Tanzania Investment Report 2014

Foreign Private Investment

List of Acronyms

BIT	Bilateral Investment Agreement
BOP	Balance of Payments
BOT	Bank of Tanzania
BPM5	Balance of Payments Manual, 5th Edition - IMF
BPM6	Balance of Payments Manual, 6th Edition – IMF
DTT	Double Taxation Treaties
EAC	East African Community
FDI	Foreign Direct Investment
FPI	Foreign Private Investment
GDDS	General Data Dissemination Standards
GDP	Gross Domestic Product
IFC	International Finance Corporation
ICSID	International Centre for Settlement of Investment Dispute
IIP	International Investment Position
IMF	International Monetary Fund
M&A	Mergers and Acquisitions
MIGA	Multilateral Investment Guarantee
NBS	National Bureau of Statistics
OCGS	Office of the Chief Government Statistician
OECD	Organization for Economic Co-operation and Development
PSED	Private Sector External Debt
SADC	Southern African Development Community
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
TIC	Tanzania Investment Centre
TNCs	Transnational Corporations
UK	United Kingdom
USA	United States of America
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
URT	United Republic of Tanzania
USD	United States Dollar
WAIPA	World Association of Investment Promotion Agencies
WIR	World Investment Report
ZIPA	Zanzibar Investment Promotion Authority

Preface

The Tanzania Investment Report 2014 presents survey results on foreign private investment that covers information for 2013. This is the seventh report in the series of similar publications.

The main objective of the survey is to continue monitoring inflows of Foreign Private Investment (FPI) to Tanzania and assess their contributions to the economy. Other objectives include the use of the survey results to update the country's Balance of Payments (BOP) and International Investment Position (IIP), design effective investment promotion and facilitation strategies and enrich the national investment database.

The report presents the survey results by showing sources, magnitude, composition and direction of FPI flows into the country.

It is with anticipation that the report will provide useful information to policy makers, private sector, development partners, researchers and the academia.

BNdulu:

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Chairman, Executive Committee (PCF Surveys)
2014

Acknowledgement

The production of this report is a joint effort by the Bank of Tanzania (BOT), Tanzania Investment Centre (TIC) and the National Bureau of Statistics (NBS). It was prepared under the guidance of the Executive Committee of the private capital flows survey whose members are Prof. Benno Ndulu (Governor, BOT), Mrs. Juliet Kairuki (Executive Director, TIC) and Dr. Albina Chuwa (Director General, NBS).

The supervision of the report was spearheaded by the Steering Committee comprised of Dr. Joseph L. Masawe (Director of Economic Research and Policy, BOT), Mrs. Anna Lyimo-Kessy (Acting Director of Research and Information System, TIC) and Mr. Morrice Oyuke (Director of Economic Statistics, NBS).

Survey activities which include questionnaire design, data collection and processing and report writing were undertaken by the Technical Committee led by Ms. Neema Moshy (Manager, Department of International Economics and Trade, BOT). Members of the Technical Committee were Festo Mlele, Dr. Charles Masenya, Zabadiah Kiwelu, Emiliana Rweyemamu-Ngirwa, Deodatus Mattaba, Joyce Saidimu, Villela Waane Kejo, Phillip Mboya, Peter Stanslaus and Lulu Edward (BOT), Tibenda Njoki (TIC), Valerian Tesha and Michael Assenga (NBS).

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Rationale

Foreign Private Investments (FPI), particularly foreign direct investments (FDI) have increasingly become important source of financing investments to most of developing and transition economies. Tanzania, like many other developing economies continue to receive substantial amounts of FDI due to the prevailing favourable investment climate. In view of this, it has necessitated the establishment of monitoring mechanism in order to determine the magnitude, type, composition and direction of investments.

Objectives

The objectives of the survey include to:

i. Collect and analyze data on foreign private investments for 2013 in order to improve balance of payments statistics and establish country's international investment position; and

ii. Recommend appropriate investment policies and strategies with a view to improve the country's investment climate.

Findings from the survey

......Stock of Foreign Private Investment continues to increase

The survey findings show that in 2013, stock of foreign private investments amounted to USD 15,969.5 million being 15.8 percent higher than the amount recorded in 2012. FDI continue to dominate foreign private investments, followed by other investments and portfolio investments. Portfolio investments registered a growth of 55.4 percent mainly due to high levels of retained earnings by enterprises with tradable equity and investment funds shares.

....FDI inflows increase

During 2013, FDI inflows rose by 18.4 percent to USD 2,130.9 million compared to the level recorded in 2012. The increase in inflows was noted in long-term loans from related companies and reinvestment of earnings. The findings are consistent with the results in the World Investment Report of 2014, which shows that FDI inflows to developing economies grew by 7.4 percent driven by international and regional market-seeking and infrastructure investments.

.....Financing of FDI inflows change from equity and reinvestment earnings to long term loans from affiliates

The 2013 survey results indicate that FDI was more than half financed by long term loans from affiliates while in 2012 equity and reinvestment of earnings were the leading source of financing.

....Finance and Insurance attracts large FDI inflows

Finance and insurance activities attracted largest inflows of FDI in 2013 replacing the main traditional recipients, namely mining and quarrying and manufacturing activities. During the review period, finance and insurance received more than five times the amount received over the past five years. Large inflows into this activity emanated from Greenfield investments, reinvestment of earnings, and injection of additional capital by banks to comply with minimum capital requirements.

....FDI inflows continue to originate from few countries

Canada, South Africa, Netherlands and Kenya accounted for an average of 73 percent of the total FDI inflows to Tanzania in 2013. These investments were directed towards mining and quarrying, finance and insurance, information and communication and manufacturing activities.

....Portfolio Investments remain small

During 2013, net inflows of portfolio investments amounted to USD 3.5 million compared to a net outflow of USD 5.6 million reported in 2012. This resulted from reported retained earnings by enterprises with tradable equity and investment fund shares.

...Profit and dividends depict a mixed trend

The overall net profits (after tax) continued to increase to USD 1,978.5 million in 2013. The share of reinvestment of earnings in the total profits was less than half the amount recorded in the year 2012. This was partly attributable to huge dividends paid in 2013 that were more than three times the amount reported in 2012.

....Private Sector external debt continues to increase

The stock of private sector external debt (PSED) increased by 24 percent in 2013. Long and short term loans from affiliates continued to constitute the largest share of PSED. During the period under review, disbursements were higher compared to amortization and interest payments. Most of the disbursements were directed towards finance and insurance activities while most of the repayments originated from the manufacturing activities.

The report points out a number of policy recommendations raising the need for the government to continue its efforts aimed at promoting FDI inflows.

CHAPTER 1
OVERVIEW OF TRENDS AND PROSPECTS OF FOREIGN DIRECT INVESTMENTS

1.0 Introduction

This chapter presents general overview of Foreign Direct Investments (FDI) performance in terms of trends, prospects, and investment climate in Tanzania. It highlights FDI flows at global, regional and sub-regional levels. An overview of macroeconomic developments, business regulations and procedures; and markets is also provided.

1.1 Global FDI Trends

1.1.1 Overview

The World Investment Report (WIR) 2014 shows that the global FDI inflows increased by 9.1 percent in 2013 to USD 1,452.0 billion compared to USD 1,330.3 billion recorded in 2012 (**Table 1.1**). The growth was mainly attributed by a rise in FDI inflows in all major economic groupings (developed, developing and transition economies) reflecting a moderate increase in global economic growth and some large cross-border mergers and acquisitions (M&As) transactions. Likewise, global FDI outflows rose by 4.8 percent to USD 1,410.7 billion from USD 1,346.7 billion in 2012. The development was largely attributed by investors from developing and transition economies continuing to increase investments abroad, in response to improved economic growth.

Table 1.1: Global FDI flows, 2009 – 2013

FDI flows	2009	2010	2011	2012	2013
FDI inflows (USD billions)	1,221.8	1,422.3	1,700.1	1,330.3	1,452.0
FDI outflows (USD billions)	1,171.2	1,467.6	1,711.7	1,346.7	1,410.7
Change in FDI inflows (%)	-	16.4	19.5	-21.8	9.1
Change in FDI outflows (%)	-	25.3	16.6	-21.3	4.8

Source: *World Investment Report, 2014*

1.1.2 Regional Distribution of Global FDI Flows

In 2013, FDI inflows increased across all major economic groupings compared to 2012 **(Table 1.2)**. The inflows to developed economies increased by 9.5 percent to USD 565.6 billion in 2013 from USD 516.7 billion recorded in 2012 mainly due to greater retained earnings in foreign affiliates in the European Union (EU), which resulted for an increase in FDI to the EU. FDI inflows to developing economies rose by 7.4 percent to USD 778.4 billion in 2013, accounting for 54 percent of global inflows. Inflows to transition economies increased by 28.3 percent to USD 108.0 billion compared to USD 84.2 billion recorded in 2012.

Table 1.2: FDI Flows by region, 2009-2013

(USD Billions)

Regional/economy	FDI inflows					FDI outflows				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
World	**1,222**	**1,422.3**	**1,700.1**	**1,330.3**	**1,452.0**	**1,171.2**	**1,467.6**	**1,711.7**	**1,346.7**	**1,410.7**
Developed economies	618.6	703.5	880.4	516.7	565.6	846.3	988.8	1,215.7	852.7	857.5
Developing economies	532.6	648.2	724.8	724.8	778.4	276.7	420.9	422.6	440.2	454.1
Africa	56.0	47.0	48.0	55.2	57.2	6.3	6.7	6.8	12.0	12.4
Asia	323.7	409.0	430.6	415.1	426.4	215.3	296.2	304.3	302.1	326.0
Latin America and Caribbean	150.9	189.5	243.9	255.9	292.1	55.0	117.4	110.6	124.4	114.6
Transition economies	70.7	70.6	94.8	84.2	108.0	48.3	57.9	73.4	53.8	99.2

Source: *World Investment Report, 2014*

FDI inflows to Asian countries rose by 2.7 percent to USD 426.4 billion in 2013 driven mainly by rising inflows to China, which remained the world's second largest recipient after the United States. FDI inflows to Latin America and the Caribbean rose by 14.2 per cent to USD 292.1 billion in 2013 from USD 255.9 billion recorded in 2012 driven mainly by increased FDI inflows Central America.

The World Investment Report 2014, also revealed that FDI outflows from developed economies slightly increased to USD 857.5 billion in 2013, from USD 852.7 billion registered in 2012 mainly due to increased outward flows from the EU. Switzerland was the largest outward investor in Europe, driven by a doubling of reinvested earning abroad and an increase in intra-company loans. Transnational corporations (TNCs) in developed economies continued to hold large amounts of cash reserves in their foreign affiliates in the form of retained earnings, which constitute part of reinvested earnings.

Foreign direct investment outflows from developing economies remained resilient, increasing by 3.2 percent to USD 454.1 billion in 2013 from USD 440.2 billion recorded in 2012. The growth was mainly attributed to increased FDI outflows from developing countries in Asia and Africa. Outflows of FDI from developing countries in Asia went up by 7.8 percent to USD 326.0 billion in 2013 owing to a surge of cross border M&As transactions. FDI outflows from Africa increased by 3.5 percent to USD 12.4 billion in 2013 from USD 12.0 billion recorded in 2012. FDI outflows from transition economies went up significantly by 84.3 percent to USD 99.2 billion in 2013 from USD 53.8 billion recorded in 2012 driven by increased value of cross border M&As purchases by transnational corporations.

In contrast, outflows from Latin America and the Caribbean decreased by 7.9 percent to USD 114.6 billion in 2013 partly due to a decline in cross border M&As and strong increase in loan repayments to parent companies by Brazilian and Chilean foreign affiliates abroad.

