- Inflation average rate reached 3.7% (3.3% in 2020); Inflation trended upward but remained below the target of 5.4%
- The nominal exchange rate of the Tanzanian shilling moderately depreciated;
- International reserves (USD 4.88 billion) at the end of April 2023 were sufficient to cover 4 months of imports (6.6 months in 2021);
- Extended broad money supply (M3) grew by 12.8% while reserve money growth (M0) was 13.6% (in line with the above mentioned targets);
- Liquidity in banks remained at adequate levels (30.2% at the end of December 2021, for a

<sup>1</sup> World Health Organization (2023): COVID-19 cases in Tanzania, data retrieved from [link](#), July 2023

<sup>2</sup> World Bank (2023): GNI per capita, Atlas method (current USD) Tanzania, data retrieved from [link](#), July 2023

<sup>3</sup> African Development Bank (2023): African Economic Outlook, [link](#), consulted in July 2023

<sup>4</sup> Note: GDP growth: Uganda: 6.0% in 2021, 6.3% in 2022; Rwanda: 10% in 2021, 8.2% in 2022; Burundi: 2.3% in 2021, 4.0% in 2022.

<sup>5</sup> Bank of Tanzania (2023): Monetary Policy Statement 2023/24,

<sup>6</sup> *Ibid.*

minimum regulatory limit of 20%) as well as capital level (capital adequacy of 19.6% in April 2023, for a minimum regulatory limit of 10%);

- Lending interest rates remained broadly unchanged at 16% (also 16% in 2021), reflecting the existence of structural impediments. Overall deposit interest rates by banks also remained around 7% (6.8% in 2021);
- Credit growth averaged 22.2% at the end of the year. Much of the credit was in the form of personal loans and for companies active in the trade and manufacturing sectors. Non-performing loans (NPL) declined to 5.5% in April 2023 from 7.8% in June 2022 close to the desired level of 5%. The banking sector continued to implement regulatory measures to address this high level of NPLs such as enforcing risk-based prudential requirements, improving credit underwriting standards, and developing code of conducts for bank staff.

### *Fiscal policy*

In 2022, fiscal deficit decreased to 3.6% of GDP (from 3.8% in 2021) due to weak revenue performance and growing financing needs to address the impacts of the pandemic.<sup>7</sup> In the fiscal year 2023/24, public expenditure will be financed at 70.7% by domestic revenues (60.2% by tax revenues), 12.3% by domestic non-concessional borrowing, 4.7% by external non-concessional borrowing and 12.3% by external grants and concessional loans.<sup>8</sup>

## **1.2. 2023: Outlook**

### *Budget 2023/24*

The 2023/24 national Budget will prioritize Tanzania's productive sectors and promoting investment and people's economic empowerment. The allocated funds for the agricultural sector will remain around to USD 400 million (after a rise of almost 225% between 2021/22 and 2022/23.. In addition, the Budget 2022/23 announced two 2030-objectives in this domain: i) increase agricultural exports to USD 5 billion (currently USD 1.2 billion) and ii) increase exports of horticultural products by about 170% (to USD 2 billion). To this end, the Government requires to expanding irrigated areas to 8.5 million hectares and large-scale farms to 10,000 establishments (100 in 2020). The focus will be on edible oils (palm and sunflower). Via these measures, the Government will try to guarantee food security and support employment (as 60% of the Tanzanian workforce is occupied in this sector)<sup>9</sup> as well as trying to tap into new markets such as Oman and Egypt.<sup>10</sup>

The financing of infrastructure projects is accelerating. The following improvements have been observed:

- January 2021: the Government signed a contract with two Chinese firms – China Civil Engineering Construction Corporation and China Railway Construction Corporation – to build the 5<sup>th</sup> segment of the Standard Gauge Railway (SGR);
- June 2021: President Hassan stated that talks with China Merchants Holdings International and Oman's State General Reserve Fund to build a mega port north of Dar es Salaam have resumed;
- June 2022: Tanzania signed a deal with the Turkish firm Yapi Merkezi to build the 4<sup>th</sup> segment of the SGR (the firm is already building segment 1 and 2 – out of 5 segments in total);
- June 2022: improvements were made on the Liquefied Natural Gas Framework as Tanzania signed an agreement with UK's Shell and Norway's Equinor to build an export terminal to commercialize the country deep-water offshore gas reserves.

The SGR, Julius Nyerere Dam and the Road Fund will account for 8% of the 2022/23 Budget, or USD 1.4 billion. It should be noted that strong social opposition is still present for some projects, such as along the East African Crude Oil Pipeline.<sup>11</sup>

### *Debt sustainability*

The latest update of the joint IMF-World Bank Debt Sustainability Analysis concluded that Tanzania's risk of external debt distress remains moderate, mainly due to the continued effects of the COVID-19 pandemic on exports, which has marginally weakened Tanzania's ability to service its external debt.<sup>12</sup>

Nevertheless, the latest data published by the BoT have demonstrated that the debt stock remains

<sup>7</sup> Bank of Tanzania (2023): Annual report 2021/22, [link](#), consulted in August 2023

<sup>8</sup> Ministry of Finance and Planning (2023): Budget 2023/24, [link](#), consulted in July 2023

<sup>9</sup> Note: figures on unemployment are not discussed as numerous people are active in the informal sector. Official data presented in ANNEX 2 are estimates.

<sup>10</sup> *Ibid.*

<sup>11</sup> Note: the EACOP will bring Tanzania into the oil market by trading together with Uganda, an oil-rich country in the region.

<sup>12</sup> World Bank (2023): The World Bank Debt Sustainability Analysis, [link](#), consulted in August 2023

sustainable and that the country manages to serve its debt. At the end of April 2023, the stock of public debt – both external and internal – was USD 42.3 billion (growth of 10% compared to June 2022) – with external debt accounting for 64% of the total debt stock. The debt-to-GDP ratio remained at 31% (against a maximum threshold of 55%). Moreover, the debt-to-GDP ratio is projected to be no higher than 33% by 2031.<sup>13</sup>

### *2023 projections*

2023 brings challenges as supply chains continue to be disrupted and as the Russian aggression in Ukraine put imports under pressure. Tanzania's 2022 growth projection was 4.7% and is expected to remain at the same level for 2023 (projection of 5%). Inflation increased in the first half of 2023 (mainly due to high energy prices) and then decreased to 4.3% in April 2023, below the target level of 5.4%. The current account deficit is expected to widen to 5.0% of GDP in 2022/23 (4.6% in 2021/22) due to higher food and energy prices. In the medium-term, it is expected to moderate around 4% of GDP.

### **1.3. Zanzibar: Development and Outlook<sup>14</sup>**

The economy of Zanzibar grew by 6.8% in 2022 (real GDP growth) – 5.1% in 2021. The main drivers of growth were electricity and gas (22.3%), accommodation and food services (11.7% of real GDP growth), construction (10.2%), education (9.8%), and mining and quarrying (9.1%) sectors.

