

TANZANIA

Investment and environment outlook

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1. Foreword

This Outlook has been prepared in the context of the project “Strategies and mechanisms for promoting cleaner production investments in developing countries”, financed by the government of Norway and implemented by the Division of Technology, Industry and Economics of UNEP. The project has a global component and demonstration activities are carried out in five pilot countries : Guatemala, Nicaragua, Tanzania, Vietnam and Zimbabwe.

The aim of the project is to encourage financing towards cleaner production investments, by demonstrating how these can be economically viable and financially attractive, in addition to being environmentally beneficial. One of the real challenges of this project is thus to contribute to bridging the gap between the financial community and the industrial world.

One major output of the project is a “Study on past investment practices” which has been conducted at both global and national levels. This Outlook is an integral part of the Study and forms an annex to its main volume.

2. Purpose

This publication, following the demonstration approach guiding the whole project, is designed to give an overview of the country with respect to investment flows and activities, financial institutions' strategies and initiatives, business activities related to environmental issues, and touching upon external development assistance. The Outlook thus results in a slender resource document which, unlike country profiles by other publishers, focuses uniquely on the main features of the financial and capital markets.

The information gathering process was at times not an easy one; some countries are relatively new to a market-based economy, so institutions such as the stock exchange are still in their infancy with little or non-existent data memory. In this respect, this Outlook is not meant to provide either an exact or an exhaustive picture of the country.



3. Country Profile

TANZANIA



Country map



People

Population: 32,3 million
Language: Ki-swahili, English
Life expectancy at birth: 46,17 years
 Population below the poverty line: 51,1% (1991)
Labour force: 13,495 million
Unemployment rate: Not available
Religion: Christian, Muslim, indigenous beliefs
Literacy (total population): 67,8%

Geography

Land Area: 886,040 sq. km
Main Towns: Dar-es-Salaam, Mwanza, Tanga
Natural resources: phosphates, tin, iron ore, coal, natural gas, nickel, diamonds
Climate: tropical along the coast, temperate in highlands

Economy

GDP per capita (PPP): US\$210 (1998)
GDP real growth rate: 3,8% (1998)
Currency: Shilling (TSh.)
Exchange rate (TSh.: US\$): 750,0 (1999)
Inflation rate : 13,5% (1998), 6,6% (1999)
Central Bank interest rate : 17,6% (1998)
Exports (Main partners): India, Japan, Germany, Rwanda, UK
Imports (Main partners): South Africa, Kenya, UK, Saudi Arabia, China, Japan
Economic aid-recipient: US\$860,9 million (1995)
Industry sectors: agricultural processing (sugar, tobacco, beer), oil refining, shoes, textiles, mining, fertilisers
Total FDI: US\$ 172 million (1998)
Agriculture: coffee, sisal, tea, cashew nuts, cloves, bananas, corn, cassava

Government

Type: Republic *Independence:* 09 December 1961
Political parties: ChamaCha Mapinduzi, Civic United Front, National Convention for Construction and Reform, United Democratic Party, Chama Cha Demokrasia na Maendeleo
International Organisations' Membership: AfDB, ECA, FAO, G-77, IAEA, ICAO, ISO, ITU, SADC, UN, UNCTAD, UNESCO, UNHCR, UNIDO, UPU, WHO, WMO

Environment

Main issues: land degradation, loss of wildlife habitats and biodiversity, deforestation, deterioration of marine ecosystems
International Agreements' Membership: Biodiversity, Climate Change, Desertification, Endangered Species, Hazardous Waste, Law of the Sea, Nuclear Test Ban, Ozone Layer Protection

4. Environment

Focus Area of Degradation

The Tanzanian Government has identified six major environmental problems for urgent attention. They include:

- **Land degradation** – Soil productivity has been reduced dramatically in many parts of Tanzania.
- **Accessibility to quality water** – Despite considerable national effort, over half the people in towns and countryside do not have access to good quality water for drinking, washing, cooking and bathing.
- **Environmental pollution** – Health of the people in the towns and countryside is being affected.
- **Loss of wildlife habitats and biodiversity** – The national heritage of Tanzania is under threat and has begun to create an uncertain future for the tourist industry.
- **Deterioration of marine ecosystems** – Pollution and poor management has threatened the productivity of lakes, rivers, and coastal and marine waters.
- **Deforestation** – Tanzanian forest and woodland heritage is being reduced through clearance for wood for fuel, agriculture and other demands.