1.1.4 Prospects of Global FDI Flows

According to the WIR 2014, global FDI flows were projected to increase in the next three years following a gradual improvement of macroeconomic environment, as well as recovering of corporate profits and the strong performance of stock markets. Global FDI flows are forecasted to increase to USD 1,618.0 billion in 2014, USD 1,748.0 billion in 2015 and further to USD 1,851.0 billion in 2016, mainly owing to the strengthening of global economic activity. FDI flows to developed economies are projected to increase by 34.8 percent to USD 763 billion in 2014. In contrast, FDI flows to developing and transition economies are forecasted to decrease by 1.8 percent and 14.8 percent to USD 764.0 billion and USD 92.0 billion in 2014, respectively.

FDI flows in developed economies are forecasted to increase further in machinery, business activities such as computer programming and consultancy, and transport and communication especially telecommunications. In Africa, inflows are projected to increase in the extractive and utilities industries, while in Latin America an increase in flows is expected in the finance and tourism services. In Asia, FDI flows are expected to increase in construction, agriculture and machinery. In transition economies, FDI flows are expected to increase in construction, utilities and textiles industries.

1.2 FDI Trends in Africa

During 2013, FDI inflows to Africa rose by 3.7 percent to USD 57.2 billion from USD 55.2 billion recorded in

2012 (**Table 1.3**). The development was underpinned by international and regional market seeking flows, and infrastructure investments. FDI inflows in North Africa went down by 7.2 percent to USD 15.4 billion in 2013 as a result of a decline in investments in Egypt as a aftermath of persist political instabilities. Inflows in West Africa decreased to USD 14.2 billion in 2013 from USD 16.6 billion registered in 2012 mainly due to declining inflows to Nigeria as a result of uncertainties over long awaited petroleum industry bill and security issues which triggered a series of asset disposals by foreign TNCs. Likewise, FDI flows to Central Africa declined by 17.2 percent to USD 8.2 billion in 2013 mainly due to political instability in the Central African Republic and the Democratic Republic of Congo.

Table 1.3: Africa's FDI Flows 2009 – 2013

(USD Billion)

Region	FDI Inflow					FDI outflow				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Africa	**56.0**	**47.0**	**48.0**	**55.2**	**57.2**	**6.3**	**6.7**	**6.8**	**12.0**	**12.4**
North Africa	19	16.6	8.5	16.6	15.4	2.6	4.8	1.6	3.3	1.5
East Africa	3.9	4.5	4.8	5.4	6.2	0.1	0.1	0.1	0.2	0.2
West Africa	14.8	12.0	18.6	16.6	14.2	2.1	1.3	2.7	3.1	2.2
Southern Africa	12.3	4.5	7.6	6.7	13.2	1.4	-0.2	1.9	5.1	8.0
Central Africa	6.0	9.4	8.5	9.9	8.2	0.1	0.6	0.4	0.2	0.6

Source: *World Investment Report, 2014*

By contrast, FDI inflows in East Africa increased by 14.8 percent to USD 6.2 billion in 2013 largely driven by rising inflows to Kenya and Ethiopia. Most of the inflows to Kenya went to the exploration of oil and gas as well as industrial production and transport. The rise in inflows to Tanzania, Uganda and Madagascar were attributed to increased investments in gas and minerals sectors. Similarly, inflows to Southern Africa significantly increased by 97.0 percent to USD 13.2 billion in 2013 compared to USD 6.7 billion recorded in 2012 mainly due to increased inflows to South Africa and Mozambique especially investments in infrastructure and gas.

1.2.1 Foreign Direct Investment Inflows to Tanzania

Tanzania's share in Global FDI inflows increased to 0.2 percent in 2013 compared to 0.1 percent registered in 2012, consequently its share in Africa also increased to 3.8 percent in 2013 from 3.4 percent recorded in 2012 (**Table 1.4**). This was attributed by increased investment in mining and quarrying as well as finance and insurance activities.

Table 1.4 Tanzania's share in FDI Inflows, 2009 – 2013

FDI flows	2009	2010	2011	2012	2013
Global (Billions of USD)	1,221.8	1,422.3	1,700.1	1,330.3	1,452.0
Africa (Billions of USD)	56.0	47.0	48.0	55.2	57.2
Tanzania (Billions of USD)	1.0	1.8	1.3	1.9	2.2
Tanzania's share in Global (%)	0.1	0.1	0.1	0.1	0.2
Tanzania's share in Africa (%)	1.8	3.8	2.7	3.4	3.8

Source: *World Investment Report 2014*

FDI inflows to Tanzania increased by 18.4 percent to USD 2,130.8 million in 2013 from USD 1,799.6 million recorded in 2012 (**Table 1.5**). Activities which attracted more inflows were finance and insurance, mining and quarrying; and manufacturing. The top five main source countries of FDI inflows to Tanzania in 2013 were Canada, South Africa, the Netherlands, Kenya and the United Kingdom.

Table 1.5: Tanzania's Capital Flows and Stocks, 2009 – 2013

Millions of USD

Type of investment	Inflows					Stocks				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Foreign Private investments	1,023.9	1,812.5	1,330.0	1,866.3	2,181.8	8,779.0	10,591.5	11,921.5	13,787.7	15,969.5
Foreign direct investments	953.1	1,813.3	1,229.4	1,799.6	2,130.9	7,898.7	9,712.0	10,941.4	12,740.9	14,871.8
Portfolio investments	0.4	-0.1	0.7	-5.6	3.5	11.4	11.3	12.0	6.4	9.9
Other investments	70.4	-0.7	99.9	72.3	47.4	868.9	868.2	968.1	1,040.4	1,087.8

1.3 Investment Climate and Promotional Efforts

The Government has continued with efforts to improve the existing investment climate and promote both foreign and domestic investments with a view to consolidate macroeconomic gains achieved so far.

With regard to promotional efforts, the country has continued to promote investments by offering a well-balanced and competitive package of investment incentives to new and existing investors in comparison with other countries. In addition, for the past two years the government signed new bilateral investment treaties (BITs) with the Governments of China, Canada and Kuwait with a view to protect and promote investments. Furthermore, plans are in place to negotiate BITs with the Governments of Japan and Singapore.

1.4 Tanzania's Macroeconomic Developments Output and Prices

During 2013, GDP grew by 7.0 percent compared with a growth rate of 6.9 percent recorded in 2012 (**Table 1.6**). High growth rates were recorded in communication, financial intermediation, construction, wholesale and retail trade, and manufacturing. Good performance in financial intermediation was partly aided by recent innovations in the financial sector, while relatively stable power supply increased industrial production.

Average annual inflation decreased to 7.6 percent in 2013 from 16.0 percent registered in 2012 due to decline in food prices especially rice and other cereals as a result of improved food supply. Year-on-year headline inflation remained at single digit from March to December 2014 consistent with the decline in food prices and sustained tight monetary policy and the general decline in global commodity prices, especially oil prices.

Money and Credit

During 2013, the Bank of Tanzania continued to implement monetary policy aiming at containing inflation. Extended broad money supply (M3) increased to TZS.16,106.8 billion in 2013 from TZS. 14,647.1 billion in 2012 equivalent to a growth of 10.0 percent. The annual growth of M3 was lower than the expected target of 15.0 percent in 2013. Credit to the private sector grew by 15.3 percent compared to a growth of 18.2 percent in 2012. Credit to building and construction activities recorded the highest annual growth in 2013, followed by transport and communication, trade and manufacturing activities.

Interest and exchange rates

During 2013, the treasury bills market continued to provide an anchor to market determined interest rates. The Bank of Tanzania continued to promote efficient money market with the view to minimize volatility in yields.

During the period under review, the exchange rate remained market determined with the Bank participating in the foreign exchange market for liquidity management, and taking appropriate actions to reduce excessive volatility in the exchange rate. This was implemented while ensuring that an adequate level of reserves was maintained.

External Sector Developments

During 2013, the overall balance of payments recorded a surplus of USD 495.7 million compared to a surplus of USD 326.2 million registered in 2012 (**Table 1.6**). This development was partly attributed to an increase in official capital inflows, non-concessional loans and foreign direct investments. Gross official reserves amounted to USD 4,676.2 million as at end December 2013, equivalent to a 4.7 months of imports of goods and services excluding imports financed by FDI inflows. The current account recorded a deficit of

USD 4,987.9 million in 2013 compared to a deficit of USD 3,768.9 million registered in 2012. This outturn was largely explained by a decline in exports of goods, official current transfers coupled with an increase of imports of goods and services.

Table 1.6: Tanzania's selected macroeconomic indicators, 2009-2013

Indicator	2009	2010	2011	2012	2013
Population (Million)	40.7	41.9	43.2	43.6	44.8
GDP growth (%)	6.0	7.0	6.4	6.9	7.0
GDP per capita (USD)	531.0	552.0	558.3	652.2	742.0
CPI average inflation rate (%)	12.1	7.6	12.6	16.0	7.6
Exports of goods and services/GDP (%)	17.8	20.5	22.0	22.2	19.4
Imports of goods and services/GDP (%)	26.1	29.1	36.0	32.5	30.9
CAB/GDP (%)	-6.2	-7.1	-13.0	-9.7	-11.4
Average exchange rate (TZS/USD)	1,306.0	1,395.7	1,557.4	1,571.7	1,598.6
Official reserves (USD Million)	3,552.5	3,948.0	3,744.6	4,068.1	4,676.2
Reserves months of imports cover	6.3	6.2	4.1	4.3	4.7

Source: *Various Bank of Tanzania Publication*
Note: *Ratios are based on rebased GDP*

Financial Sector Stability

The sector remained healthy as indicated by financial soundness indicators. The banking sector continued to take measures to ensure that banking services reach majority of the population. A wide range of products and services including branchless banking through agent banking and micro financing window continued to be promoted.

Business Regulations and Procedures

In effort to strengthen business environment, the Government has embarked on a number of programmes that enhance transparency in providing services to investors. For example, the Tanzania Investment Centre (TIC) has established an online platform known as Tanzania Investment Window (TIW) which is hosted at www.tic.co.tz with the objective of simplifying procedures and processes of formalization of businesses. The window contains all investment related regulations, procedures and deliverables; and allows online applications and payments as part of the campaign for reducing the cost of doing business in Tanzania.

1.4.16 Markets

The government has also continued with efforts to engage in regional integration initiatives aimed at expanding markets and increasing access to regional resources. It is currently, implementing both the East African Community Customs Union (EAC- CU) and Common Market (EAC –

CM) Protocols with a view to enhancing cooperation and facilitating movement of goods, services, labour, persons and capital. Similarly, the Southern Africa Development Community (SADC) is in the process of negotiating customs union in order to consolidate the southern Africa market. By combining, the two regional blocs it will create a larger market of over 400 million people. Both initiatives are expected to attract more market targeting FDI and facilitate a greater trade of goods and services.

1.4.17 Investment Opportunities

Tanzania has investment potentials in various areas including agriculture and agro-processing, infrastructure development (particularly rail, port and roads), manufacturing, tourism, financial services, mining, extraction of oil and gas, human capital and skills development and community based services. All of these opportunities are avenues for attracting FDI inflows.

1.4.18 Structure of the Report

This report is organised in four chapters. Apart from the foregoing introduction, chapter two presents the methodology used in carrying out the surveys, while chapter three provides the analysis of foreign private investments. Chapter four presents conclusions and policy recommendations.

CHAPTER 2

METHODOLOGY

2. 0 Introduction

This chapter presents the methodology used in conducting the 2014 Foreign Private Investment (FPI) sample survey in Tanzania which covers information for the year 2012 and 2013. It also describes the organisation of the survey including implementation of the fieldwork, coverage, data processing and an assessment of data quality in accordance with international standards.

2.1 Organization of the Survey

2.1.1 Institutional Framework

In conducting the foreign private investment survey, three institutions were involved namely the Bank of Tanzania (BOT), Tanzania Investment Centre (TIC) and National Bureau of Statistics (NBS). The survey was funded by the collaborating institutions.

2.1.2 Scope

The sample survey involved collection of data for the year 2012 and 2013 from companies with foreign investments in Tanzania. All industrial activities as defined by UN International Standard Industrial Classification (ISIC Rev. 4) were covered.