In 2021, 47.4% of the Zanzibar's population was active in services (including hospitality), 35.5% in agriculture, forestry and fishing and 17.1% in manufacturing.

In Zanzibar, the economy is projected to grow by 6.8% in 2022 and 7.2% in 2023, driven by the recovery of the tourism sector and agriculture exports.

## **2. PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES**

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### **2.1. Gross domestic product and employment<sup>15/16</sup>**

#### *Services*

In 2021, services accounted for 38.9% of the Tanzanian real GDP (ANNEX 1). The wholesale, retail trade and repairs services represented 8.6% of the GDP, the transport and storage services 7.9%, and the financial and insurance activities 3.4%. The public administration and defence sector accounted for 4.2% of the GDP. The service sector employed in total 30.9% of the Tanzanian workforce (27.1% in 2014).

#### *Industry and construction*

In 2021, the industry and construction sector accounted for 29.2% of the Tanzanian real GDP (ANNEX 1). The construction sector represented 14.9% of the GDP, the manufacturing sector 8.2%, and the mining and quarrying 4.8%. The manufacturing industry employed in total 8.0% of the Tanzanian workforce (6.7% in 2014).

Structural changes are slowly taking place. From 2017 to 2021, the weight of the industry and construction sector increased by 2.7 percentage points, while the agriculture, forestry and fishing sector declined by 1.2 percentage points. In addition, in 2021, the industry and construction sector accounted for 32.1% of the real GDP growth.

#### *Agriculture, forestry and fishing*

In 2021, the agriculture, forestry and fishing sector accounted for 24.8% of the Tanzanian real GDP (ANNEX 1). The crops industry represented 13.1% of the GDP, the livestock industry 7.1%, the forestry industry 2.8% and the fishing industry 1.8%. The agriculture, forestry and fishing industry employed in total more than 60% of the Tanzanian workforce (66.2% in 2014).

### **2.2. Potential for Swiss companies**

#### *Construction*

Swiss companies may identify opportunities in the construction sector, where the needs for materials and engineering capacities are increasing. However, major infrastructure projects are attracting significant foreign competitors, notably from Türkiye and China, which offer one-stop-shop solutions via general contractors.

In 2021, the Swiss company SIKA opened a fully-fledged production plant for mortar and admixture

<sup>13</sup> Bank of Tanzania (2023): Monetary Policy Statement 2023/24, [link](#), consulted in August 2023.

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*

<sup>16</sup> National Bureau of Statistics (2022): Integrated Labour Force Survey (2020/2021), [link](#), consulted in June 2022

products.

Swiss start-ups are also exploring the construction sector in Tanzania, as the need for alternative (and cheap) materials will increase along with the growth of the local population.

### *Manufacturing*

Import of capital goods is increasing in Tanzania (growth of 25% for the year ending December 2021). Swiss enterprises active in the metal and electrical engineering industries (or MEM industries) may find export opportunities such as in the automation area. Nonetheless, the local market tends to favour entry-level, cheaper products (e.g. from China or India).

One has to note that exports to Tanzania of Swiss-made machines, appliances, and electronics increased by 259.5% in 2022.<sup>17</sup>

### *Agriculture*

Tanzania will strongly push its agricultural sector to create jobs. The Government will hence try to improve the poverty rate (27% in 2021 – 34.4% in 2007) as 800,000 young citizens enter the job market each year for approximately 127,000 opened positions.<sup>18</sup>

Swiss companies could provide the country with essential knowledge, including irrigation systems, water management and agro-industrial techniques (including wood processing) as well as various automated solutions. The local Government has shown interest in developing clean technologies and circular principles as part of programmes embedded in the National Climate Change Strategy 2021/26.

The main challenge in this sector is that most of the economic agents are smallholder farming households.<sup>19/20</sup> A major issue is thus to find appropriate partners to work with – and most of them do not have the financial capacity to acquire foreign technical equipment. However, in the 2022/23 Budget, the Government has announced its aim of aggregating small farms into large ones to generate income and productivity gains (from 100 to 10,000 farms by the end of 2023).<sup>21</sup> These large farms could become potential customers in the future.

One has to note that, in 2021, Swiss exports to Tanzania of machines for food processing was only worth CHF 51.2 thousands and machines for packing and filling only CHF 1.6 thousand.<sup>22</sup>

### *Energy*

Alongside the enhancement of its hydropower sector, Tanzania will continue to develop its renewable energy sources, as the President pledged to reduce CO<sub>2</sub>-emissions at the COP26 in Glasgow.<sup>23</sup> The solar energy sector could be promising due to the subtropical country's abundant sunshine and the country's need for regionalized small to medium- sized power grid.

### *Tourism*

In addition to opportunities in traditional tourist areas, a highly skilled workforce is in demand. Several observers have stressed the importance for Tanzania to improve its capacity in hospitality management and customer services. Swiss companies (e.g. specialised schools) may find opportunities by partnering with existing actors in this field.

### *Health*

Health services will continue to be highly demanded as the population is expected to top 67.4 million in 2023 – compared to 45.7 million in 2011 – (with 43% younger than 14).<sup>24</sup> Swiss exporters of pharmaceutical and medical equipment as well as provider of health-related services will continue to find important opportunities.

From 2021 to 2022, Swiss exports of pharmaceutical products declined by 48.5% to CHF 11.07 million (representing 48.5 % of Swiss total exports – compared to 50.4% in 2021). This was mainly driven by the category “Pharmaceuticals, vitamins, diagnostics (incl. active substances)”.<sup>25</sup>

<sup>17</sup> Federal Office for Customs and Border Security (2023): Swiss-Impex, data retrieved from [link](#), August 2023

<sup>18</sup> World Bank (2023): The World Bank in Tanzania, [link](#), consulted in August 2023

<sup>19</sup> National Bureau of Statistics (2022): Integrated Labour Force Survey (2020/21), data retrieved from [link](#), June 2022

<sup>20</sup> Note: more than 54.2% of total Tanzanian employment have an “own account workers” status (47.4% in 2014) while 14% are employees and 1.7% are employers according to the National Bureau of Statistics. Most of these 54.2% are small holder agricultural households.

