

### Your advisors at the Chamber of Commerce



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### Key Indicators

Area	947,300 km <sup>2</sup>
Population	53,950,935 (July 2017 est.)
Government type	presidential republic
Languages	Kiswahili or Swahili (official), Kiunguja (name for Swahili in Zanzibar), English (official, primary language of commerce, administration, and higher education), Arabic (widely spoken in Zanzibar), many local languages
GDP	\$162.8 billion (2017 est.)
Growth rate	6.5% (2017 est.)
HDI	151
Capital	Dodoma



### Introduction

Shortly after achieving independence from Britain in the early 1960s, Tanganyika and Zanzibar merged to form the United Republic of Tanzania in 1964. In 1995, the country held its first democratic elections since the 1970s. Zanzibar maintains semi-autonomy and participates in national elections; popular political opposition on the isles led to four contentious elections since 1995, in which the ruling party claimed victory despite international observers' claims of voting irregularities.

Source: *The CIA World Factbook - Tanzania*

### Macroeconomic indicators

Tanzania has achieved high growth rates based on its vast natural resource wealth and tourism with GDP growth in 2009-17 averaging 6%-7% per year. Dar es Salaam used fiscal stimulus measures and easier monetary policies to lessen the impact of the global recession and in general, benefited from low oil prices. Tanzania has largely completed its transition to a market economy, though the government retains a presence in sectors such as telecommunications, banking, energy, and mining.

The economy depends on agriculture, which accounts for slightly less than one-quarter of GDP and employs about 65% of the work force, although gold production in recent years has increased to about 35% of exports. All land in Tanzania is owned by the government, which can lease land for up to 99 years. Proposed reforms to allow for land ownership, particularly foreign land ownership, remain unpopular.

The financial sector in Tanzania has expanded in recent years and foreign-owned banks account for about 48% of the banking industry's total assets. Competition among foreign commercial banks has resulted in significant improvements in the efficiency and quality of financial services, though interest rates are still relatively high, reflecting high fraud risk. Banking reforms have helped increase private-sector growth and investment.

The World Bank, the IMF, and bilateral donors have provided funds to rehabilitate Tanzania's aging infrastructure, including rail and port, which provide important trade links for inland countries. In 2013, Tanzania completed the world's largest Millennium Challenge Compact (MCC) grant, worth \$698 million, but in late 2015, the MCC Board of Directors deferred a decision to renew Tanzania's eligibility because of irregularities in voting in Zanzibar and concerns over the government's use of a controversial cybercrime bill.

Under the new government elected in 2015, Tanzania has developed an ambitious development agenda focused on creating a better business environment through improved infrastructure, access to financing, and education progress, but implementing budgets remains challenging for the government. Recent policy moves by President MAGUFULI are aimed at protecting domestic industry and have caused concern among foreign investors.

Source: *The CIA World Factbook - Economic Overview*

#### **IMF Statistics:**

Subject descriptor	2014	2015	2016	2017	2018
Gross domestic product, constant prices <i>Percent change</i>	6.965	6.959	7.171	7.240	6.794
Gross domestic product, current prices <i>U.S. dollars (Billions)</i>	48.256	45.634	46.695	50.475	55.053
Gross domestic product per capita, current prices <i>U.S. dollars (Units)</i>	1,032.343	957.105	960.151	1,017.529	1,088.054
Inflation, average consumer prices <i>Percent change</i>	6.132	5.588	5.222	5.000	5.000
Volume of imports of goods and services <i>Percent change</i>	8.222	7.619	8.963	6.755	5.782
Volume of exports of goods and services <i>Percent change</i>	7.051	5.893	7.234	6.183	6.298
Current account balance <i>U.S. dollars (Billions)</i>	-4.583	-4.007	-4.121	-4.442	-4.705
Current account balance <i>Percent of GDP</i>	-9.498	-8.780	-8.826	-8.801	-8.546

Colored cells are estimates

Source: *IMF Statistics - Tanzania*

## **Luxembourg and the country**

### **Existing conventions and agreements**

#### **Non double taxation agreement**

In order to promote international economic and financial relations in the interest of the Grand Duchy of Luxembourg, the Luxembourg government negotiates bilateral agreements for the avoidance of double taxation and prevent fiscal evasion with respect to Taxes on Income and on fortune with third countries.

**None**

#### **Air Services agreement**

**None**

Source: *Administration des contributions directes*

## **Further information**

### **Foreign Trade**

The Statec Foreign Trade statistics provide information on the trade of goods - by product and by country. This information is collected respectively through the INTRASTAT declaration and on the basis of customs documents.

You can see the statistics on the website of the [Statec](#).

### Contact points in Tanzania

Luxembourg is represented by [Ambassade Royale des Pays-Bas à Dar es Salam](#)

Competent post for consular affairs [Ambassade du Royaume de Belgique à Dar es Salam](#)

Source: [Ministry of Foreign Affairs of Luxembourg](#)

### Economic and Commercial Attaché (B.E)

[Economic and Commercial Attaché in charge of Burundi, Rwanda, Kenya, Uganda and Tanzania:](#)

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Source: [Invest-export.brussels](http://Invest-export.brussels)

### Country risk as defined by Office du Ducroire for Tanzania

Ducroire is the only credit insurer covering open account deals in over 200 countries. A rating on a scale from 1 to 7 shows the intensity of the political risk. Category 1 comprises countries with the lowest political risk and category 7 countries with the highest. Macroeconomics experts also assess the repayment climate for all buyers in a country.

Link: [Ducroire Office - Country Risk for Tanzania](#)

### Other Useful Links

- [The CIA World Factbook on Tanzania](#)
- [Doing Business in Tanzania](#)
- [Invest-export.brussels](http://Invest-export.brussels)
- [Das ist Tanzania](#)
- [Economic Freedom Index - Tanzania](#)

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### The Chamber of Commerce and the country

#### Past events

- **13.12.2018**

#### **Journée d'Opportunités d'Affaires : Kenya, Burundi, Rwanda, Ouganda, Tanzanie**

Participer à ces Journées, qui se déroulent sous forme d'entretiens individuels avec les attachés économiques et commerciaux luxembourgeois et belges,...

- **19.12.2017**

#### **Journée d'Opportunités d'Affaires : Congo, Kenya, Côte d'Ivoire, Burundi, Rwanda, Ouganda, Tanzanie**

Participer à ces Journées, qui se déroulent sous forme d'entretiens individuels avec les attachés économiques et commerciaux luxembourgeois et belges,...