In mid-1994, the Rwandan refugee crisis compounded Tanzania's environmental troubles. Damage caused by an influx of 600,000 refugees included poaching in the Burigi and Biharamulo Game Reserves, the use of cheap labour in charcoal and timber operations and harvesting of firewood.

International donors and development agencies, including UNHCR and the Tanzanian district authorities and government, established an environmental task force and development programmes. Lessons learnt from the crisis include: pre-emptive site planning, establishing inter-agency coordination from the start and promoting better cooking techniques to reduce demand for fuel wood¹.

Environmental Treaties and Conventions

Since 1988, Tanzania has embarked on the adoption of national action plans covering various issues, which integrate environmental concerns with the development process. A Biodiversity Strategy was adopted in 1988. This was later followed in 1989 by a Country Environmental Profile, which identifies economic activities relative to conservation of natural resources. In 1994, an Environmental Action Plan was identified, which builds on the previous Biodiversity Strategy and Country Environmental Profile. The Action Plan provides a comprehensive analysis of conservation and resources management.

International and regional treaties that Tanzania has participated in include:

1. UNEP, *Global Environment Outlook*, 1999.

Tanzania Participation in Regional Environmental Treaties	
Treaty	Place and date of adoption
Convention of the African Migratory Locust	Kano, 1962
Convention and Statute Relating to the Development of the Chad Basin	Fort-Lamy, 1964
Phyto-Sanitary Convention for Africa	Kinshasa, 1967
African Convention on the Conservation of Nature and Natural Resources	Algiers, 1968
Convention Creating the Niger Basin	Faranah, 1980
Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region	Abidjan, 1981
Regional Convention for the Conservation of the Red Sea and Gulf of Aden Environment	Jeddah, 1982
Convention for the Protection, Management and Development of the Marine and Coastal Environment of the Eastern African Region	Nairobi, 1985 Ratified: 1 st March 1993
Protocol Concerning Protected Areas and Wild Fauna and Flora in the Eastern African Region	Nairobi, 1985 Ratified: 1 st March 1996
Agreement on the Action Plan for Environmentally Sound Management of the Common Zambezi River System	Harare, 1987
Bamako Convention on the Bank of the Import into Africa and the Control of Trans-boundary Movement and Management of Hazardous Wastes Within Africa	Bamako, 1991 Ratified: April 1993
Lusaka Agreement on Co-operative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora	Lusaka, 1994 Ratified: 8 th September 1994
Treaty Establishing the Lake Victoria Fishing Organisation	Kisumu, 1994
SADC Protocol on Shared Watercourse Systems	Johannesburg, 1995

(Source: UNEP, *Global Environment Outlook 2000*, 1999).

Environmental Law and Regulation

Environmental responsibility falls under the Division of Environment (DOE) in the Vice-President's Office. The government has promoted both primary and sector-specific policy objectives. Sector-specific policies concentrate on agriculture, energy and fisheries.

Whilst policies exist, there is no comprehensive environmental legislative framework in place. Only sectoral acts, regulations and ordinances exist.

Science and technology has been built into the government's aims in the exploitation, processing and utilisation of natural resources. The government promotes environmentally sound technologies, using the principle 'best achievable technology' applied in all cases where possible.

The Tanzanian Government is working closely with donor countries to advance environmental policies, legislation and improved natural resource management practices. Specific programmes in selected areas include:

- establish management systems for the network of national parks
- establish a national system of game reserves as a second and more widespread network of protected areas
- community-based approaches in areas adjacent to protected areas on lands owned by communities and supported by districts
- establish management systems for coastal resources at both national and local levels.

5. Financial Markets and Investment

General Market Conditions

During the mid-1990's, Tanzania embarked on a macroeconomic stabilisation and liberalisation programme in the hope of developing the private sector. In late October 1999, the government announced further measures to strengthen the development of the private sector.