<sup>21</sup> Ministry of Finance and Planning (2022): Budget 2022/23, [link](#), consulted in June 2022

<sup>22</sup> Federal Office for Customs and Border Security (2023): *Op. cit.*

<sup>23</sup> IISD (2022): National Pledges and Collective Efforts Highlighted at COP26 Leaders Summit, [link](#), consulted in June 2022

<sup>24</sup> UNFPA (2023): World Population Dashboard Tanzania, data retrieved from [link](#), August 2023

<sup>25</sup> Federal Office for Customs and Border Security (2023): Swiss-Impex, data retrieved from [link](#), August 2023

While still being marginal, one has to note that exports of research instrument, such as microscopes, doubled to reach CHF 450.2 thousands in 2021. Exports of mechanical measuring, testing and regulating equipment rose by 196% to CHF 402.5 thousands in 2021.<sup>26</sup>

#### *Finance and insurance*

Tanzania is improving its legal framework for insurance products. The development of (and demand for) coverage might increase in the long-term.<sup>27</sup>

#### *Digitisation*

The number of digital users is growing in Tanzania. According to the World Bank, local population using the internet has increased from 10% in 2012 to 22 in 2022%.<sup>28</sup> Although largely behind developed countries (94% of total population is using the internet in Switzerland), the rapid development of 4G offered by seven national providers is accelerating the trend.<sup>29</sup>

Digital payment (e.g. the Mpesa solution offered by Vodacom), online banking services as well as platform-based services (such as for ordering food and ride-hailing) are gaining popularity. Early 2022, the Minister of Information, Mr. Nape Nnauye, announced that Tanzania will invest USD 150 million for a strategy that will build technical capacity, skills, and infrastructure for the Government to deliver services to citizens.<sup>30</sup>

Swiss actors may find opportunities thanks to the increase of digital literacy in Tanzania.

In 2021, 2'725 individuals were employed by Swiss companies (614 by Swiss-controlled companies and 2'111 by foreign-controlled enterprises). In 2020, this total amounted 2'220.<sup>31</sup>

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<sup>26</sup> *Ibid.*

<sup>27</sup> Note: for instance, as of June 2022, only 15% of the population had any kind of health insurance, leaving 85% without insurance coverage. The Ministry of Health (MoH) is working on the Universal Health Insurance Bill, which envisions the establishment of a mandatory health insurance for all Tanzanians, while subsidizing for the poorest.

<sup>28</sup> World Bank (2022): individuals using the Internet (% of population) – Tanzania, data retrieved from [link](#), June 2022

<sup>29</sup> Note: in March 2022, the Chinese provider Huawei signed a deal with TTCL (1.7% of market share) – compared to Vodacom with more than 35% of market shares – to develop the fiber to home, fixed wireless network and expansion of mobile network.

<sup>30</sup> allAfrica (2022): Tanzania: Let Us Embrace Digital Economy, [link](#), consulted in June 2022

<sup>31</sup> SNB (2022): Number of staff abroad, data retrieved from [link](#), April 2023.

### 3. FOREIGN ECONOMIC POLICY

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#### 3.1. Host country's policy and priorities

From March 2021 to December 2021, President Samia Suluhu Hassan visited twelve states including the United States, the United Kingdom and Egypt. In comparison, President Magufuli visited during his presidency (five years) only ten (Sub-Saharan African) countries.

The new administration stressed its commitment to adopt a collaborative approach towards the private sector.<sup>32</sup> It is actively promoting exports, regional trade and working to reinforce the attractiveness of Tanzania to foreign investors – primarily in agriculture, manufacturing and tourism (e.g. the Royal Tour film, starring the President herself).

##### *Free trade agreements: developments in 2021*

##### *AfCFTA*

On September 9, 2021, the Parliament of Tanzania ratified the AfCFTA. The AfCFTA is intended to cover a market of 1.2 billion people and a GDP of USD 2.5 trillion across all 55 member states of the African Union. As of July 2023, 46 (85%) countries had ratified the AfCFTA Agreement, including five EAC Partner States: Kenya, Rwanda, Uganda and Burundi together with Tanzania. EAC states collectively negotiated the AfCFTA as a block.

The EAC submitted to the AfCFTA Secretariat its initial tariff offers which currently comprises 86.9% of tariff lines and is working towards meeting 90% threshold for products to be liberalized within a 10-year time frame. The EAC also submitted a draft schedule of specific commitments on trade in services for liberalisation in five priority services sectors – business, communication, finance, tourism, travel and transport. The AfCFTA negotiations are currently focused on finalising the schedules of tariff concessions, outstanding issues on rules of origin, and the schedules of specific commitments on trade in services.<sup>33</sup>

##### *Regional free trade in practice*

The implementation of the EAC Common Market suffers from political dispute, military tension, and administrative issues (incl. delays in the ratification of protocols).<sup>34</sup> The Common Market and Custom Union struggle to deliver their full potential as non-tariff barriers to trade persist between member states (e.g. cumbersome custom clearance procedures and high inspection fees on processed products).

Nevertheless, the integration of the Democratic Republic of Congo in the EAC in 2022 is adding economical weight to the Community, offering a gate towards the Atlantic Ocean (and a market of 90 million people).

On the EAC Common External Tariff, measures have been applied in 2020 and 2021 to serve the region's objectives such as striking duty on edible oil (to protect consumers) or raising duties on manufactured aluminium (to protect producers).<sup>35</sup>

<sup>32</sup> European Investment in Tanzania (2022): How European investment contributes to industrialisation and development in Tanzania, [link](#), consulted in June 2022

<sup>33</sup> AfCFTA (2022): Creating One African Market, [link](#), consulted June 2022

<sup>34</sup> NewTimes (2022): 2021: EAC integration and bid to salvage "the dream", [link](#), consulted in June 2022

<sup>35</sup> Ministry of Finance and Planning (2022): Budget 2022/23, [link](#), consulted in June 2022



*Tanzania: trade agreements – overview*<sup>36</sup>

Name	Partner country(ies)	Launched date	Information
Non-African trade agreements			
African Growth and Opportunity Act (AGOA) <sup>37</sup>	USA	2000	AGOA provides eligible sub-Saharan African countries with duty-free access to the U.S. market for over 1,800 products, in addition to more than 5,000 products that are eligible for duty-free access under the Generalized System of Preferences program.
Everything But Arms (EBA) <sup>38/39</sup>	EU	2001	All products from Least Developed Countries, except arms and ammunitions, have preferential access to the EU market, i.e. full duty-free and quota-free access to the EU.
African trade agreements			
Southern African Development Community (SADC) free trade area	13 states	1993	Tanzania is a founding member of the SADC, an organisation aiming at regional socio-economic cooperation and integration as well as political and security cooperation in southern Africa. <sup>40</sup> 13 SADC countries, including Tanzania are part of a free trade area. <sup>41</sup>
Eastern African Community (EAC) Custom Union and Common Market <sup>42</sup>	7 states <sup>43</sup>	2010	As of January 1, 2010, the EAC Common Market allows for the free flow of goods, persons, services, labour and capital within the EAC. EAC has three other pillars: a Custom Union, a Monetary Union, and a Political Federation. The EAC signed a Trade and Investment Framework Agreement (TIFA) with the USA in 2008. <sup>44</sup>
Tripartite FTA	28 states	2015	The TFTA brings together countries members of the Common Market for Eastern and Southern Africa (COMESA), the EAC and the SADC. It represents 53% of the African Union membership, constitutes over USD 1.4 trillion GDP, which is roughly 60% of African continental GDP, and a combined estimated population of 800 million, making the TFTA an important building block for the implementation of the AfCFTA.
African Continental Free Trade Area (AfCFTA)	55 states	2021	The AfCFTA is intended to cover a market of 1.2 billion people and a gross domestic product (GDP) of USD 2.5 trillion across all 55 member states of the African Union.

