



TANZANIA NATIONAL BUSINESS COUNCIL

CHAIRMAN'S MESSAGE

Another year, 2004, has passed, during which Tanzania continued to build on previous achievements and make good progress on its economic landscape. We have further strengthened the consultative process between government and business as partners in reforming and developing Tanzania. These consultations have fed into our macroeconomic and structural policies, contributing to a conducive policy environment for growth, poverty reduction and the overall development of Tanzania.

Together we agreed on needed legislative reforms to further improve the business environment. Examples include the enactment of the Income Tax Act, 2004; the Employment and Labour Relations Act, 2004; the Labour Institutions Act, 2004; and the amendments to the Land Act of 2004. Getting this key legislation for the business environment through Parliament over this short period demonstrates the value of partnership, and of TNBC as our vehicle for such partnership.

Our continued commitment to frank exchanges, particularly through the Investors' Round Table, has helped to make Tanzania an attractive investment destination in the region. The flow of Foreign Direct Investment has risen from USD 240.4 million in 2002 to USD 247.8 million in 2003, and the expected USD 260.2 million in 2004. A high growth rate of the economy of 6.3% is estimated for the year 2004. The rate of inflation was 4.1%, based on the new



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NCPI series. On the domestic scene, there has been marked growth in taxable sectors particularly trade, manufacturing, mining, financial services and telecommunication, which in turn has

expanded the tax-base, leading to higher government revenues for social and economic services, and infrastructure. As a country renowned in natural resources, time has never been better for the private sector to exploit these resources and other opportunities for business as the government continues to improve the business environment.

As the TNBC enters its fourth year, I can only renew my government's gratitude as well as commitment to this consultative process. I am sure the Council will continue to play its role as an agent of change. For, I now count on TNBC not only as an instrument for articulating corporate issues, but also as a forum for the informal sector. I am also confident that its agenda will remain focused on practical approaches to realising the development goals and aspirations enshrined in the National Strategy for Growth and Poverty Reduction (MKUKUTA).

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