By the end of 1998, 222 companies out of 401 earmarked, had been privatised. Examples of companies currently up for sale include 12 factories of the Cashew Nut Board of Tanzania, 7 tea processing factories, 8 regional transportation companies and a number of hotels and lodges.

The liberalisation programme is also supported by a \$25 million loan from the World Bank to strengthen the capital markets and to create a privatisation Trust unit. The Trust will control the government's remaining stake in divested companies and will also enable the general public to participate in divestitures of parastatals.

The recent announcement of Tanzania being admitted into the World Bank/IMF's Heavily Indebted Poor Countries (HIPC) initiative is also expected to free up resources, which are expected to be channelled to priority sectors and infrastructure projects. (Refer to *Bilateral and Multilateral Funding* for further information about HIPC.)

Financial Market Forecasts			
	1998	1999	2000
Exchange rate TSh:US\$ (average)	664.67	750.0	830.0
91-day T-bill rate (%; period average)	12-15	7-10	–
Stockmarket index (end-period)	–	–	–
Change in \$ value of stockmarket index (%)	–	–	–

Financial Sector

In August 1991, the Tanzanian government passed legislation, which allowed private banks back into Tanzania. By June 1998, several private banks registered with the central Bank of Tanzania. Prior to

the financial sector reforms, the institutions operated as state-owned monopolies. The major institutions included:

- The National Bank of Commerce (NBC), which used to account for over 75% of the country's transactions for commercial lending. It provided both short and medium term credit facilities. NBC was later split in 1997 into NBC-1997 and the National Microfinance Bank (NMB). The NBC-1997 caters to corporate clients while the NMB targets smaller customers. As a result of privatisation, the government sold 70% of the shares in (NMB) to Amalgamated Banks of South Africa (ABSA) in early 2000.
- Tanzania Cooperative and Rural Development Bank (TCRDB), which provided financing the agricultural and rural sector. Later TCRDB became Co-operative and Rural Development Bank (1996) which has now been restructured as a commercial bank and renamed CRDB Bank Ltd.
- Tanzania Housing Bank (THB) was established in 1973 to finance housing development. In 1995, THB was put under liquidation.
- Tanzania Investment Bank (TIB) was established in 1971 to provide medium- and long-term finance to industrial development in both the public and private sectors. TIB is now in the final stages of restructuring to comply with the Banking and Financial Institutions Act (BFIA) of 1991, which allows licensing of private banks under the supervision of Bank of Tanzania.
- Other institutions include a hire purchase company known as KARADHA, Post Office Savings Bank (TPSB) and Diamond Jubilee Investment Trust (DJIT).

Project financing is available from Tanzania Development Finance Co. Ltd, Tanzania Investment Bank, Tanzania Venture Capital Fund, East African Development Bank, African Development Bank and International Finance Corporation.

The International Bank for Reconstruction and Development (IBRD), a member of the World Bank group, makes long-term loans at market-related rates primarily to developing nations. The International Development Agency (IDA), the soft loan window of the World Bank, lends to the poorest of the developing countries. Both the IBRD and IDA work to promote broadly based economic growth and frequently focus on structural adjustment, sectoral reform and individual project lending.

Bilateral and Multilateral Funding

Tanzania is dependent on foreign aid disbursements, which totalled \$963 million in 1997 within the Union.

Following a brief suspension of multilateral aid in 1994, Tanzania embarked on a new \$1 billion programme in 1995-96, supported by international donors. The programme was designed to assist Tanzania to exercise greater fiscal discipline and speedier privatisation of the country's parastatal sector.

The programme was extended by the IMF in November 1997 with a three-year \$234 million Enhanced Structural Adjustment Facility (ESAF). The announcement of ESAF coincided in the same year with the decrease of bilateral aid from Japan by 48%.

The adoption of the ESAF prompted the Paris Club of government creditors to cancel \$1 billion of Tanzania's debt and reschedule an additional \$700 million over 23 years. Even taking into account the Paris Club initiative, serving Tanzania's debt remained high.

In early September 1999, the World Bank and IMF announced that Tanzania had been admitted into the Heavily Indebted Poor Countries (HIPC) initiative. This has effectively wiped out 80% of Tanzania's total external debt, reducing it to \$1.6 billion by 2004.