**3.2. Outlook for Switzerland (potential for discrimination or comparative advantage)***Bilateral agreement Switzerland-Tanzania*

Switzerland and Tanzania signed in 2004 a bilateral agreement on the protection of investment (replacing the agreement of 1997). By reciprocally promoting and protecting investment, this agreement aims at fostering bilateral economic relation.

*AfCFTA*

The ratification of the AfCFTA Protocols should not represent a discrimination for Switzerland. As stated under Article 4 of the AfCFTA Protocol on Trade in Goods, free trade agreements with third countries (and regions) outside Africa will be possible as long as they do not *“impede or frustrate the objectives*

<sup>36</sup> Note: in May 2021, China signed an “Economic and Technical Cooperation Agreement” with Tanzania. According to the agreement, the Chinese Government will provide new aid for Tanzanian mainland, which will be utilized in the construction of projects negotiated and approved by the two Governments.

<sup>37</sup> AGOA.info (2022): About AGOA, [link](#), consulted June 2022

<sup>38</sup> EU (2022): Everything but Arms (EBA), [link](#), consulted in June 2022

<sup>39</sup> GSP hub (2022): Tanzania, [link](#), consulted in July 2022

<sup>40</sup> SADC (2022): SADC, [link](#), consulted in June 2022

<sup>41</sup> SADC (2022): SADC FTA, [link](#), consulted in June 2022

<sup>42</sup> EAC (2022): Trade, [link](#), consulted in June 2022

<sup>43</sup> The Republic Democratic of Congo joined the EAC in July 2022

<sup>44</sup> USTR (2022): Trade & Investment Framework Agreements, [link](#), consulted in June 2022

of the AfCFTA”.<sup>45</sup>

#### EFTA – EAC

The regional and international agreements listed under section 3.1 do not represent a significant potential for discrimination against Swiss exporters and investors. However, in order to mitigate any possible risk in the future, a framework agreement between the European Free Trade Association (EFTA) and the EAC Partner States might be explored. Preliminary contacts in this regard have been re-established between the two organisations in 2022.

## 4. FOREIGN TRADE

### 4.1. Developments and general outlook<sup>46</sup>

#### *Tanzanian external sector performance*

For the year ending December 2022, the external sector continued to endure challenges stemming from commodity prices, tight financial conditions, high inflation among trading partners, and supply-chain disruptions caused by the resurgence of COVID-19 and war in Ukraine.

Consequently, Tanzania registered an overall negative balance of payments with a deficit of USD 995 million, compared with a surplus of USD 1.8 billion in the previous year, which was driven by higher payments abroad.

#### *Current account*

For the year ending December 2022, the current account recorded a deficit of USD 5.3 billion (from a deficit of USD 2.4 in 2021 and a deficit of 1.1 billion in 2020), mainly due to high import bill.

The primary income account deficit narrowed to USD 1.3 billion in the year ending December 2022 (USD 838 in 2021) due to high import bills.<sup>47</sup>

The secondary income account surplus increased to USD 645.4 million in the year ending December 2022, from USD 553.7 million in 2021, driven by private transfers.<sup>48</sup>

The stock of foreign official reserves declined to USD 5.2 billion at the end of December 2022 from the USD 6.4 billion in the similar period in 2021. Nonetheless, the reserves remained adequate, covering 4.7 months of imports, in line with the country benchmark of not less than 4 months (as well as the EAC 4.5 months and SADC 6 month's benchmarks).

#### 4.1.1. Trade in goods<sup>49</sup>

In the year ending December 2022, Tanzanian exports of goods and services increased by 21.5% to USD 12 billion. On the other hand, imports of goods and services increased by 43.92% to USD 16.7 billion.

#### *Export of goods*

In the year ending December 2022, exports of goods increased by 6.9% to USD 7.2 billion. Gold accounting for 39.3% of the total value exported (see below). Excluding precious minerals, manufactured goods increased by 20% representing 19.9% of the total value exported (17.8% in 2021; 14.2% in 2020). Cement based products, iron and steel and textiles grew significantly.<sup>50</sup> On traditional exports (representing 10.6% of the total value exported), cashew nuts, coffee, cotton, sisal and tobacco exports increased while cloves and tea decreased.

The Bank of Tanzania reported that the demand for Tanzanian's good was particularly strong in the Democratic Republic of Congo.

<sup>45</sup> Note: AfCFTA Agreement, Article 4 (2): “Nothing in this Protocol shall prevent a State Party from concluding or maintaining preferential trade arrangements with Third Parties, provided that such trade arrangements do not impede or frustrate the objectives of this Protocol, and that any advantage, concession or privilege granted to a Third Party under such arrangements is extended to other State Parties on a reciprocal basis.”

<sup>46</sup> Bank of Tanzania (2023): Monthly Economic Review, January 2023, [link](#), consulted in April 2023.

<sup>47</sup> Note IMF (2022): primary income represents the return that accrues to resident institutional units for their contribution to the production process or for the provision of financial assets and renting natural resources to non-resident institutional units. Primary income includes the following components: income associated with the production process, property income and rent.

<sup>48</sup> Note IMF (2022): the transactions recorded in the secondary income account pertain to those current transfers between residents and nonresidents that directly affect the level of gross national disposable income and thus influence the economy's ability to consume goods and services.

<sup>49</sup> Bank of Tanzania (2023): *Op. cit.*

<sup>50</sup> One has to note that fertilizer also grew but mainly through re-exportation mechanisms.

On the energy side, coal exports topped USD 160.4 million (USD 13.2 million in 2021), largely on account of increasing demand for alternative source of energy following short supply of crude oil and natural gas amid the war in Ukraine. Most of the coal was destined to neighboring countries including Kenya, Democratic Republic of Congo, Rwanda and Uganda but also to other countries mostly Poland, Hong Kong, India and Senegal.

#### *Export of gold*

In 2022, Tanzania exported USD 2.8 billion worth of gold (USD 2.7 billion in 2021; USD 2.9 billion in 2020). **Switzerland remains one of the most important gold partner for Tanzania.** Data from the Bank of Tanzania indicated that Switzerland was the 3<sup>rd</sup> largest gold import partner for Tanzania (behind South Africa and India) in 2021.<sup>51</sup>

#### *Import of goods*

In 2022, imports of goods increased by 42.4% to USD 14.2 billion. This growth was driven by imports of capital goods (53.5% YoY) such as mechanical appliances, industrial transport equipment and electrical machinery. Intermediate imports grew by 44.6% YoY, driven by fuel, lubricants and petroleum products as well as iron and steel products. Consumer goods continue to grow steadily (AAGR of 11.3% since 2018).