2.1.3 Survey Implementation

2.1.3.1 Compilation of investors' register

The investors' register which is electronically maintained in a web based system was updated to include new and rehabilitated or expanded companies. The process involves removing companies that have been closed, liquidated, relocated, under receivership, merged or changed business names.

The major sources of information for updating the registers were; the Business Registration and Licensing Authority (BRELA), Tanzania Investment Centre (TIC), National Bureau of Statistics (NBS) and Ministry of Energy and Minerals (MEM).

2.1.3.2 Sample Size and Sampling Procedure

The sampling process involved a population of 628 enterprises with foreign assets and/or liabilities. The population was subdivided into two strata (A and B). Stratum 'A' comprised 289 enterprises with stock values of USD 2.0 million and above while and stratum B with 339 enterprises with stock value less than USD 2 million.

All enterprises in stratum A were covered while for stratum B, a systematic random sampling procedure was applied to obtain a sample of 119 enterprises.

2.1.3.3 Questionnaire

The questionnaire for the sample survey was reviewed based on IMF Balance of Payments Manual 6. The questionnaire was designed to capture information on company profile, equity and non-equity. The questionnaire is appended to the report.

2.1.3.4 Awareness creation

Prior to the field work, a press release was issued to sensitize the public and the targeted respondents in particular about the objectives of the survey, coverage and the type of information sought.

2.1.3.4 Training of Researchers

Prior to starting the survey, in-house training was conducted with the aim of familiarizing interviewers on the questionnaire; researcher's manual and survey logistics. The training was facilitated by local experts and involved researchers from collaborating institutions.

2.2.4 Fieldwork

In order to conduct the survey smoothly, the sample survey was implemented in two phases. Phase one involved Dar es Salaam region while phase two covered up-country regions. Face-to-face interviews were conducted in administering questionnaires with a view to improving the response rate. Researchers were responsible for data collection and editing of filled questionnaires against audited financial statements for quality and consistency checks.

2.2.5 Response Rate

The response rate from surveyed companies was 70.6 percent which is slightly lower compared to a response rate of 82.3 percent reported in the 2012 sample survey.

2.3 Data Processing

Data processing was carried out in a web-based Private Capital Monitoring System developed by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

In order to maintain consistency, completed questionnaires were subjected to a thorough screening process to identify missing values or reported values that were inconsistent with the information reported in the financial statements. Data verification and consistency checks within the system and across cycles were done to ensure data quality.

2.4 Data Weighting

The estimation technique involved two steps. In the first step, all enterprises in the population were categorized into their relevant sectors while keeping them in their respective strata (i.e. strata A and B). Since all the enterprises in strata A were included in the sample, the estimation was made only for cases of non-response. In this case, different weighting factors for non-response were applied for each sector. The same procedure was applied in estimating non-response for the enterprises belonging to stratum B. In addition, sector weights were applied to boost for population. Therefore, a combination of two weighting factors, one to estimate non-response and the second for estimating the sample were used in stratum B. The weights were obtained by taking the inverse of the fraction of the sample divided by population for each sector. For instance, if the total number of enterprises in agriculture activity is β, and a sample of δ enterprises were selected, then the weighting factor under the agriculture

sector would be $w_t = \left(\frac{\delta}{\beta}\right)^{-1}$

The second step involved adjusting the data to align with those reported in 2012 to accommodate the revised position of the 2012 information. The adjustment factor of 0.35 was achieved by taking the ratio of the stock position of 2012 achieved from the previous survey and the stock position of 2012 as found from the current survey. The data for the sample survey was then weighted using this adjustment factor. Data for Zanzibar could not be obtained as there was a delay in implementing the survey. Since the report covers the United Republic of Tanzania (URT), estimation for Zanzibar was done by adjusting data for Mainland Tanzania by 8.7 percent which is the average share of Zanzibar in the URT for 2009 -2012.

2.5 Adherence to International Standards

2.5.1 Analytical Methods

The survey was conducted in accordance with acceptable international standards. Economic activities were classified based on ISIC Rev.4 with some customization to meet country specific requirements and was compiled in line with BPM6.

2.5.2 Timeliness

The survey results were released within 6 months after completion of fieldwork. The focus has been to meet timeliness criteria for data dissemination as guided by IMF's framework in the General Data Dissemination Standard (GDDS), which is between six to nine months after fieldwork. Noteworthy, the fieldwork for the sample survey was completed in September 2014 and the output tables were produced and incorporated in the Balance of Payments statistics in January 2015 which is fairly within GDDS requirements.

CHAPTER 3

ANALYSIS OF FOREIGN PRIVATE INVESTMENTS

3.0 Introduction

The analysis in this chapter focuses on the results of the sample survey of companies with foreign liabilities in Tanzania conducted in 2014. The data collected was for 2013. A comprehensive analysis is provided for foreign direct investments (FDI) owing to its large share in total foreign private investments (FPI) which comprises of FDI, portfolio investments (PI) and other investments (OI).

3.1 Foreign Private Investments

The survey results indicate that the stock of foreign private investments (FPI) reached USD 15,969.5 million, representing an increase of 15.8 percent from the amount recorded in 2012 (**Table 3.1**). Out of this total, foreign direct investments amounted to USD 14,871.8 million equivalent to 93.1 percent. Portfolio and other investments accounted for 0.1 percent and 6.8 percent, respectively. Portfolio investments registered a growth of 55.4 percent partly owing to retained profits by enterprises with tradable equity and investment fund shares.

Table 3.1: Foreign Private Investments, 2009 – 2013

(USD Million)

	IFLOWS					STOCK				
Items	**2009**	**2010**	**2011**	**2012**	**2013**	**2009**	**2010**	**2011**	**2012**	**2013**
FDI	953.1	1,813.3	1,229.4	1,799.6	2,130.9	7,898.7	9,712.0	10,941.4	12,740.9	14,871.8
Portfolio Investments	0.4	-0.1	0.7	-5.6	3.5	11.4	11.3	12.0	6.4	9.9
Other Investments	**70.4**	**-0.7**	**99.9**	**72.3**	**47.4**	**868.9**	**868.2**	**968.1**	**1,040.4**	**1,087.8**
Total FPI	**1,023.9**	**1,812.5**	**1,330.0**	**1,866.3**	**2,181.8**	**8,779.0**	**10,591.5**	**11,921.5**	**13,787.7**	**15,969.5**

3.1.1 Foreign Direct Investments

During 2013, Tanzania attracted FDI flows a mounting to USD 2,130.9 million inflows of FDI, the largest ever recorded level since commencement of the foreign private capital flows surveys in 1999. The performance notwithstanding, the growth of the inflows was 18.4 percent - much less compared to a growth of 46.4 percent reported in 2012. The results are consistent with the World Investment Report of 2014 which shows that FDI inflows to developing economies grew by 7.4 percent driven by international and regional market-seeking and infrastructure investments.

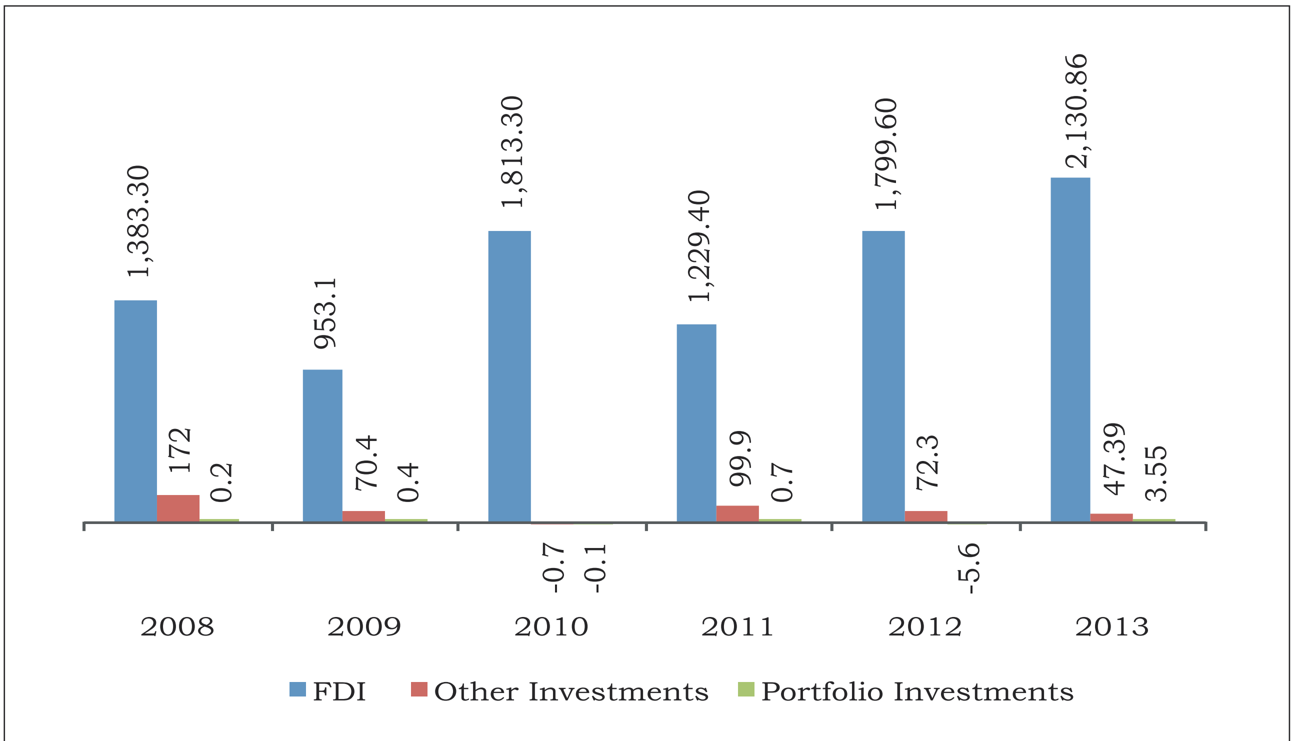
In 2013, the largest source of inflows was from long term loans from related companies (51.9 percent) which amounted to USD 1,105.1 million compared to a net repayment of principal and interest payments valued at USD 132.5 million in 2012. The second largest source of inflows was reinvestment of earnings (25.1 percent), (**Table 3.2** and **Chart 3.1**).