Other multilateral development aid programmes include the European Investment Bank, which recently agreed to provide \$9.5 million over six years for venture capital schemes for private sector institutions. The programme is part of an effort to boost domestic investment among small to medium sized enterprises. The loan will focus on agro-industry, horticulture, mining and tourism sectors.

A majority of Tanzania's bilateral aid comes from Norway, Denmark, France, Japan, the UK and the Netherlands. Aid development projects supported by bilateral aid concentrate mostly on social infrastructure and services (i.e. education, health and water supply) and economic infrastructure and services (i.e. energy and transportation). A major project includes the announcement in late October 1999 that Norway has agreed to continue a 4-year (1999-2002) road transportation rehabilitation programme costing \$21.3 million.

Tanzania Official Development Assistance Major Bilateral Donors (US\$ million)			
	1995	1996	1997
Total, of which:	586.7	605.4	569.1
France	20.2	3.5	79.6
UK	31.2	67.3	67.6
Denmark	59.6	91.2	64.0
Germany	67.2	58.7	59.3
Japan	124.3	105.7	55.4
Netherlands	77.4	74.9	52.4
Norway	52.2	54.4	50.9

(Source: OECD, *Geographic Distribution of Financial Flow to Aid Recipients*, 1999.)

Tanzania Official Development Assistance Major Multilateral Donors (US\$ million)			
	1995	1996	1997
Total, of which:	291.0	291.2	392.2
CEC	63.8	44.3	63.9
IDA	147.8	120.5	169.0
IMF	-19.4	15.5	53.5
AfDF	23.1	54.4	47.8

(Source: OECD, *Geographic Distribution of Financial Flow to Aid Recipients*, 1999.)

Stock Market

Capital Markets and Securities Authority (CMSA) was established in 1994 to develop rules, regulations and launch Tanzania's stock exchange market. Although the Dar es Salaam Stock Exchange was incorporated in 1996, it didn't open for business until March 1998 and began its first day of trading in April 1998. First day of trading on the Dar es Salaam Stock Exchange was at 7.1 billion Shillings (\$10.15 million) – making it the smallest in the world.

Activity on the stock exchange is limited due to a combination of the lack of participation by foreign investors (foreign investors are barred from trading) and by a local investor community which lacks sufficient surplus funds.

Five companies have been licensed as stockbrokers by CMSA. Trading takes place twice a week.

The exchange operates on a three-tier system. The first tier includes listed shares that meet international listing requirements. The second tier has less stringent requirements and the third is an over-the-counter system for those companies which fail to meet the conditions of the first two segments. Primary trading of government securities was introduced in January 1999.

Dar es Salaam Stock Exchange (US \$ million)	
	1998
Number of listed companies	2
Market capitalisation	236.4
No. of companies making issues (including new, rights and bonus issues)	0
Value of new issues including rights issues	–
Volume of shares traded (million)	340,000
Value of shares traded	306,902
Average price-earning ration of all listed companies (%)	7.6
Average dividend yield (annual average, %)	11.9
Industrial index (overall)	–

(Source: SADC, 1999.)

Foreign Investment Opportunities and Restrictions

In 1991, the Tanzania Investment Centre (TIC) was established to co-ordinate and monitor domestic and foreign investments. In particular, the Centre was set up to:

- Co-ordinate and facilitate investments.
- Initiate measures that will enhance investment climate in Tanzania for both local and foreign investors.
- Assist investors.
- Provide investment sites for investors.
- Promote local investors.

The TIC was governed by the National Investment Policy of 1990 until it was later replaced by the Tanzanian Investment Act in 1997. As part of the new Act of 1997, incentives were created to promote inward investment, which are focus areas of national priority. These incentives include:

General Investment Incentives

- > Favourable investment allowances and deductions on industrial buildings, plant and machinery and on agricultural expenditure.
- > Total exemption from import duty and sales tax on imported capital assets for projects relating to mining, infrastructure (i.e. road construction, bridges, railways, airports, generation of electricity, water services, back-up services to mining) and EPZs.
- > Import duty for investment in other sectors of the economy is 15 % on the project's imported capital assets.
- > Straight line accelerated depreciation is allowed on capital goods.
- > Unlimited/indefinite carry-over of all business losses against future profits.
- > Investors can repatriate capital and profits.