#### 4.1.2. Trade in services

##### *Export of services*

Services receipts increased to USD 4.7 billion (from USD 3.1 billion) in the year ending December 2022. This 53.2% growth was driven by travel and transport receipts. Travel receipts almost doubled to USD 2.5 billion from USD 1.3 billion, consistent with the rise in the number of tourist arrivals by 57.7% (to 1.4 million). The level of tourist arrivals is approaching the pre-pandemic level (1.5 million in 2019), reflecting recovery of tourism sector.

##### *Import of services*

Services payments amounted to USD 2.5 billion (up from USD 1.6 billion in 2021) in the year ending December 2022. This was largely driven by higher freight payments consistent with the rise in import bill.

#### 4.1.3. Main trading partners<sup>52/53</sup>

##### *Global*

##### Data from the Bank of Tanzania – 2021<sup>54</sup>

In 2021, Tanzania's major export partner (in value terms) were the United Arab Emirates (16.5 % of total value exported), India (15.8%), South Africa (14.3% of total export), **Switzerland** (8.2%).

For imports, major trading partner (in value terms) in 2021 were China (24.9% of total value imported), the United Arab Emirates (12.7%), India (11.1%) and Saudi Arabia (6.2%).

##### Data from the IMF – 2022.

In 2022, Tanzania exported to India, the United Arab Emirates and South Africa products for a total value of USD 1.7 billion, USD 1.6 billion and USD 1.3 billion respectively. With USD 529 million (or 5.4% of Tanzanian's total exports), **Switzerland** remains in the top 5 of Tanzania's export markets (see ANNEX 3).

On imports, in 2022, **Switzerland** still ranks 23<sup>rd</sup>. China (with 23.8% of total imports), the United Arab Emirates (13.4%) and India (11.1%) represented almost half of the total Tanzanian imports (see ANNEX 3).

While South Africa has been a long-lasting trading partner with Tanzania for export and China as the top 1 country for import, the last three years has seen India and United Arab Emirates strengthening their ties with Tanzania (see ANNEX 3).

##### *Regional<sup>55</sup>*

##### *East African Community (EAC)*

In 2020, Tanzania's exports to the EAC amounted to USD 811.2 million (up from USD 678.5 million

<sup>51</sup> *Ibid.*

<sup>52</sup> Bank of Tanzania (2022): Annual Report 2020/21 & 2021/22, [link](#), consulted in April 2023.

<sup>53</sup> IMF (2023): Macroeconomic and Financial Data, data retrieved from [link](#), April 2023.

<sup>54</sup> Note: gold trade included.

<sup>55</sup> Bank of Tanzania (2022): *Op. cit.*

in the previous year). Imports slightly declined to USD 326.7 million from USD 334.7 million in 2019. For Tanzania, this resulted in a trade surplus of USD 484.5 million (compared to a surplus of USD 343.8 million in 2019).

Tanzania's exports to EAC partners are quite evenly distributed: 28% to Kenya, 23% to Uganda, 22% to Burundi, 25% to Rwanda but 0.4% to South Sudan. One has to note that the Tanzania's export shares to Kenya within the EAC topped 72.9% in 2016 (while this figure did not reach 2% for Rwanda in 2016).

#### *Southern African Development Community (SADC)*

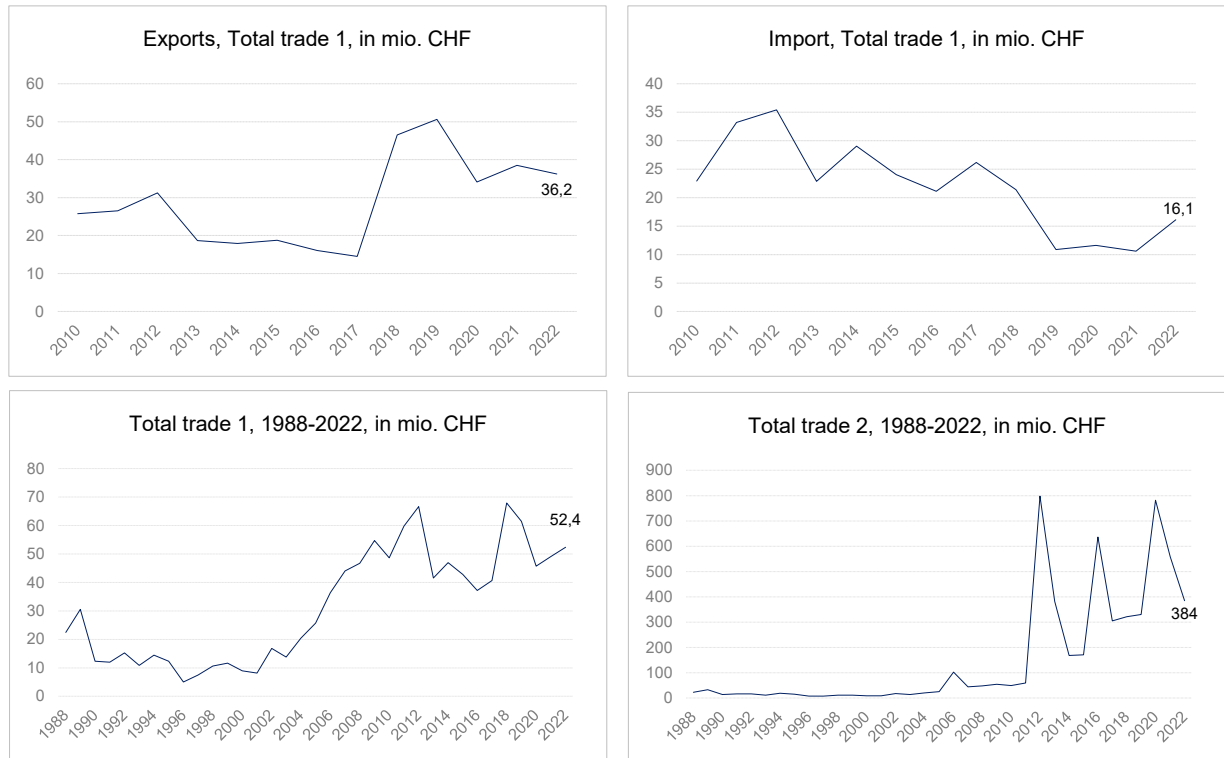
Tanzania continues to see an improvement in intra-SADC trade, registering a trade surplus of USD 1.1 billion in 2020. Tanzania's major exported products to SADC countries were gold, cigarettes, wheat flour, and ceramic products, whereas major imported products comprised motor vehicles, maize seeds, iron sheets, and lubricants.