Table 3.2: Foreign Direct Investments, 2009 – 2013

(USD Millions)

Components	INFLOWS					STOCK				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Equity and investment fund shares	397.2	464.7	304.1	909.0	410.5	3,293.5	3,758.3	4,062.4	4,971.5	5,382.0
Reinvestment of earnings	267.8	573.5	1,248.6	908.4	534.2	920.9	1,494.4	2,743.0	3,651.3	4,185.5
Long-term loan from related parties	257.7	162.5	-252.1	-132.5	1,105.1	3,294.8	3,457.3	3,205.2	3,072.7	4,177.8
Short-term loan from related parties	30.4	612.5	-71.2	114.6	81.1	389.4	1,002.0	930.8	1,045.4	1,126.5
Total FDI	**953.1**	**1,813.2**	**1,229.4**	**1,799.5**	**2,130.9**	**7,898.7**	**9,712.0**	**10,941.3**	**12,740.9**	**14,871.8**

Chart 3.1: Inflows of Foreign Private Investments, 2009 – 2013

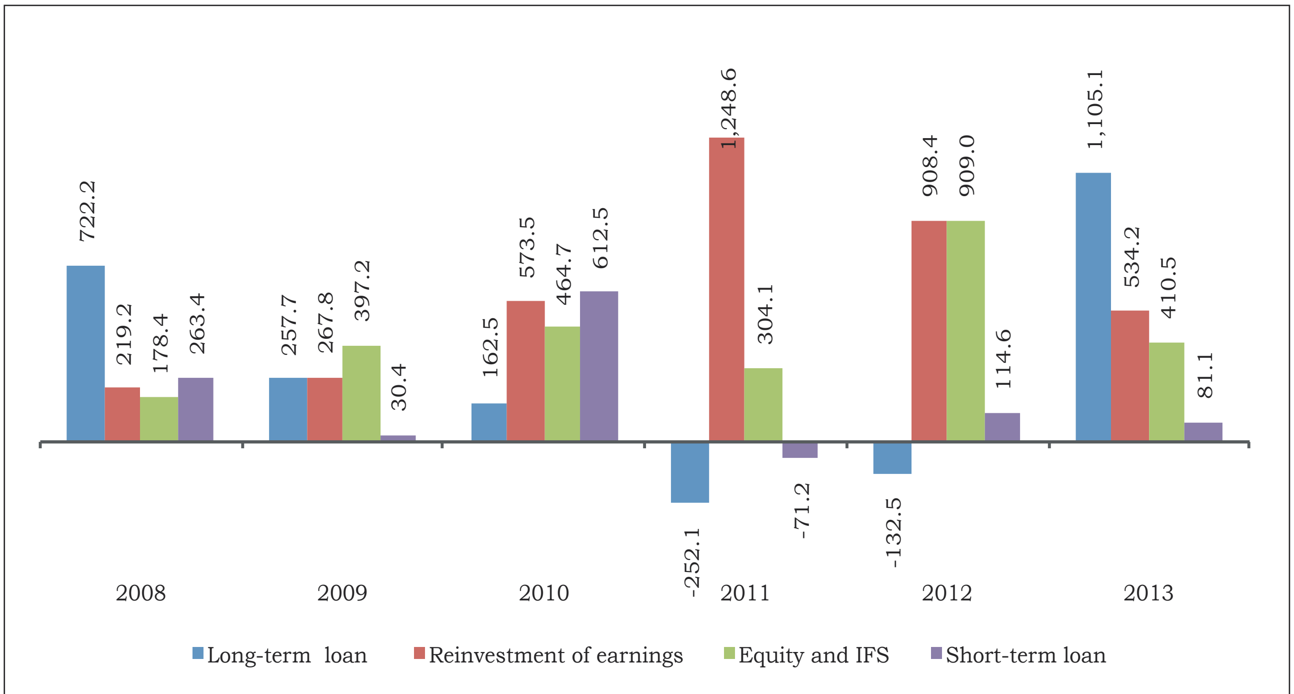


Types of Financing of Foreign Direct Investments

There was a notable change in the financing of the FDI inflows from equity and reinvestment of earnings to long term loans from affiliates. More than half of the FDI inflows in 2013 were financed through long term loans from affiliates. Similar observation was made in 2008 whereby 52.2 percent of the inflows were financed through long term loans from affiliates. During the period under review the disbursements from affiliates was USD 1,105.1 million compared to a net repayment of principal and interest payments amounting to USD 132.5 million in 2012. Financing of FDI inflows through loans is normally not a preferred option since parent companies can easily withdraw the loans during time of crisis and hence adversely affecting the host economy.

Inflows in the form of reinvestment of earnings constituted about a quarter of the total inflows in 2013. Large share of long term loans from related companies went into mining and quarrying; and finance and insurance activities (**Chart 3.2**).

Chart 3.2: Financing of FDI, 2009 – 2013



Stocks and Flows of Foreign Direct Investments by Activity

Stock Position

During the year under review, mining and quarrying remained the leading activity as it accumulated a stock of FDI valued at USD 6,825.2 million accounting for 45.9 percent of the total stock followed by manufacturing which accounted for 16.2 percent (**Table 3.3**).

Annual Flows

Since the start of surveys in 1999, finance and insurance for the first time attracted largest inflows of FDI replacing the main traditional recipients, namely mining and quarrying and manufacturing activities. During 2013, finance and insurance received USD 752.2 million, which is more than five times the amount received over the past five years (**Table 3.3**). Large inflows into this activity emanated from Greenfield investments, injection of more capital by banks to comply with new minimum capital requirements and large reinvestment of earnings.

Mining and quarrying was the second largest recipient of FDI inflows in 2013 attracting USD 520.4 million, which was 41.5 percent lower than the level received in 2012. Manufacturing activity, received USD 386.6 million which is much lower compared to USD 563.7 million received in 2012. Lower inflows recorded under mining and quarrying; and manufacturing activities was associated with losses made by some companies during the period under review.

During 2013, electricity and gas received inflows worth USD 37.3 million which is much lower than USD 618.3 million recorded in 2012. The decrease resulted from losses reported by companies engaged in natural gas and oil exploration in 2013. Most companies in this activity were either at exploration stage or yet to start production.

Some activities including construction, information and communication, wholesale and retail trade and transport and storage made notable improvements in 2013. Largest improvement was recorded in information and communication which received USD 195.9 million, compared to a net outflow of USD 420.1 million in 2012.

Table 3.3: Stock and Flows of FDI by Activity, 2009 – 2013

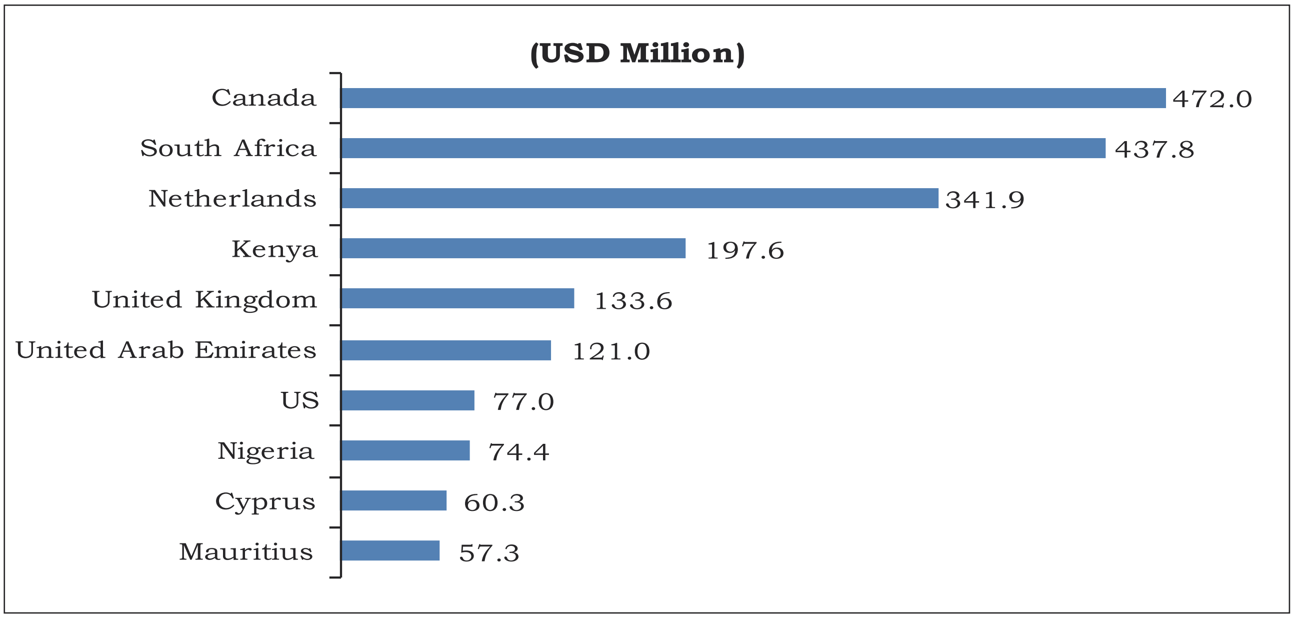
(USD Million)

	FLOWS					STOCK				
Activity	**2009**	**2010**	**2011**	**2012**	**2013**	**2009**	**2010**	**2011**	**2012**	**2013**
Mining and quarrying	385.1	909.9	406.5	889.3	520.4	4,099.2	5,009.1	5,415.5	6,304.8	6,825.2
Manufacturing	214.5	157.1	217.3	563.7	386.6	1,085.2	1,242.3	1,459.5	2,023.3	2,409.9
Financial and insurance	95.9	95.5	121.1	148.1	752.2	512.2	607.6	728.7	876.8	1,629.0
Electricity and gas	2.1	290.5	209.4	618.3	37.3	26.8	317.3	526.7	1,145.0	1,182.3
Accommodation	35.9	21.1	165.6	5.4	47.0	424.6	445.7	611.3	616.8	663.8
Wholesale and retail trade	-16.9	36.9	114.5	-35.2	123.5	355.1	392.0	506.5	471.3	594.8
Information and communication	185.1	83.5	-98.3	-420.1	195.9	717.4	801.0	702.7	282.6	478.5
Agriculture	29.0	22.9	31.4	11.2	10.3	231.3	254.2	285.6	296.8	307.1
Professional activities	0.5	213.0	6.1	20.1	-0.1	1.6	214.6	220.6	240.7	240.6
Construction	14.9	-23.5	30.7	-28.1	13.8	134.4	110.9	141.5	113.4	127.2
Real estate activities	1.5	1.5	12.0	23.4	-0.6	81.2	82.8	94.7	118.1	117.5
Transportation and storage	3.9	4.0	10.4	-1.0	19.5	32.7	36.7	47.1	46.1	65.6
Other service activities	1.4	-0.8	1.1	3.9	22.9	5.2	4.4	5.5	9.4	32.3
Education	0.3	1.6	1.8	0.5	2.2	2.3	3.9	5.7	6.2	8.4
Grand Total	953.1	1,813.3	1,229.4	1,799.6	2,130.9	7,898.7	9,711.9	10,941.3	12,740.9	14,871.8

Survey results showed that large share of FDI inflows to Tanzania continued to originate from few countries. During 2013, inflows from the top ten source countries was USD 1,973.0 million which is about 93 percent of the total inflows (**Chart 3.3** and **Table 3.4**). The top ten source countries were from Africa (38.8 percent), North America (25.8 percent), Europe (24.8 percent) and the Middle East (5.7 percent). Of the top ten source countries, FDI inflows from Canada, South Africa and the Netherlands were more than USD 340 million each. Inflows from Canada were highly concentrated in the mining and quarrying (99.3 percent) activities. Inflows from the Netherlands were concentrated in finance and insurance (97.9 percent). Inflows from South Africa were more diversified into information and communication (35.2

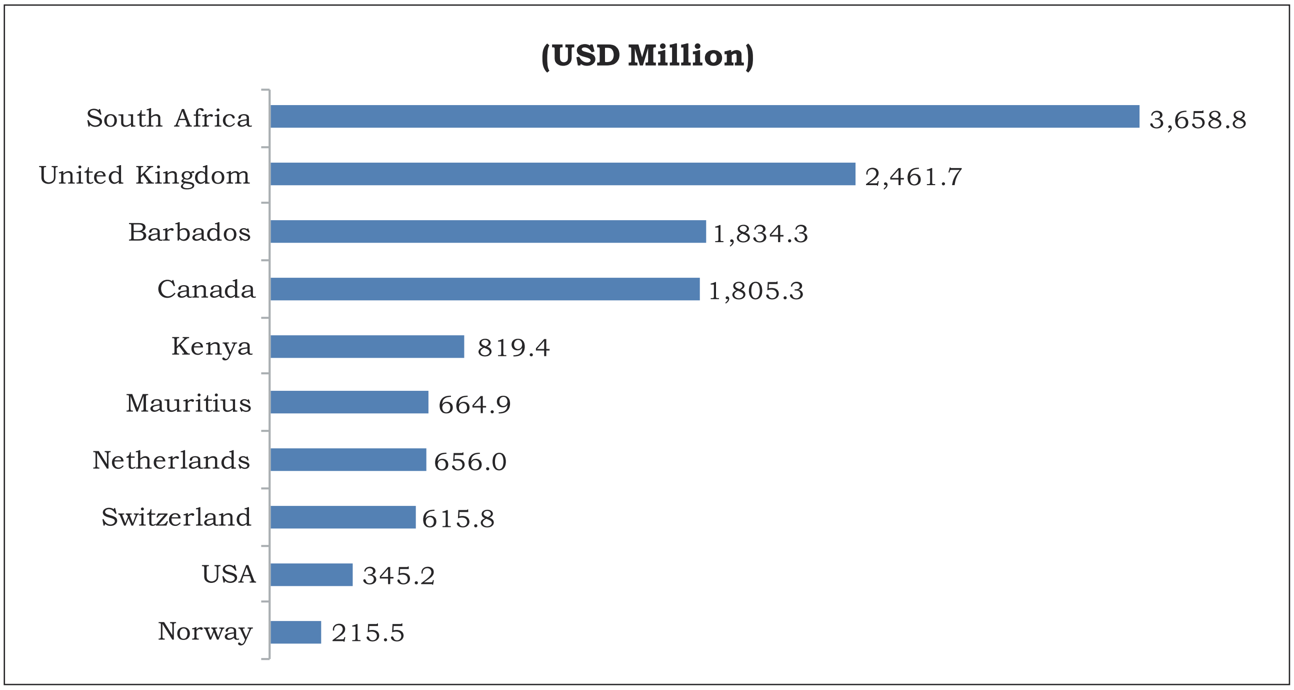
percent), manufacturing (23.5 percent), finance and insurance (20.1 percent) and mining and quarrying activities (18.5 percent).