(Source: SADC, 1999.)

Incentives have also been created for specific sectors, such as oil exploration and mining.

Investment Incentives in Oil Exploration

- > Long exploration periods of four (initial), four (first extension) and three (second extension) years.
- > Relatively large exploration areas.
- > Tanzania Petroleum Development Corporation (TPDC) participation is capped at 20 %.
- > Corporate income tax and royalties paid for by TPDC.
- > Threshold rates of return for Additional Profit Tax at 20 % for the first tranche and 30 % for the second tranche.
- > No front-end bonuses.
- > Separate incentives for deep sea exploration (greater than 200m water depth) are being considered by the government and TPDC.

(Source: SADC, 1999.)

Investment Incentives in Mining

- > 30 % tax rate for both resident and non-resident companies.
- > Royalties: 3 % of net-back value, 5 % for diamonds, 0 % for cut and polished gemstones. Royalties are tax deductible.
- > 100 % depreciation allowances on all mining capital expenditure.
- > At the end of each tax year the balance of un-recovered development expenditure in respect of a mining license receives an additional 15 % capital allowance each year.
- > There is no concessional state participation.
- > No withholding tax on interest.

(Source: SADC, 1999.)

As a way of providing further incentives, a Certificate of Approval scheme was set up to provide extensive guarantees with regard to ownership of properties, dispensation of assets and repatriation of income.

Under Tanzania's corporate tax system, incentives mostly relate to capital overlays, such as full write-off for clearing and planting of agricultural land in the year of investment and extensive depreciation allowances.

In the study Road Map of 1996, the acquisition of land was singled out as the most difficult problem encountered by foreign investors. The Land Act of 1999 was enacted to provide a solution to the problem. The Act states, "Land to be designated for investment purposes shall be identified, gazetted and allocated to the Tanzania Investment Centre which shall give derivative rights to investors".

A separate Investment Promotion Agency was set up in Zanzibar in 1991. The investments are regulated by the National Investment Promotion Act of 1986, which outlines the incentives in areas of national priority. These incentives to investors are generally the same as mainland Tanzania.

In addition, Zanzibar has set up EPZs which offer companies a 10 year corporate tax holiday (conditional on 40% value added) and duty exemptions on imports of raw materials and capital equipment. Also, under the provisions of EPZs, enterprises that export more than 80% of their products and services qualify for EPZ status even if they operate outside of the designated zones.

Taxation	
Corporation	30 %
Withholding tax	10 % on dividends and profit-sharing tax for non-residents
Individual	35 % maximum
Surtax	20 %
Double taxation agreements	Canada

(Source: SADC, 1999.)

Listed below are just some of the investment opportunities that the Tanzanian Government has identified.

Investment Opportunities	
Manufacturing	Animal-feed processing, agro-based industries, beverages, textiles and leather goods, steel and metal engineering, cement and ceramics, fish processing and canning, fishnets, packaging, general processing and canning, bottles and glassware.
Agriculture	Tea, sisal and sisal products, coconuts, wheat, cashew nuts, palm oil, vegetables and fruits for export.
Petroleum and Mining	Exploration and production of oil and gas, diamonds, gemstones and other minerals, metallic and non-metallic.
Construction	Hotels and other tourist accommodation, residential homes, commercial buildings, warehouses and other industrial sheds, estates and factory buildings.
Transport	Road and haulage, coastal shipping, air charters and airlines.
Livestock Development	Heifer breeding, dairy farming, sheep and goat keeping and beef ranching.
Natural Resources	Forestry, fishing and fish farming, game cropping for commercial purposes, wildlife ranching.
Tourism	Operation of tourist hotels and accommodation, tourist transport (road, air, ocean and inland waterways), restaurants and photographic services.

Investment opportunities in Zanzibar include: labour-intensive industries and assembly plants, construction and housing, hotel and tourism, agriculture, fisheries, financial services, sea and air transport, communications, power, human resources development schemes, transit trade and warehousing and off-shore activities.