## 4.2. Bilateral trade

### 4.2.1. Trade in goods (*Total trade 1*)<sup>56</sup>

In 2022, **exports** to Tanzania reached **CHF 36.2 million** while **imports** from Tanzania topped **CHF 16.1 million**. YoY, exports declined by -5.9% while imports grew by 52.3% (see ANNEX 4). Total trade reached therefore CHF 52.3 million (CHF 49.1 in 2021).

Bilateral trade between Switzerland and Tanzania is still significantly below 2018 levels (CHF 67.9 million – all time high). While total exported value continues to hover around CHF 35 million per year since 2020 (a peak was reached in 2019 with CHF 50.6 million exported), imports regain some dynamism in 2022 thanks to an increase in import of basic products for the food industry.



Excluding gold, since 2018, the overall trade balance is positive for Switzerland to reach CHF 20.1 million in 2022 (CHF 27.9 million in 2021).

#### *Export of goods*

The main exported products to Tanzania were i) machines, appliances, electronics (39.6% of the total value exported – 10.4% in 2021), ii) products of the chemical and pharmaceutical industry (30.5%) and iii) paper, articles of paper and products of the printing industry (17.7%).

While products of the chemical and pharmaceutical industry represented more than the half of the exported value to Tanzania in 2021, in 2022 machines took over the first spot with a YoY increase of 259% to reach CHF 14.4 million.

A significant increase has been registered in exports of industrial machinery (+439%) such as thermo and refrigeration engineering goods; air-conditioning and cooling technology products; filtering and cleaning technologies as well as packaging and filing machines.

In 2022, Switzerland exported CHF 1.3 billion worth of goods to 52 Sub-Saharan African trading partners (i.e. 0.5% of Switzerland's worldwide total exports in 2022). While Tanzania ranked 7<sup>th</sup> in 2021 in relative value terms, in 2022 the country became the 5<sup>th</sup> most important export market for Switzerland in the region with 2.8% of total Swiss exports in the Sub-Saharan African region (behind South Africa [46.5% or CHF 612 million], Nigeria [12.9%], Kenya [7.5%] and Botswana [3.1%]). In value terms, Tanzania has therefore overtook Côte d'Ivoire (by approx. CHF 600'000) and Ethiopia (by CHF 19.8 million).

On a global scale, Switzerland's trade links with Tanzania are thus not particularly strong. Among the

<sup>56</sup> Federal Office for Customs and Border Security (2023): Swiss-Impex, data retrieved from [link](#), April 2023. Total 1 = without gold and other precious metals, stones and gems.

236 export partners registered in 2022, Tanzania ranks 100<sup>th</sup>, while Egypt, South Africa and Morocco are Switzerland's top three export markets on the African continent as a whole.

### *Import of goods*

On imports, forestry, agricultural and fisheries products continue to represent more than 95% of the total imported products from Tanzania (excl. gold, see below). This comprises mostly plant-based basics materials for the food industry (mainly coffee, not roasted [CHF 1.7 million] and crude sunflower-seed or safflower oil [13.4 million]).

In 2022, Switzerland imported CHF 1.6 billion worth of goods from 52 Sub-Saharan African trading partners (i.e. 0.7% of Switzerland's worldwide total imports in 2022). Tanzania is the 13<sup>th</sup> most important import market for Switzerland in the region (with 1.0% of total Swiss imports from the Sub-Saharan African countries). Nigeria (43.9% or CHF 717 million) and South Africa (21.2% or CHF 346 million) represent from far the number one partners regarding imports totalling hence 65% of total value imported from the region.

On a global scale, Switzerland's trade links with Tanzania are therefore not particularly strong on the import side either. Of the 207 import partners registered in 2022, Tanzania ranks 102<sup>th</sup>, while Nigeria, South Africa and Morocco are Switzerland's top three import partners from the African continent as a whole.

#### 4.2.2. Gold trade (*Total trade 2*)<sup>57</sup>

When including gold bars, precious metals coin, precious stones and gem (i.e. *Total trade 2*), Swiss exports to Tanzania remains constant (i.e. CHF 36.2 million). However, imports grow to **CHF 348 million**. Total trade tops therefore **CHF 384 million** with gold accounting for 95.4% of the total imported goods (or CHF 330.5 million in 2022).

While gold imports reached CHF 735 million in 2020 (all time high in the last decade), import of gold dropped by 35% in 2022 after a drop of 30.9% in 2021. One has to note that import of gold from Tanzania remains very volatile.

## 5. DIRECT INVESTMENTS

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### 5.1. Developments and general outlook

The FDI stock in Tanzania amounted to USD 16.9 billion as of end of 2020, which is an increase of 12.4 % compared to previous year.<sup>58</sup>

There has been a drop in FDI inflows in recent years as a result of a broader decline in Tanzania's appeal as an investment destination. This was in large part caused by an increasingly challenging regulatory and fiscal landscape.<sup>59</sup> However, FDI inflows to Tanzania saw a significant rise to USD 922 million in 2021 (an increase of 35% compared to the FDI flows in 2020). The FDI levels to Tanzania rose by 8 % to \$1.1 billion; the number of announced greenfield projects in the country rose by 60%; the number of international project finance deals also increased.<sup>60</sup> Nonetheless, recent information indicates a renewed interest from foreign investors in Tanzania. Infrastructure projects as the approved USD 3.5 billion *East African Crude Oil Pipeline* from Uganda to the Tanga seaport or the planned further development of Tanzania's gas resource base augurs well for further future investments.<sup>61</sup>

FDI to Tanzania is drawn mostly to the mining and extractive sector, the oil and gas industry, and the primary agricultural products sector (coffee, cashew nuts, tobacco, and fisheries). Investment in infrastructure, agro-processing and manufacturing are also accelerating. The Tanzania Investment Center (or TIC) disclosed that it registered 132 investment projects between July and November 2022 for a total value of USD 3.16 billion. In comparison, the TIC registered 102 projects during the same period of 2021 for a total value of USD 881 million, marking a staggering increase of over 250% YoY.<sup>62</sup> According to the IMF, the top sources for inward foreign investment into Tanzania as of the end of 2020 were the United Kingdom (26.5%), the Netherlands (8.0%), Ireland (7.4%) and Norway (6.9%) (see ANNEX 5).<sup>63</sup> China (1.8%) and the United States (1.3%) rank 12<sup>th</sup> and 15<sup>th</sup> respectively.

Main challenges for foreign investors relate to the country's tax policy, trading across borders and

<sup>57</sup> Federal Office for Customs and Border Security (2023): *Op. cit.*

<sup>58</sup> International Monetary Fund (2022): Foreign Direct Investment, data retrieved from [link](#), April 2023.

<sup>59</sup> Delegation of the European Union to the United Republic of Tanzania and the East African Community (2022): How European investment contributes to industrialisation and development in Tanzania, [link](#), consulted in April 2023.

<sup>60</sup> UNCTAD (2023): World Investment Report 2020 & 2021 & 2023, data retrieved from [link](#), July 2022.