Chart 3.3: Top Ten Source Countries of FDI Flows, 2013



In terms of the stock of FDI, South Africa maintains the lead with a total of USD 3,658.8 million, an increase of 13.6 percent from the amount reached in 2012 followed by the United Kingdom and Barbados (**Chart 3.4**). The prominence of Barbados as a source country is associated with it being a financial centre.

Chart 3.4: Stocks of FDI, Top 10 Source Countries, 2013



Regional Groupings

The OECD continued to be the main source of FDI inflows to Tanzania recording USD 1,058.7 million (**Table 3.4**). However, its share in total FDI inflows fell from 90.9 percent in 2012 to 49.9 percent in 2013. The share of inflows from SADC countries increased from 1.6 percent to 24.6 percent underpinned by a surge in inflows from South Africa which increased three times the amount recorded in 2012.

Inflows from the EAC region levelled at USD 195.2 million compared to USD 108.4 million recorded in 2012 with Kenya accounting for about 100 percent of the amount. Investments from Kenya were mainly in manufacturing (55.4%) and finance and insurance (26.6%).

South Africa continued to dominate FDI stock from the SADC region. The total stock of FDI from this country were valued at USD 3,658.8 million.

Table 3.4: FDI Inflows by Regional Groupings, 2009 - 2013

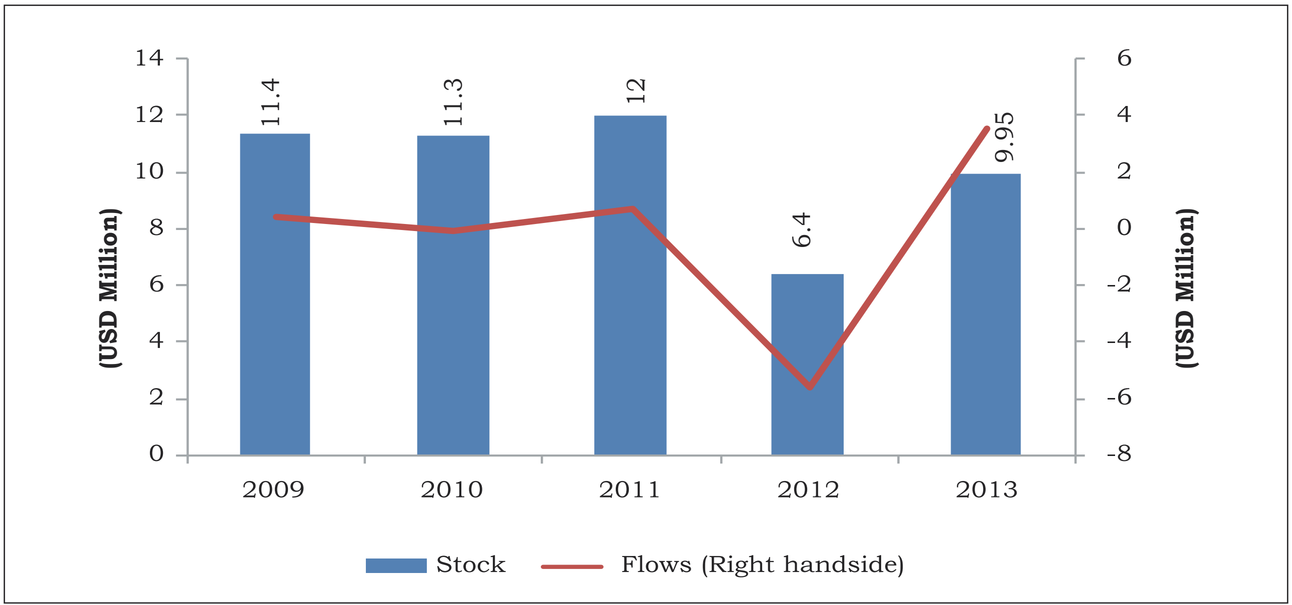
(USD Millions)

	2009	2010	2011	2012	2013
OECD	**404.1**	**876**	**1136.3**	**1636.0**	**1,058.7**
Canada	269.3	342.6	392.2	308.8	472.0
United Kingdom	45.9	282.1	451.8	786.9	133.6
Netherlands	22.1	110	14.5	1.7	341.9
Switzerland	11.1	10.5	153.4	219.4	51.8
United States	8.7	-2.1	1.2	198.9	77.0
Norway	-0.5	21.2	66.3	-0.6	5.3
Luxembourg	10.1	3	3.5	72.1	0.5
Japan	5.3	32.7	31.3	-28.9	20.6
France	2.6	2.4	13.7	-15.1	27.0
Sweden	5.1	16.4	0.8	0.7	-0.1
Denmark	9.3	49.3	7.6	10.9	-71.2
Italy and Vatican City	12.7	-0.3	-0.3	0	0.2
Other OECD	2.4	8.2	0.3	81.4	9.4
SADC	**400.2**	**445**	**751.3**	**28.9**	**522.7**
South Africa	357	347.3	443.5	148.3	437.8
Mauritius	40.7	89.3	291.1	-144.4	57.3
Botswana	2.1	7	16.4	28.7	25.1
Zambia	1	2.5	1.6	1.3	1.7
Other SADC	-0.6	-1.1	-1.3	-5.1	0.8
EAC	**33.9**	**90.8**	**125.7**	**108.4**	**195.5**
Kenya	30.7	91.3	97.8	108.7	197.6
Uganda	3.2	-0.5	27.9	-0.3	-2.2
Other EAC	0	0	0	0	0
Other regions	**120.2**	**401.5**	**-783.9**	**26.3**	**344.6**
Grand Total	**953.1**	**1,813.3**	**1,229.4**	**1,799.6**	**2,121.5**

3.1.2 Portfolio Investment

The survey results reveal that during 2013, portfolio investment inflows amounted to USD 3.5 million compared to a net outflow of USD 5.6 million reported in 2012 (**Chart 3.5**). This largely emanated from retained profits by enterprises with tradable equity and investment fund shares. Despite the increase, the share of portfolio investments in total foreign private investments remained below one percent.

Chart 3.5: Stocks and Flows of Portfolio Investments, 2009 - 2013



3.1.3 Other Investments

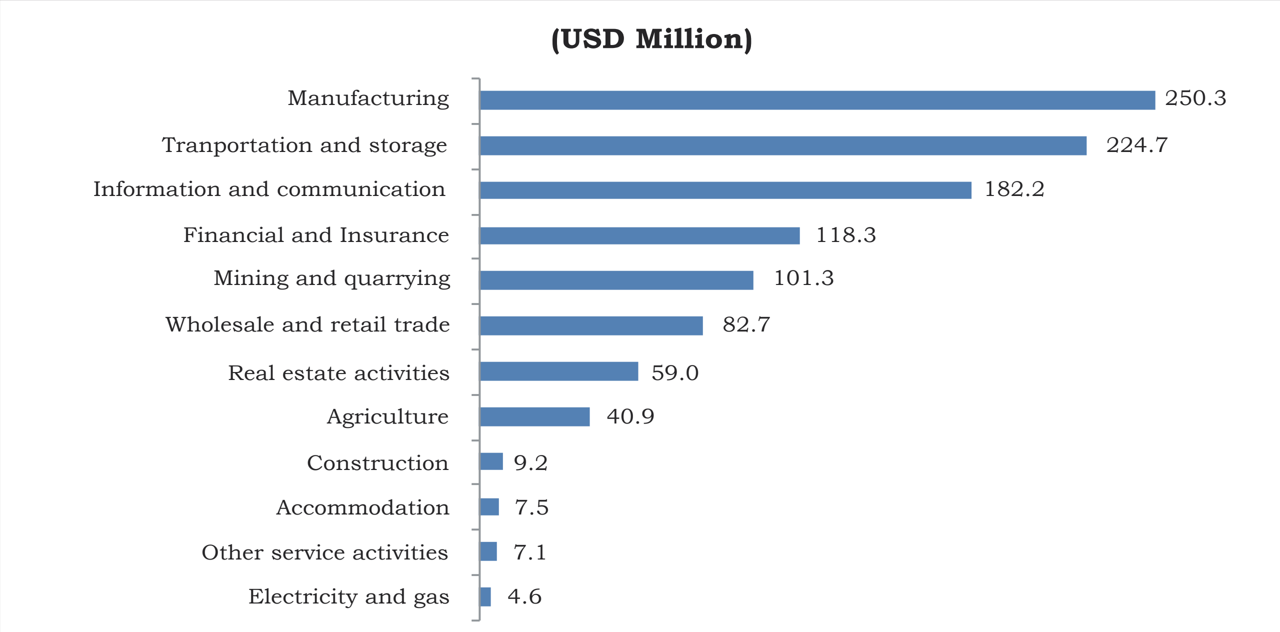
During 2013, inflows of other investments continued to decline reaching USD 47.7 million compared to USD 72.3 million in 2012. Much of the decline emanated from higher repayments of long term loans and currency and deposits resulting to a net outflows of USD 0.8 million and USD 25.4 million, respectively. During the year, a total of USD 68.7 million was disbursed under short term loans. However, the stock of long term loans and trade credits and advances continued to constitute the largest share of the stock of other investments (**Table 3.5** and **Chart 3.6**).