Foreign Direct Investment (FDI)

Over recent years, Tanzania has taken measures to improve the investment climate. These measures include:²

- Adoption of structural adjustment credit facilities with the IMF and the World Bank
- Integrated road rehabilitation programme with the World Bank
- Government commitment to the privatisation of Tanzania's major public utilities, e.g. Telephone Co., Harbours Authority, National Bank of Commerce and Water Supply Co.
- Liberalisation of the insurance industry
- Macroeconomic policies prompting positive results, e.g. declining inflation reaching single digit.

Consequently, the level of foreign direct investment has increased approximately 9% in 1998, compared to the previous year. According to the Tanzanian Investment Centre, an estimated 1,086 commercial ventures have been established during the 1990's.

In terms of TIC approved project ownership, between September 1990 to June 1999, 47% the projects were joint ventures between local and foreign investors. Projects that were solely local or foreign-owned were 34 % and 19%, respectively.

Most FDI into Tanzania has been attracted to the mining sector. This has been helped by the government's move to take positive steps towards promoting investment in this sector, the 1998 Mining Act.

According to UNCTAD, however, FDI does not necessarily always have a profound effect on the domestic economy³. For instance, investment in the mining sector is considered to have little or negligible impact due to few linkages with domestic suppliers and inputs and its inability to supplement domestic financial resources for development. In the case of Tanzania, where the required skill and access to capital does not readily exist, FDI has potential to stimulate domestic investment, albeit at extremely low levels.

Companies from Canada and Australia have together invested \$50 million in the Golden Pride Mine, a gold mining project, which opened in February 1999. Another gold mining project in Bulyanhulu has attracted at least \$200 million before going into production. Four other mines are expected to be in full operation by the end of 2000.

The oil industry has also attracted investors from Canada, Australia and the US. Tour operators in the tourism sector include European, Australian, South African, Japanese and American companies.

2. Tanzania Investment Centre, *Promoting Cleaner Production Investment Workshop*, Dar es Salaam, December 1999.

3. UNCTAD, *World Investment Report 1999 : Foreign Direct Investment and the Challenge of Development*, 1999.

Privatisation has opened up opportunities for investors. The government has sold its interests in the beer industry to South African Breweries and its cigarette industry to RJ Reynolds. The cement industry has also been sold. Other industries due to be privatised include the railway network, water and sewage services, electricity, harbours and telecommunications.

According to an UNCTAD survey of African investment promotion agencies (1999), the table below outlines investment opportunities by industrial sector.

Tanzania ^a FDI Inflows and Investment Opportunities		
	Considerable FDI Inflows during 1996-1998	Offer the best investment opportunities in 2000-2003
Agriculture	X	✓
Fishing & aquaculture	X	✓
Forestry	X	✓
Mining and quarrying	✓	✓
Petroleum, gas & related products	✓	X
Food and beverages	✓	X
Tobacco	✓	X
Textiles, leather, clothing	✓	X
Mechanical & electrical equipment	✓	X
Non-metallic mineral products	✓	X
Telecommunications	✓	X
Tourism	✓	✓

^a Includes a response from the Zanzibar Investment Agency.

^b Defined as a share of ten percent or more in total accumulated FDI inflows into the country in 1996-1998. (Source: UNCTAD, 1999).

Tanzania FDI inflows (US dollars, million)					
1993	1994	1995	1996	1997	1998
20	50	120	150	158	172

(Source: UNCTAD, *World Investment Report*, 1999.)

FDI and the role of Cleaner Production

A relatively new relationship is the existence of investment which offers new opportunities for environmental protection. Through the diffusion of advanced technologies and management systems, the business community has witnessed new environmentally friendly patterns.

Cleaner production activities in Tanzania started in 1994. As a result of a one year feasibility phase, the Cleaner Production Centre of Tanzania (CPCT) was established. The Centre acts as a coordinator and a catalyst for cleaner production activities by providing policy advice on environmental

management, conducting in-plant demonstrations and assessments of techniques and technologies, training industry and being a source of information.