<sup>61</sup> *Ibid.*

<sup>62</sup> TIC (2022): Direct Investment, [link](#), consulted in April 2023.

<sup>63</sup> International Monetary Fund (2023): *Op.cit.*

starting a business. The Tanzanian Government is in the process of enacting, a number of pieces of legislation and regulation to help facilitate investment in the country. The official implementation of the *Business Environment Improvement Blueprint* started on July 1, 2019, but a large number of regulations are still not implemented until now. The updated *Tanzania Investment Act* was enacted late 2022 but early 2023, some analysts already indicated that the Act will fail to bring notable improvements to the investment framework.<sup>64</sup>

## 5.2. Bilateral investment

The net value of the Swiss bilateral investment stock in Tanzania amounted to CHF 241 million in 2021 (CHF 129 in equity and CHF 112 in loans) and was hence significantly higher than in 2020 (CHF 167). This sharp 44.3% increase YoY contrasts sharply with the two previous years, during which stock fell by -5.3% and -1.5% respectively (and when FDI stock plateaued around CHF 170 million from 2017 to 2020).<sup>65</sup>

The significance of Swiss investment relative to total FDI in Tanzania has generally decreased in recent years. However, with a share of around 0.7% in 2020 (and 2019), Switzerland still ranked among the top 20 foreign direct investors in Tanzania.<sup>66</sup>

After a net divestment of CHF 17 million in 2020 (the first net divestment of funds ever since publication of the related data by the Swiss National Bank in 2014), net FDI flows from companies domiciled in Switzerland rose to CHF 66 million in 2021 (CHF 21 million in equity, CHF 7 million in reinvested earnings and CHF 39 million in intra-company loans).<sup>67</sup> An all-time high since the SNB published this data.<sup>68</sup>

<sup>64</sup> Clyde & Co (2022), The TIA 2022, [link](#), consulted in April 2023.

Shikana Law Group (2023), TIA "Same-Same but Different", [link](#), consulted April 2023.

<sup>65</sup> Swiss National Bank (2023), Foreign Direct Investment, data retrieved from [link](#), April 2023.

<sup>66</sup> International Monetary Fund (2022): *Op. cit.* Note: SNB and IMF data cannot be reconciled.

<sup>67</sup> Swiss National Bank (2023): *Op. cit.*

<sup>68</sup> *Ibid.*

## 6. ECONOMIC AND TOURISM PROMOTION

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### 6.1. Swiss foreign economic promotion instruments

The [Swiss Business Hub Southern and Eastern Africa](#) is promoting Swiss exports to Tanzania. In mid-2022, a delegation of the Swiss Business Hub visited the country and exchanged with the local Swiss business community. In November 2022, the Head of the SBH visited several Swiss and foreign companies in Tanzania.

The **Switzerland-Tanzania Chamber of Commerce (STCC)** was launched in February 2023 with the participations of State Secretary Helene Budliger Artieda. The STCC will aim at creating a platform for supporting Swiss companies exporting and investing in the country. The Chamber shall enhance the relations between the Swiss and Tanzanian business communities through collaborative dialogues, advocacy, and business networking events.

End of February 2023, SECO State Secretary Helene Budliger Artieda headed the first Swiss Economic Mission to Tanzania. Together with executives of Economiesuisse and a dozen a Swiss companies, the Official Delegation exchanged with Ministers, the Tanzania Investment Center, Swiss companies active in Tanzania as well as various representatives of the private sector in the country.

Switzerland is an active stakeholder within the innovation ecosystem in Tanzania. Over the past few years, the Embassy contributed to, hosted and/or participated in various innovation initiatives and events such as the Innovation Week, Sahara Sparks and Seedstars events. Additionally, the Embassy runs Ifakara Innovation Hub project and launched the Innovation for Social Change project (inclusive of a catalytic fund – Daraja Impact fund to support Tanzanian social enterprises) in May 2023 and is offering support to the Tanzania Startup Association (TSA) for the creation of the Startup Act.

### 6.2. The host country's interest in Switzerland

In Tanzania, Switzerland enjoys the reputation of hosting world leading educational institution. As part of the EPFL–UM6P's Excellence in Africa initiative, one of the six successful teams which will take part in the Junior Faculty Development programme is Tanzanian.<sup>69</sup>

Tanzania looks at Switzerland for its high expertise in several areas of interest such as hospitality, health, and financial services.

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<sup>69</sup> EPFL (2021): Six new EPFL – African universities research projects, [link](#), consulted in June 2022



**ANNEX 1 – ECONOMIC STRUCTURE**

Economic structure of the host country

	2017	2021	Contribution to real GDP growth 2021
<b>Distribution of GDP*</b>			
<b>Agriculture, forestry and fishing</b>	<b>26.0%</b>	<b>24.8%</b>	<b>19.6%</b>
<i>Crops</i>	13.8%	13.1%	9.6%
<i>Livestock</i>	7.3%	7.1%	7.1%
<i>Forestry</i>	3.0%	2.8%	2.0%
<i>Fishing</i>	1.9%	1.8%	0.9%
<i>Agriculture support services</i>	0.03%	0.03%	0.01%
<b>Industry and construction</b>	<b>26.5%</b>	<b>29.2%</b>	<b>32.1%</b>
<i>Mining and quarrying</i>	4.3%	4.8%	8.8%
<i>Manufacturing</i>	8.3%	8.2%	8.0%
<i>Electricity supply</i>	0.8%	0.9%	1.6%
<i>Water supply, sewerage, waste management</i>	0.4%	0.4%	0.5%
<i>Construction</i>	12.8%	14.9%	13.1%
<b>Services</b>	<b>39.7%</b>	<b>38.9%</b>	<b>38.9%</b>
<i>Wholesale retail trade and repairs</i>	9.1%	8.6%	6.2%
<i>Transport and storage</i>	7.3%	7.9%	5.7%
<i>Accommodation and food services</i>	1.4%	1.1%	1.5%
<i>Information and communication</i>	1.7%	1.9%	3.3%
<i>Financial and insurance activities</i>	3.8%	3.4%	3.4%
<i>Real estate</i>	3.0%	2.8%	2.6%
<i>Professional, scientific and technical activities</i>	0.6%	0.7%	0.9%
<i>Administrative and support service activities</i>	2.7%	2.8%	3.9%
<i>Public administration and defence</i>	4.6%	4.2%	4.3%
<i>Education</i>	2.7%	2.6%	2.7%
<i>Human health and social work activities</i>	1.5%	1.5%	1.8%
<i>Arts, entertainment and recreation</i>	0.3%	0.3%	1.1%
<i>Other service activities</i>	0.8%	0.9%	1.4%
<i>Activities of households as employers</i>	0.2%	0.2%	0.1%
<i>(Taxes on products)</i>	<i>(7.8%)</i>	<i>(7.2%)</i>	<i>(9.4%)</i>

<b>Distribution of employment**</b>	<b>2014</b>	<b>2021</b>
Agriculture, forestry and fishing	66.2	61.1
Manufacturing	6.7	8.0
Services	27.1	30.9

\* Source: Bank of Tanzania, Monetary Policy Statement 2022/23, mid-year review (February 2023): <https://www.bot.go.tz/Publications/Filter/1>.