Table 3.5: Stock and Flows of Other Investments, 2009 - 2013

(Millions of USD)

	INFLOWS					STOCK				
Components	**2009**	**2010**	**2011**	**2012**	**2013**	**2009**	**2010**	**2011**	**2012**	**2013**
Long-term	81.5	-2.1	-54.2	47.4	-0.8	696.1	693.9	639.7	687.1	686.3
Short-term	0.9	-1.6	9.2	-0.1	68.7	88.8	87.2	96.3	96.2	164.9
Trade credits and advances	-12.0	3.7	91.7	7.8	2.4	82.0	85.7	177.4	185.2	187.6
Currency and deposits	0.0	0.1	60.5	0.0	-25.4	2.0	2.1	62.6	62.6	37.2
Other equity	0.0	-0.7	-7.2	17.1	2.5	0.0	-0.7	-7.9	9.2	11.7
Other Investment	**70.4**	**-0.6**	**100.0**	**72.2**	**47.4**	**868.9**	**868.2**	**968.1**	**1,040.3**	**1,087.7**

Chart 3.6: Stock of Other Investment by Activity, 2013



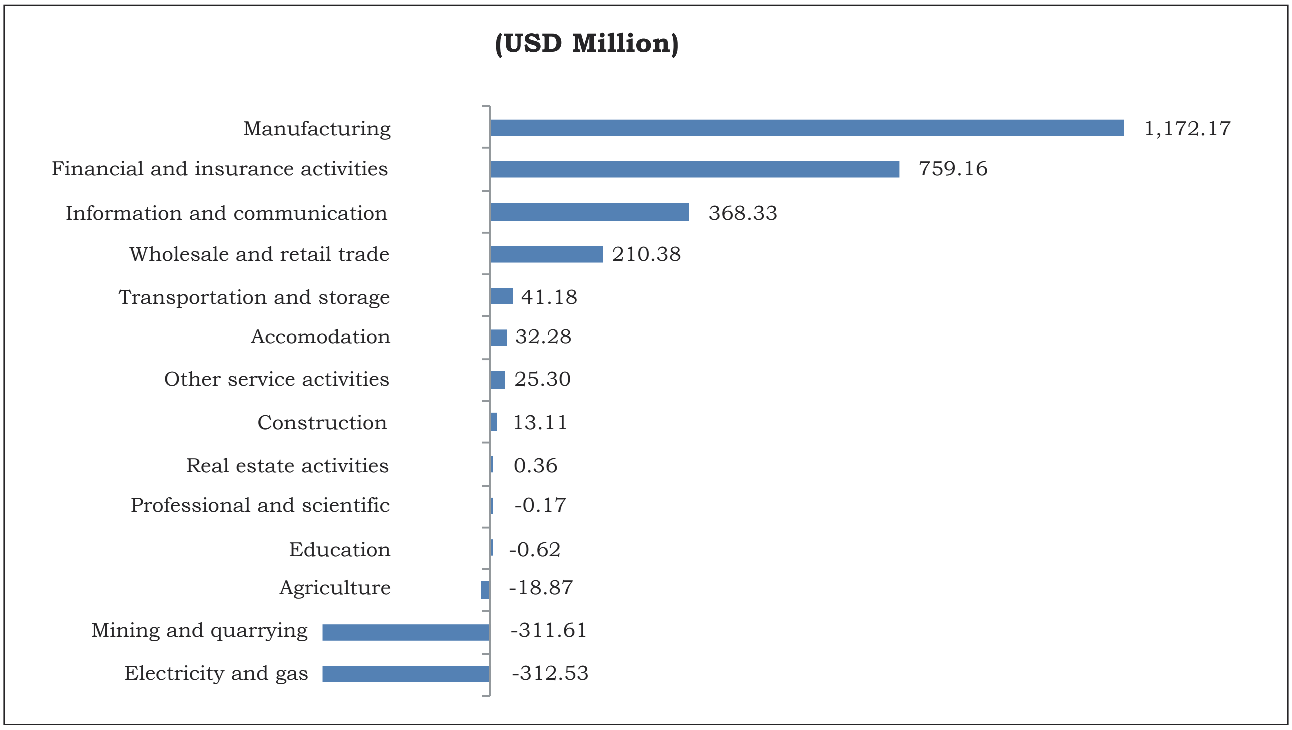
3.2 Profits and Dividends

During 2013, reinvestment of earnings was less than half the amount recorded in 2012. This is partly attributable to dividends paid which were more than three times the amount paid in 2012 (**Table 3.6**). Activities that attracted large reinvestment of earnings were manufacturing, finance and insurance and information and communications (**Chart 3.7**). For the electricity and gas activity, losses were made partly because most companies were still under exploration stage. However, the losses for the mining and quarrying as well as agriculture activities were attributed to unfavourable performance of gold and agricultural commodity prices in the world market in 2013.

Table 3.6: Net Income on Equity, 2009 – 2013 (Millions of USD)

Activity	Reinvestment of Earnings					Dividends Paid				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Accommodation	-12.3	-37.4	-8.0	-5.2	28.4	0.0	0.0	0.0	5.7	3.9
Agriculture	-0.1	-1.5	0.3	1.3	-108.1	0.9	8.5	15.4	1.3	0.8
Construction	1.0	-2.1	-6.8	-5.6	4.0	0.0	0.0	0.0	0.0	8.8
Education	0.4	0.7	0.2	0.5	-0.6	0.0	0.0	0.0	0.0	0.0
Electricity and gas	5.1	25.7	36.6	43.2	-312.5	0.0	0.0	0.0	65.2	0.0
Finance and insurance	84.4	114.0	169.0	204.7	386.4	24.1	10.4	5.8	28.4	336.8
Information & com	24.8	-201.2	-203.6	-128.9	368.3	0.5	21.3	0.0	0.0	67.3
Manufacturing	160.4	249.4	322.5	241.1	564.5	30.2	120.2	107.0	74.5	60.9
Mining	-2.5	359.9	864.5	478.5	-619.4	0.0	15.7	42.6	55.7	308.0
Other activities	-5.6	-1.3	0.5	5.7	21.7	1.7	5.2	3.5	1.4	7.5
Professional activities	-0.1	40.4	2.0	13.8	-0.2	0.0	0.1	0.5	0.0	0.0
Real estate	2.1	6.9	26.2	22.1	-0.9	0.1	0.0	0.0	0.0	1.3
Transportation and storage	6.4	4.5	4.0	-25.0	4.0	2.1	3.6	-2.3	0.0	16.2
Water supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wholesale and retail trade	3.4	16.1	40.9	62.5	198.7	0.6	9.4	17.5	6.9	26.6
Total	**267.4**	**574.0**	**1,248.2**	**908.7**	**534.2**	**60.1**	**194.5**	**190.0**	**239.1**	**838.3**

Chart 3.7: Net Profits (After Tax) by Activity, 2013



3.3 Private Sector External Debt

During 2013, the stock of private sector external debt (PSED) amounted to USD 6,388.0 million compared to USD 5,154.4 million recorded in 2012. Long and short term loans from affiliates accounted for the largest share of disbursements during the period under review. This category continued to account for the largest share of PSED. As indicated in **Table 3.7**, disbursements of long term loans from the affiliates were USD 1,105.1 million compared to a net loan repayment of USD 132.5 million in 2012. Disbursements from non-affiliates were mainly in the form of short term loans amounting to USD 68.7 million which is much higher compared to a net repayment of USD 0.1 million recorded in 2012. Finance and insurance activities received most of the disbursements from non-affiliates while most of repayments made originated from manufacturing activities.

Table 3.7: The Composition of PSED, 2008 – 2012

(Millions of USD)

	INFLOWS					STOCK				
Components	**2009**	**2010**	**2011**	**2012**	**2013**	**2009**	**2010**	**2011**	**2012**	**2013**
Loans Affiliates	**288.1**	**775.0**	**-323.3**	**-17.8**	**1,186.2**	**3,680.2**	**4,455.2**	**4,131.8**	**4,114.0**	**5,300.2**
Long-term	257.7	162.5	-252.1	-132.5	1,105.1	3,290.7	3,453.2	3,201.0	3,068.6	4,173.7
Short-term	30.4	612.5	-71.2	114.6	81.1	389.4	1,002.0	930.8	1,045.4	1,126.5
Loans from Non - Affiliates	**70.4**	**-0.7**	**99.9**	**72.3**	**47.4**	**868.9**	**868.2**	**968.1**	**1,040.4**	**1,087.8**
Long-term	81.5	-2.1	-54.2	47.4	-0.8	696.1	693.9	639.7	687.1	686.3
Short-term	0.9	-1.6	9.2	-0.1	68.7	88.8	87.2	96.3	96.2	164.9
Supplier credits	-12.0	3.7	91.7	7.8	2.4	82.0	85.7	177.4	185.2	187.6
Currency and deposits	0.0	0.1	60.5	0.0	-25.4	2.0	2.1	62.6	62.6	37.2
Other equity	0.0	-0.7	-7.2	17.1	2.5	0.0	-0.7	-7.9	9.2	11.7
Total Foreign Private Sector External Debt	**358.5**	**774.3**	**-223.4**	**54.4**	**1,233.6**	**4,549.0**	**5,323.3**	**5,099.9**	**5,154.4**	**6,388.0**

3.4 Synopsis

The results reveal that the inflows of FDI in the country reached a record level in 2013 thanks to the government efforts to continue improving the country's investment climate. Large share of the inflows were financed mainly through loans from related companies. Finance and insurance were the prominent recipient activities. Notable improvements were recorded in portfolio investments resulting from increase in number of companies registered at the Dar es Salaam Stock Exchange.

CHAPTER 4

MAIN FINDINGS, POLICY IMPLICATIONS AND RECOMMENDATIONS

4.0 Introduction

The objective of this chapter is to present the main findings and suggest policy recommendations emerging from the survey. It also identifies areas that need policy intervention in order to improve the country's investment climate and attract more foreign private investments.

4.1 FDI inflows increased reaching a record level in 2013

During 2013, Tanzania attracted USD 2,130.9 million inflows of FDI, the largest ever recorded level since commencement of the foreign private capital flows surveys in 1999. The increase is associated with an enhanced investment climate, specifically the presence of a conducive macroeconomic environment in the country.

Recommendation

The Government is therefore advised to continue with FDI promotional efforts. A combination of strategies including using our missions abroad, international fora and exhibitions, international media and targeted sectors is recommended.

Responsible institutions

Among the key institutional players in promotion of FDI flows in Tanzania include the Ministry of Foreign Affairs and International Cooperation, the Ministry of Industry and Trade, Tanzania Investment Centre, Ministry of Energy and Minerals, Ministry of Agriculture and Food Security, Ministry of Natural Resources and Tourism and the Ministry of Transport and Infrastructure.

4.2 FDI inflows were mainly f inanced through loans

The survey has indicated that more than half of the FDIs in 2013 were financed through loans from related companies compared to the experience in 2012 where FDIs were to a large extent financed by equity and investment fund shares and reinvestment of earnings. Financing of FDI inflows through loans is not a preferred option since parent companies can easily withdraw the loans during time of crisis and hence adversely affecting the host economy.

4.3 Finance and insurance activity received the largest share of FDI inflows

The findings show that the finance and insurance activity received the largest share of FDI inflows outweighing the mining and quarrying and manufacturing activities which were traditional main recipients.

Recommendation

The government is advised to take deliberate initiatives to encourage investments in activities with higher value chain in terms of job creation and value addition such as agriculture and manufacturing. Such initiatives include discouraging export of raw minerals and unprocessed agricultural products.

Responsible institutions

Ministry of Industry and Trade, Tanzania Investment Centre, Ministry of Energy and Minerals, Ministry of Agriculture and Food Security and Ministry of Natural Resources and Tourism.

4.4 Source of FDI inflows are more diversified.

The share of FDI inflows from OECD decreased from 90.9 percent in 2012 to 49.9 percent in 2013. This is a reflection of the ongoing government efforts to diversify sources of investments.

Recommendation

The government is advised to further strengthen efforts to attract investment from non-traditional source countries. Investments from regional blocs such as EAC and SADC should be encouraged in order to maximize the benefits associated with the ongoing regional integration arrangements.

Responsible institutions

Ministry of Finance, Ministry of East African Cooperation, Ministry of Foreign Affairs and International Cooperation, Ministry of Industry and Trade; and Tanzania Investment Centre.

4.5 Portfolio inflows into the country has improved

Findings of the survey show an improvement in inflows through portfolio investment in 2013 which amounted to USD 3.5 million compared to net outflows of USD 5.6 million in 2012. The performance was due to retained earnings by companies with tradable equity and investment fund shares and increase in the number of companies at the Dar es Salaam Stock Exchange.

Recommendation

It is recommended that the government need to continue with the on-going initiatives to gradually liberalize the capital account through the implementation of the established roadmap towards full liberalization.

Responsible institutions

Ministry of Finance, Capital Market and Securities Authority and Bank of Tanzania.

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APPENDICES

APPENDIX 1: GLOSSARY OF KEY CONCEPTS

Balance of Payments (BOP) Statistical statement designed to provide, for a specific period, a systematic record of an economy's transactions with the rest of the world. It brings together inflows and outflows of transactions between residents and non-residents classified under appropriate components, in two accounts--the current account and capital and financial accounts.