There are, however, barriers which exist in Tanzania that prevent the promotion of cleaner production. These include⁴:

- Lack of enforceable legislation
- Absence of agreed environmental standards
- Low level of appropriate environmental education at managerial level
- Low level of awareness about cleaner production and environmental issues, in general
- Lack of financing mechanisms for environmental and cleaner production investments
- Lack of accurate collection processes for input and output data
- Lack of transparency
- Underpricing of resources.

It is now generally accepted that environmental protection and economic efficiency can be achieved simultaneously. The scope of defining environmental protection is changing within the context of business.

Due the low level of industrial development in Tanzania to date, environmental impacts have been considered relatively low and sometimes tolerable. Inevitably, this will change as more economic growth is brought to the country and development is left unchecked. It will be necessary for the Tanzania government to give high priority to investors that apply appropriate technology, uphold environmental regulation and demonstrate sufficient assurances that environmental risk is minimised.

Collaboration is taking place with the CPCT and various industries to build capacity in cleaner production and other environmental management tools, including manufacturing, textiles and the motor services. Capacity building will be particularly pertinent to industries which have been identified as 'best investment opportunities' in 2000-2003, according to an UNCTAD survey of African investment promotion agencies. (*See above table*)

However, according to an UNCTAD report, these same sectors are deemed 'highly polluting'⁵. Those identified, such as mining and quarrying, fishing and aquaculture, agriculture and forestry, all have substantive environmental footprints and yet CPCT could play a important role in the sustainable development of these industries.

The tourism industry offers potential for growth with tourist numbers increasing from 401,331 in 1998, compared to 201,744 in 1992. As the sector begins to develop, it could potentially provide a platform leveraging the further adoption of cleaner production techniques and throughout industries associated with tourism.

4. Migiro, Cleophas. *Cleaner Production Status in Tanzania*, Promoting Cleaner Production Investment Workshop, UNEP, Dar es Salaam, December 1999.

5. UNCTAD, 1999.

Annex

Tanzanian Financial Institutions and Banks

Company Name	Address	City	Telephone	Fax
Stanbic Bank (T) Ltd.				
	Sukari House Ohio Street/Sokoine Drive PO Box 72647	Dar es Salaam	255 51 112196	255 51 113742
Standard Chartered Bank (T) Limited				
	International House Shaaban Robert St./Garden Avenue PO Box 9011	Dar es Salaam	255-51-122160/2 122140/1	255 51 113783 117776
World Bank Resident Mission				
	International House Shaaban Robert St./Garden Avenue PO Box 2054	Dar es Salaam	255 51 362403	255 51 6410
Citi Bank (T) Ltd				
	Peugeot House 36 Upanga Road PO Box 71625	Dar es Salaam	255 51 117601 255 51 117575	255 51 113910 117576
Bank of Tanzania				
	10 Mirambo Street PO Box 2939	Dar es Salaam	255 51 110945-7 110976/9	255 51 112573 113325
CRDB Bank Ltd.				
	Office Accommodation Scheme Building Azikiwe Street PO Box 268	Dar es Salaam	255 51 117441/7	255 51 113341
NBC (1997) Ltd.				
	NBC City Drive Building Sokoine Drive PO Box 18863	Dar es Salaam	255 51 113914 112082	–
People's Bank of Zanzibar				
	Forodhani PO Box 1173	Zanzibar	255 54 231118/9	255 54 231121
Tanzania Investment Bank				
	TIB Investment House Samora Avenue/Zanaki Street PO Box 93738	Dar es Salaam	255 51 115909-9	255-51-11343

Other Tanzanian Banks include:

Diamond Trust Bank
Eurafrican Bank Ltd
Trust Bank Ltd
Greenland Bank Ltd
Bank of Malaysia Ltd
Exim Bank Ltd
Kenya Commercial Bank
Habib African Bank Ltd
Natonal Microfinance Bank
Tanzania Postal Bank
East African Development Bank - Tanzania Branch
First Adili Bancorp
National Bureau de Change
Savings and Finance Ltd
Furaha Finance Ltd
Crown Finance and Leasing Co.
ULC
KARADHA
Tanzania Development Finance Co. Ltd
Kilimanjaro Co-operative Bank
Akiba Commercial Bank