\*\* Source: National Bureau of Statistics, Integrated Labour Force Survey (2020/2021): <https://www.nbs.go.tz>.

**ANNEX 2 – MAIN ECONOMIC DATA**

Host country's main economic data

	2020	2021	2022	2023 <sup>e</sup>
GDP (USD bn)*	64.40	70.31	76.58	84.93
GDP per capita (USD)*	1,110	1,180	1,250	1,340
Growth rate (% of GDP)*	4.8	4.9	4.5	5.2
Inflation rate (%)*	3.3	3.7	4.0	5.3
Unemployment rate (%)**	9.7 <sup>e</sup>	9.3 <sup>e</sup>	n/a	
Fiscal balance (% of GDP)****	-0.8%	-3.4%	-2.8%	n/a
Current account balance (% of GDP)*	-1.8	-3.3	-4.4	-3.9
Total external debt (% of GDP)***	18.8	18.8	18.7	18.8
Debt-service ratio (% of exports)***	14.8	14.9	11.5	9.4
Reserves (months of imports)***	5.6	6.6	4.7	n/a

<sup>e</sup> Estimates\* Source: IMF, World Economic Outlook (April, 2023):  
<https://www.imf.org/en/Countries/TZA>.\*\* Source: National Bureau of Statistics, Integrated Labour Force Survey (2020/21) – February 2022, Table 3.5:  
<https://www.nbs.go.tz/>.\*\*\* Source: Bank of Tanzania, Monetary Policy Statements (February, 2021, 2022, 2023):  
<https://www.bot.go.tz/Publications/Filter/3>.\*\*\*\* Source: African Development Bank, Tanzania Economic Outlook (June, 2022):  
<https://www.afdb.org/en/countries-east-africa-tanzania/tanzania-economic-outlook>.

**ANNEX 3 – TRADE PARTNERS**

Trade partners of the host country

Year: 2022

Rank	Country	Exports from the host country (USD million)	Share	Change <sup>1</sup>	Rank	Country	Imports to the host country (USD million)	Share	Change <sup>1</sup>
1	India	1'751.8	17.8%	73.7%	1	China	3'014.9	23.8%	11.8%
2	UAE	1'683.4	17.1%	60.1%	2	UAE	1'696.5	13.4%	24.8%
3	South Africa	1'308.1	13.3%	42.7%	3	India	1'410.2	11.1%	16.6%
4	Kenya	654.6	6.7%	64.8%	4	Saudi Arabia	796.8	6.3%	18.2%
5	Switzerland	529.1	5.4%	0.4%	5	Japan	526.4	4.2%	12.2%
					23	Switzerland	95.1*	0.8%	23.5%
	<b>Total</b>	<b>9'824.7</b>	<b>100%</b>	<b>53.7%</b>		<b>Total</b>	<b>12'660.7</b>	<b>100%</b>	<b>16.0%</b>

<sup>1</sup>. Change from the previous year in %

\*Note: IMF's data are slightly inconsistent with the data from the Federal Office for Customs and Border Security as well as the Bank of Tanzania's data. Nevertheless, they allow for an international comparison.

Source: IMF, Macroeconomic and Financial Data (April, 2023): <https://data.imf.org/>.

**ANNEX 4 – BILATERAL TRADE**

Bilateral trade between Switzerland and the host country

	Export (CHF million)	Change (%)	Import (CHF million)	Change (%)	Balance (CHF million)	Volume (in kg/million)
2017	14.507	-9.6	26.189	24.1	-11.681	11.620
2018	46.482	220.4	21.409	-18.3	25.073	8.119
2019	50.617	8.9	10.855	-49.3	39.762	3.453
2020	34.097	-32.6	11.582	6.7	22.515	7.224
2021	38.526	13.0	10.592	-8.5	27.934	6.411
2022*	36.236	-5.9	16.127	52.3	20.109	7.292
2022**					-28%	13%

\*) 'Economic' total (Total 1): not including gold bars and other precious metals, currencies, precious stones and gems, works of art and antiques.

\*\*) Change (%) from the previous year.

Exports (in value terms)	2021 (% of total)	2022 (% of total)
1. Products of the chemical and pharmaceutical industry	55.8	30.5
2. Paper, articles of paper and products of the printing industry	24.8	17.7
3. Machines, appliances, electronics	10.4	39.6
4. Precision instruments, clocks and watches and jewellery	4.0	6.7

Imports (in value terms)	2021 (% of total)	2022 (% of total)
1. Forestry and agricultural products, fisheries	96.6	97.7
2. Machines, appliances, electronics	2.1	1.5
3. Products of the chemical and pharmaceutical industry	0.5	0.09
4. Metals	0.28	0.01

Source: Federal Office for Customs and Border Security.

**ANNEX 5 – MAIN INVESTING COUNTRIES**

Main investing countries in the host country

Year: 2019-2020

Rank	Country	Direct investment 2019 (USD million, stock)	Direct investment 2020 (USD million, stock)	Share	Variation YoY
1	United Kingdom	1,980	4,496	26.5%	127.1%
2	Netherlands	1,642	1,355	8.0%	-17.5%
3	Ireland	3	1,252	7.4%	44,607.5%
4	Norway	1,362	1,163	6.9%	-14.6%
5	South Africa	1,363	1,063	6.3%	-22.0%
6	Nigeria	862	832	4.9%	-3.6%
7	Kenya	869	824	4.9%	-5.1%
8	Australia	65	507	3.0%	680.2%
9	Mauritius	1,174	506	3.0%	-56.9%
10	Cayman Island	23	439	2.6%	1,784.9%
11	Belgium	259	325	1.9%	25.5%
12	China	672	298	1.8%	-55.6%
13	UAE	250	257	1.5%	2.6%
14	Canada	88	230	1.4%	160%
15	USA	772	223	1.3%	-71.1%
16	Russia	245	216	1.3%	-11.6%
17	France	188	188	1.1%	0.2%
18	Guernsey	38	165	1.0%	331.1%
19	Bermuda	152	143	0.8%	-5.9%
20	Switzerland	110*	117*	0.7%	5.7%
	Total	16,967		100%	12.4%

Source: IMF, Coordinated Direct Investment Survey (CDIS): <https://data.imf.org/?sk=40313609-F037-48C1-84B1-E1F1CE54D6D5&slid=1482331048410>.

\*Note: Data from 2009 to 2022.

\*\*Note: IMF's data are slightly inconsistent with the Swiss National Bank's data. Nevertheless, they allow for an international comparison.