Book value Value of an asset as recorded in the books of account of an organization, usually the historical cost of the asset reduced by the amounts written off for depreciation. If the asset has ever been re-valued, the book value will be the amount of the revaluation less amounts subsequently written off for depreciation. With the exception of the value at the time of purchase of the asset, the book value will rarely be the same as the market value of the asset.

Country of origin of an investment The residence of the shareholders where main decisions on the operations of a company are made.

Direct investment International investment by a resident entity of one economy ("direct investor") in an enterprise resident in another economy ("direct investment enterprise"), made with the objective of obtaining a lasting interest in the direct investment enterprise. The lasting interest implies the existence of a long-term relationship between the direct investor and the direct investment enterprise and a significant degree of influence by the direct investor on the management of the enterprise. Direct investment involves both the initial transaction between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated.

Direct investor An individual, incorporated or unincorporated, private or public enterprise, a government, or a group of related enterprises (incorporated or unincorporated) or individuals, that have a direct investment enterprise (that is, a subsidiary, associate or branch) operating in an economy other than the economy of residence of the direct investor.

Direct investment enterprise An incorporated enterprise in which a direct investor owns 10 percent or more of the ordinary shares or voting power, or an unincorporated enterprise in which a direct investor has equivalent ownership. Direct investment enterprises comprise: subsidiaries (enterprises in which a non-resident investor owns more than 50 per cent); associates (enterprises in which a non-resident investor owns between

10 and 50 per cent); and branches (unincorporated enterprises wholly or jointly owned by a non-resident investor) that are either directly or indirectly owned by the direct investor.

Dividends Part of profits paid to shareholders. Dividends are recorded at the moment the shares go ex-dividend

Ex-dividend A status given to dividend when a person receiving the dividend is confirmed to have received the dividend payment.

Equity Shares in companies, and equivalent ownership interest in unincorporated enterprises. Foreign Direct Equity Investment denotes ownership of 10 percent or more of the ordinary shares, voting power, or equivalent in an enterprise, by someone resident in another economy.

Foreign direct investment flow Movement of private investments between two countries in a specified period.

FDI inflow An increase in international indebtedness (liabilities) to a country's private sector during a specified period of time, usually one year.

Financial instruments Instruments/ special documents that are used to facilitate financial transactions such as treasury bills, bonds, debentures and stocks.

Foreign portfolio equity investment (FPEI) A case where a shareholder owns less than 10 percent of equities in an enterprise. The flow include also purely financial assets, such as investments in bonds, money market instruments and financial derivatives other than the items included in the definition of foreign direct investment.

International standard industrial classification (ISIC) A standardized way of disaggregating economic activities for international data comparison purposes. For the current census, this has been modified with further disaggregation to better cover activities in Tanzania but keeping consistent with international norms.

Non-equity All other financial instruments including loans, trade credit and supplier credit (for goods and services), bonds, debentures, notes, money market instruments, shareholder and inter-company loans, arrears of debt or interest, and deposits.

Private sector external debts (PSED) **Loans** contracted by the domestic private sector covering long and short-term loans from related and unrelated companies; and suppliers' credit from related and unrelated companies.

Other Investments Borrowings mainly long and short-term loans from unrelated companies.

Reinvested (or retained) earnings The direct investors' shares of the earnings (after tax on earnings) that are not distributed as dividends.

Related companies Subsidiaries (where a non-resident owns more than 50 percent of the shares), associates (where a non-resident owns 50 percent or less) or branches (where unincorporated enterprises is wholly owned by non-residents).

Resident Any individual, enterprise, or other organisation ordinarily residing in a country and whose centre of economic interest is in the country. All other entities are regarded as non-residents. For statistical purposes, an individual who lives in a country for more than a year is considered a resident of that country, regardless of the individual's citizenship or nationality. An enterprise incorporated in a country is considered a resident of that country irrespective of the domicile of the owners of the enterprise. A branch of a foreign company operating in country for more than one year is treated as a resident company.

Return on investment A measure used to evaluate the efficiency of investment calculated as gain from investments less cost of investment divided by the cost of investment.

Shareholder and inter-company borrowing The borrowing or lending of funds (among related companies) between the direct investor (non-resident) and the direct investment enterprise (resident). These transactions can create or dissolve investment as well as maintain, expand or contract it.

Stock Assets and liabilities position at a point in time--for instance end of year position.

Suppliers' credits Claims from the direct extension of credit by suppliers of goods and services to buyers. This concept also includes advance payments for work in progress, or to be undertaken, associated with such transactions. Most of them are of short-term nature.

Systematic Random Sampling A method of selecting a random sample from among a larger population. It involves first selecting a fixed starting point in the larger population and then obtaining subsequent observations by using a constant interval between samples taken.

Unrelated companies Companies that are not related in terms of shareholding

APPENDIX 2: STATISTICAL DATA AND QUESTIONNAIRE

Appendix Table 1: Stock and Flows of FDI by Source Country

	INFLOWS				STOCK				
Countries	**2010**	**2011**	**2012**	**2013**	**2009**	**2010**	**2011**	**2012**	**2013**
Canada	342.6	392.2	308.8	472.0	289.8	632.4	1,024.6	1,333.3	1,805.3
South Africa	347.3	443.5	148.3	437.8	2,281.9	2,629.2	3,072.7	3,221.0	3,658.8
Netherlands	110.0	14.5	17.6	341.9	172.0	282.0	296.5	314.1	656.0
Kenya	91.3	97.8	108.7	197.6	324.0	415.3	513.1	621.8	819.4
United Kingdom	282.1	451.8	786.9	133.6	807.3	1,089.4	1,541.2	2,328.1	2,461.7
United Arab Emirates	-117.5	-146.6	-30.8	121.0	276.5	159.0	12.4	-18.4	102.6
US	-2.1	1.2	198.9	77.0	70.2	68.1	69.3	268.2	345.2
Nigeria	-2.9	-3.8	-3.5	74.4	23.7	20.8	17.0	13.5	87.9
Cyprus	4.8	4.4	4.4	60.3	7.6	12.4	16.8	21.3	81.6
Mauritius	89.3	291.1	-144.4	57.3	371.5	460.8	751.9	607.6	664.9
Switzerland	10.5	153.4	219.4	51.8	180.7	191.2	344.6	564.0	615.8
Others	2.6	-4.9	24.0	46.4	4.5	7.1	2.2	26.2	72.6
Togo	0.0	0.0	0.0	41.4	0.0	0.0	0.0	0.0	41.4
France	2.4	13.7	-15.1	27.0	81.2	83.6	97.3	82.2	109.2
Botswana	7.0	16.4	28.7	25.1	98.5	105.5	121.9	150.6	175.7
IFC	2.8	2.0	0.5	24.0	32.4	35.2	37.2	37.7	61.7
Japan	32.7	31.3	-28.9	20.6	155.9	188.6	219.9	190.9	211.5
India	2.3	4.9	5.1	18.3	48.2	50.5	55.4	60.5	78.8
Bahamas	0.5	-6.2	20.8	16.3	28.3	28.8	22.6	43.4	59.7
Greece	0.2	0.0	0.4	7.1	6.2	6.4	6.4	6.8	13.9
Norway	21.2	66.3	-0.6	5.3	123.4	144.6	210.9	210.2	215.5
Liechtenstein	0.6	0.4	-0.9	3.5	1.8	2.4	2.8	1.8	5.3
Belgium	2.9	0.8	-0.9	3.3	11.0	13.9	14.7	13.8	17.1
China	1.4	5.6	3.3	2.8	46.7	48.1	53.7	57.0	59.8
Iceland	0.0	0.0	0.0	2.2	0.0	0.0	0.0	0.0	2.2
Cayman Islands	23.6	31.6	2.0	2.0	5.7	29.3	60.9	62.9	64.9
Iran	-1.7	-1.7	1.3	1.7	4.7	3.0	1.3	2.6	4.3
Zambia	2.5	1.6	1.3	1.7	4.4	6.9	8.5	9.8	11.5
Malawi	-0.2	0.4	-1.4	1.1	1.6	1.4	1.8	0.4	1.5
Libya	-15.6	-0.8	2.1	0.7	18.2	2.6	1.8	3.9	4.6
Australia	-0.1	3.1	76.3	0.7	12.1	12.0	15.1	91.4	92.1
Luxembourg	3.0	3.5	72.1	0.5	7.4	10.4	13.9	86.0	86.5
Brazil	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.4
Sierra Leone	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.3
Italy and Vatican City	-0.3	-0.3	0.0	0.2	7.0	6.7	6.4	6.4	6.6

	INFLOWS				STOCK				
Countries	**2010**	**2011**	**2012**	**2013**	**2009**	**2010**	**2011**	**2012**	**2013**
Malaysia	2.0	0.3	0.4	0.2	3.2	5.2	5.5	5.9	6.1
Yemen	-0.1	-0.6	2.4	0.1	3.8	3.7	3.1	5.5	5.6
Gibraltar	0.0	0.0	9.9	0.1	12.2	12.2	12.2	22.1	22.2
Cod'Ivoire (Ivory Coast)	0.1	0.1	0.1	0.1	0.7	0.8	0.9	1.0	1.1
Rwanda	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Somalia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Korea South	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ghana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finland	-0.4	-0.4	0.0	0.0	14.3	13.9	13.5	13.5	13.5
Kuwait	-2.7	-5.5	-1.9	0.0	20.7	18.0	12.5	10.5	10.5
Oman	0.0	-0.2	0.1	0.0	5.0	5.0	4.8	4.9	4.9
Saudi Arabia	-0.4	0.6	0.1	0.0	3.7	3.3	3.9	4.0	4.0
USA Virgin Island	1.2	0.0	0.0	0.0	0.0	1.2	1.2	1.2	1.2
New Zealand	-0.2	0.2	0.1	0.0	0.3	0.1	0.3	0.4	0.4
African Development Bank	0.3	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3
Serbia	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2
Chile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indonesia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UIFN	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mozambique	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Seychelles	-0.5	-2.5	-2.7	0.0	-0.5	-1.0	-3.5	-6.2	-6.2
Isle of Man	-40.7	-433.8	0.3	0.0	428.8	388.1	-45.7	-45.4	-45.4
Sweden	16.4	0.8	0.7	-0.1	43.9	60.3	61.1	61.8	61.7
Singapore	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1
Congo DRC	0.0	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	-0.2
Swaziland	-0.4	0.8	-2.6	-0.2	1.6	1.2	2.0	-0.6	-0.8
Pakistan	-0.6	2.3	0.0	-0.2	4.1	3.5	5.8	5.9	5.7
Ireland, Republic of	0.0	-0.1	-0.1	-1.0	10.3	10.3	10.2	10.1	9.1
Lebanon	-0.6	2.1	3.4	-1.4	3.1	2.5	4.6	8.0	6.6
Panama	8.5	6.0	5.0	-1.7	30.8	39.3	45.3	50.4	48.7
Uganda	-0.5	27.9	-0.3	-2.2	36.3	35.8	63.7	63.5	61.3
Germany	5.7	-3.3	5.4	-2.9	36.5	42.2	38.9	44.3	41.4
Egypt	0.0	0.0	0.0	-10.7	0.0	0.0	0.0	0.0	-10.7
Jersey Channel Islands	2.8	2.3	4.6	-15.3	54.2	57.0	59.3	64.0	48.7
Barbados	530.7	-242.4	-40.5	-40.1	1,626.7	2,157.4	1,915.0	1,874.4	1,834.3
Denmark	49.3	7.6	10.9	-71.2	54.6	103.9	111.5	122.4	51.2
Grand Total	**1,813.3**	**1,229.4**	**1,799.6**	**2,130.9**	**7,899.0**	**9,712.3**	**10,941.7**	**12,741.3**	**14,872.2**

National 1 Bureau of Statistics	Bank of Tanzania	Tanzania Investment Centre
P. O. Box 796 DAR ES SALAAM	P. O. Box 2939 DAR ES SALAAM	P. O. Box 938 DAR ES SALAAM
Tel: (255) – 22 - 2116328-32	Tel: (255) – 22 - 2122722-3	Tel: (255) – 22 - 2230000
Fax: (255) – 22 - 2130852	Fax: (255) – 22 - 2234065	Fax: (255) – 22 - 2118253
Website: www.nbs.go.tz	Website: www.bot-tz.org	Website: www.tic.co.tz

QUESTIONNAIRE FOR THE SURVEY OF COMPANIES WITH FOREIGN ASSETS & LIABILITIES

QUESTIONNAIRE TYPE: PCF/C8/2014 RESEARCHER ....

PART A: GENERAL INFORMATION (All respondents should complete this part)

A1: Company Details:

Company name:		
Previous name of the Company (if any):		
Date completed :(*dd / mm/ yyyy*)		
Company Address: P.O. Box .... Tel: .... Fax: .... E-mail: .... Website:		
District:	Area:	Street/Plot:
Date of Establishment:		Date of Commencing Operations: ....
Particulars of the person completing this questionnaire: Name: .... Position: .... Mob: .... E-mail:		
Particulars of an alternative person to be contacted: Name: .... Position: .... Mob: .... E-mail:		

A2: Company Affiliates:

2.1 Does your company have any subsidiaries[1] within Tanzania? Yes ☐ No ☐

2.2 If yes, are you supplying consolidated information for all the companies within the group?
Yes ☐ No ☐

2.3 If no, please fill separate questionnaires for each individual Company in the group.

[1] A subsidiary is an enterprise whose more than 50% of voting right is controlled by another enterprise.

A3: Acknowledgement of Receipt of Questionnaire

<table>
<tr><td colspan="2">I, ________________________________ of ________________________________
(enter name of recipient) *(enter name of company)*

acknowledge receipt of the survey questionnaire.</td></tr>
<tr><td>Title:</td><td></td></tr>
<tr><td>Signature:</td><td></td></tr>
<tr><td>Date:</td><td></td></tr>
<tr><td rowspan="2">Researcher:</td><td>Name:</td></tr>
<tr><td>Mob:</td></tr>
</table>

NB: Original copy of this page must be returned to the office by the Researcher upon receipt of this questionnaire by the company.

A4: IMPORTANT NOTICE (PLEASE READ THIS FIRST)

Purpose of survey

This questionnaire collects information on investments in your company (group) operating in Tanzania. This information will be used by the Bank of Tanzania (BOT), National Bureau of Statistics (NBS) and Tanzania Investment Centre (TIC) for Balance of Payments compilation, investment promotion and national policy formulation and review.

Focus

You are required to complete this questionnaire from the point of view of your transactions as an investor with foreign assets and liabilities in Tanzania regardless of your nationality or registration with TIC. Please supply copies of your audited financial statements for **2012** and **2013.** Where audited accounts are not ready, *unaudited figures are acceptable for this purpose*. We would rather have your best estimate than nothing.

Inapplicable questions

Please do not leave blank spaces even where a question does not apply to you. *Please, enter **"N/A"** in the appropriate box, or at the start of the question.*

Due Date

Please complete this questionnaire within one week after its receipt and keep the 'Respondent Copy' for your reference.

Collection Authority and Confidentiality

Completion of this questionnaire is compulsory under **Tanzania Investment Act of 1997,** section 6(b); the **National Bureau of Statistics Act of 2002,** section 47 sub-sections (1), (2) and (4) and **Bank of Tanzania Act of 2006,** section 57. Failure to comply could result in legal action against your company.

This information will be published in aggregated form and used for statistical purposes only. You are therefore assured that data for individual companies will not be made available to anyone outside BOT, TIC or NBS. A researcher failing to comply with confidentiality clause will face disciplinary action including summary dismissal in accordance with the Acts establishing these institutions.

Help Available

In case you encounter any problems in completing this questionnaire please contact any of the following:

NBS	BOT	TIC
V. Tesha (0713 415146) National Bureau of Statistics Tel: (255)-22-2122722-3 Fax: (255)-22-2112352/2135601	Z. Kiwelu (0754 293570) P. Mboya: (0754 527528) Bank of Tanzania Tel: (255)-22- 2233305 Fax: (255)-22 2234065	N. Tibenda (0784 568030) Tanzania Investment Centre Tel: (255)-22-2116328-32 Fax: (255)-22 2118253

THANK YOU IN ADVANCE FOR YOUR COOPERATION

SELECTED DEFINITIONS AND GUIDELINES

Residency: A company is a resident enterprise if it has been operating (or intends to operate) in the reporting economy for a year or more, regardless of its nationality. Non-resident individuals or enterprises constitute the rest of the world if they have lived or operated (or intend to live or operate) outside the reporting economy for a year or more (even if they hold nationality of the reporting economy). A special case of residency: international organisations

An enterprise is in a direct investment relationship with a ***Direct Investor (DI)***; if the investment is from a non-resident enterprise or individual that directly holds 10% or more of its equity or voting rights.

An enterprise is in a direct investment relationship with a ***Direct Investment Entity (DIE);*** if the investment is from its non-resident subsidiary or associate enterprise that directly holds 10% or more of its equity or voting rights (Reverse investment).

An enterprise is in a direct investment relationship with a ***Fellow Enterprise (FE);*** if the investment is from a non-resident enterprise that directly holds less than 10% of its equity but also has the same direct investor. The two enterprises must have the same controlling parent company to be fellows irrespective of the parent's residency.

Foreign Portfolio Equity Investment (FPEI) represents equity investment in a company accounting for less than ten percent (10%) of that company's ordinary shares or voting rights and it's tradable.

Investment Fund Shares (IFS) are collective investment undertakings through which investors pool funds for investment in financial and/or non-financial assets. Investment funds include money market funds (MMF) and non-MMF investment funds.

Other investment relationship (Other) in this document refers to equity investment of less than 10% that is not tradable or borrowing/lending to non-affiliates.

Non-Affiliates (Non-related enterprises) are entities with which your enterprise has no equity, voting rights or equivalent and don't share a common parent

Life & Non-life Insurance Technical Reserves- consist of the reserves for unearned insurance premiums, which are prepayment of premiums and reserves against outstanding insurance claims, which are amounts identified by insurance corporations to cover what they expect to pay out arising from events that have occurred but for which the claims are not yet settled.

Pension Entitlements/Claims show the extent of financial claims both existing and future pensioners hold against either their employer or a fund designated by the employer to pay pensions earned as part of a compensation agreement between the employer and employee.

Standardised Guarantee are those guarantees that are not provided by means of a financial derivative (such as credit default swaps), but for which the probability of default can be well established. These Guarantees cover similar types of credit risk for a large number of cases *e.g.* include guarantees issued by governments on export credit or student loans.

Financial Derivatives

A financial derivative contract is a financial instrument that is linked to another specific financial instrument or indicator or commodity and through which specific financial risks (*such as interest rate risk, foreign exchange risk, equity and commodity price risks, credit risk, and so on*) can be traded in their own right in financial markets.

Options-in an option contract (option), the purchaser acquires from the seller a right to buy or sell (depending on whether the option is a call (buy) or a put (sell)) a specified underlying item at a strike price on or before a specified date.

A forward-type contract (forward) is an unconditional contract by which two counterparties agree to exchange a specified quantity of an underlying item (real or financial) at an agreed-on contract price (the strike price) on a specified date. Forward type contracts include *futures* and *swaps*.

Ultimate controlling company - For direct investment, there can be chains of voting power, such as when a direct investor in economy A has a subsidiary in economy B, which in turn has a subsidiary in economy C. In this case, for the direct investment in economy C, (a) the economy of immediate ownership is Economy B; and (b) the ultimate controlling economy is economy A.

A5: INDUSTRIAL CLASSIFICATION

Please indicate the sectors of economic activity of your company and its subsidiaries based on total investments.

Sector/Industrial Classification	Description of the economic activity	Estimated percentage contribution to company's total investment
1.		
2.		
3.		
4.		
5.		

PART B: EQUITY INVESTMENT IN YOUR COMPANY DURING 2013

Please report all values in TZS or USD, and in units (e.g. ten million units as 10,000,000 and **NOT** 10m)

Currency used (*ticks the relevant currency and refer to a table of exchange rates in the last page*):

TZS ☐ **USD** ☐

B1. DIRECT INVESTMENT

TABLE B1: ***Equity & Investment Fund Shares By Non-Resedents, 2012***

Equity Type	**Source Country / Multilateral organisation**	**Percentage Shareholding**	**Relationship: DI , DIE, or FE, FPEI, Other and IFS**	**A Closing Balance 31 Dec 2012**	**B Purchase/ Increase in 2013**	**C Sales/ Decrease in 2013**	**D Official Use Only 'Other' Changes D=E-(A+B-C)**	**E Closing Balance 31st Dec 2013**
Paid-up Share Capital	1.							
	2.							
	3							
	4.							
	Tanzania							
Share Premium	1.							
	2.							
	3							
	4.							
	Tanzania							
Reserves(Capital, Statutory, revaluation, & Other**)**	1.							
	2.							
	3							
	4.							
	Tanzania							
Other Equity (e.g. Equity Debt Swaps, Shareholders Deposits)	1.							
	2.							
	3							
	4.							
	Tanzania							
Accumulated Retained Earnings/Loss	1.							
	2.							
	3							
	4.							
	Tanzania							
Investment Fund Shares (Shares)	1.							
	2.							
	3							
	4.							
	Tanzania							
Investment Fund Shares (Accumulated Retained Earnings)	1.							
	2.							
	3							
	4.							
	Tanzania							

1. If you are a fellow enterprise, please indicate the residence of the ultimate controlling parent of your enterprise, that is, the enterprise at the top of the control chain ____________________________

INCOME ON INVESTMENTS

Table B2: Profits, dividends, retained earnings and holding gains, 2012

A **Source Country / Multilateral organisation**	**B** **Percentage Shareholding**	**C** **Relationship: DI, DIE, or FE, FPEI, Other and IFS**	**D** **Net Profit (or Loss) After Tax in 2013**	**E** **Dividends Declared**	**F** **Dividends Paid/ Profits Remitted**	**G** **Official Use Only Retained Earnings = (D-E)**	**H** **Holding gain (** *FPEI and Other only)* **= D-E**
1.							
2.							
3							
4.							
Tanzania							
TOTAL							

PART C: NON EQUITY INVESTMENTS IN YOUR COMPANY DURING 2012 & 2013

Table C1: Non equity Liabilities, 2013

Type of loan	Source Country/ Multilateral organisation	Relationships: DI , DIE, or FE, Other	Original Maturity LT-12months or more ST-Less than 12 months (Indicate LT or ST)	A Closing Balance 31 Dec 2012	B Amount received during 2012	C Principal Repayment during 2013	D Official Use Only 'Other' changes D=E-(A+B-C)	E Closing Balance 31 Dec 2013 (Including Accrued interest Not Paid)	G Interest Paid in 2013
Loans (*Including Financial Leases, Repos*)	1.								
	2								
	3								
	4								
	Tanzania								
Debt securities (*Including Money Market Instruments, Bonds and notes*).	1.								
	2								
	3								
	4								
	Tanzania								
Suppliers/Trade Credits & Advances	1.								
	2								
	3								
	4								
	Tanzania								
Currency and Deposits	1.								
	2								
	3								
	4								
	Tanzania								
Life & Non-Life Insurance Technical Reserves	1.								
	2								
	3								
	4								
	Tanzania								
Pension Entitlements/Claims	1.								
	2								
	3								
	4								
	Tanzania								
Standardised Guarantees	1.								
	2								
	3								
	4								
	Tanzania								
Other Accounts Payable	1.								
	2								
	3								
	4								
	Tanzania								
TOTAL									

Table D3: Exchange rates (TZS/USD), 2012 and 2013

	2012	2013
End of period	1,571.6	1,578.6
Annual average	1,571.7	1,597.6