

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Tanzania Profile



The winter branches of a baobab tree form part of one of Tanzania's beautiful landscapes that make the country's safaris among Africa's top tourist draws.



Image courtesy of Anita Retenour

TANZANIA



OVERVIEW ANALYSIS

Tanzania's physical infrastructure is poor but is showing improvement. The World Bank has expressed approval of government's economic and fiscal policies. However, President John Magufuli is showing autocratic tendencies that are testing Tanzania's democratic institutions, offsetting economic gains. There is much that recommends Tanzania as a location for international investment, such as Tanzania's growing manufacturing and information and communications technology (ICT) sectors. Gems and gold are Tanzania's top exports, along with agriculture-based products. Tanzania retained its ranking from the last survey, holding the overall position of 19 in ACBR 2019.

KEY OPPORTUNITIES

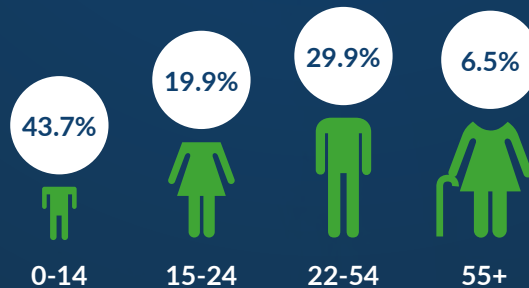
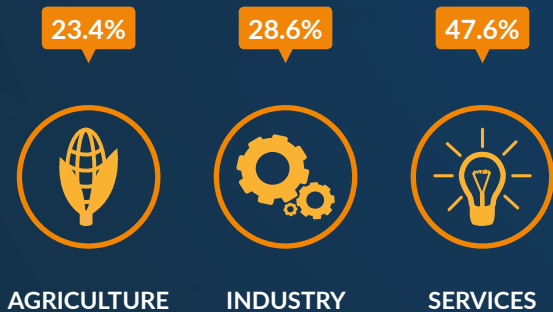
- The construction industry and the ICT sector are economy-leading sectors
- Region-serving Dar es Salaam exemplifies Tanzania's historic trade links
- A robust tourism sector is founded on Tanzania's game parks and scenery

KEY CONCERNS

- Autocratic actions of Magufuli's administration have spawned human rights abuses
- A majority of Tanzanians are poor and excluded from economic growth
- Zanzibar has periodic political crises and a succession movement

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION Christianity	PREDOMINANT LANGUAGE Swahili	POPULATION WITHOUT ELECTRICITY 67.2% (#36) Δ^9	LITERACY RATE 77.9% (#19) Δ^8	PRIMARY ELECTRICITY SOURCE Biomass
IMPORT/EXPORT Crude oil/ Cotton	EXTERNAL DEBT US\$ 15.88 billion (#11) —^0	ACTIVE CONFLICT No	LAND SIZE 947,300 km ² (#13)	INTERNET PENETRATION 13% (#35) Δ^8



Term:
05/11/2015 - present
5 years (2 term limit)

Political Party:
Chama Cha Mapinduzi

Recent Electoral Information:
25/10/2015
8 882 935 Votes
58.5%
Voter turnout: 67.34%



President
John Magufuli

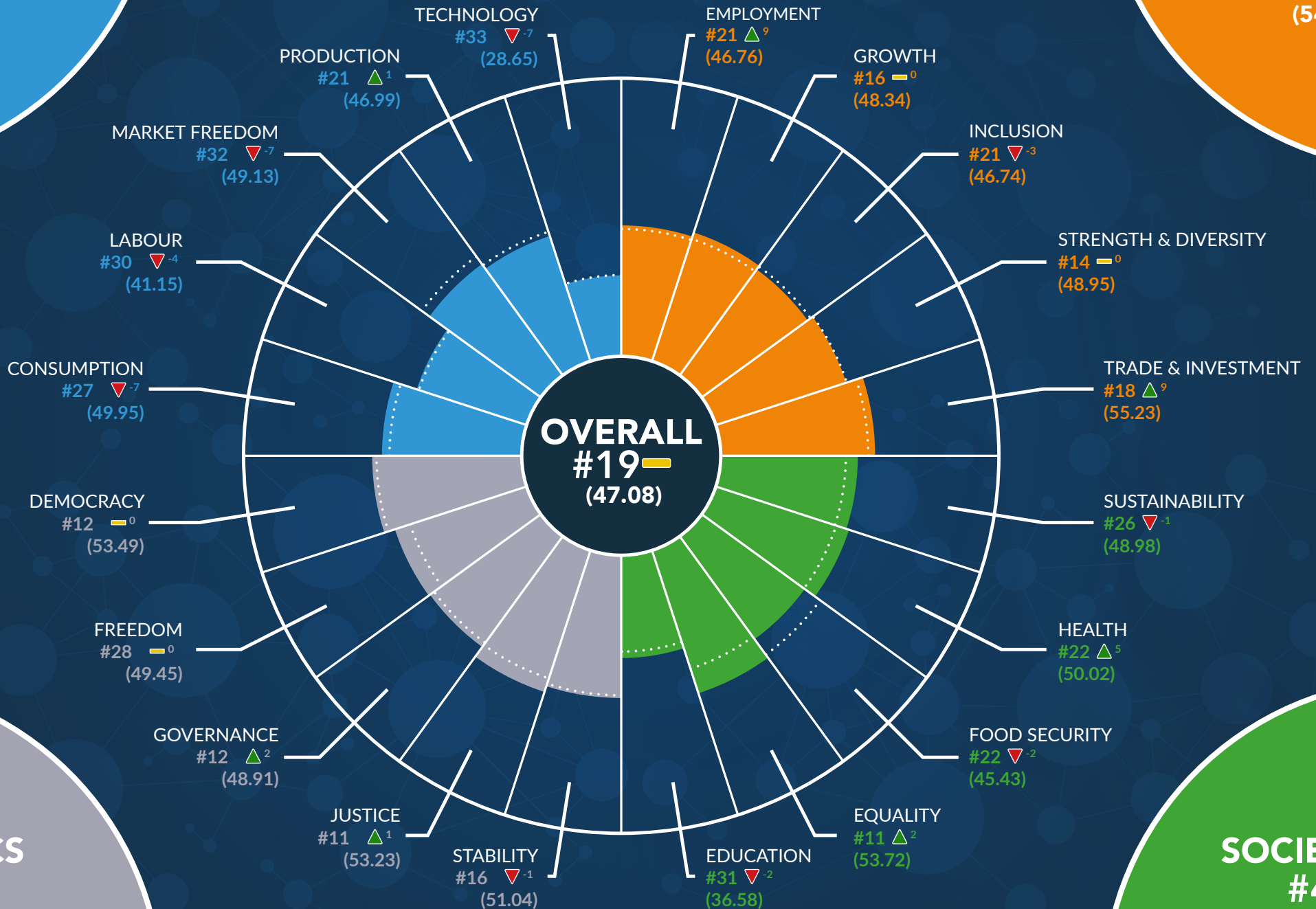
BUSINESS

#8
(51.34)

TANZANIA PERFORMANCE OVERVIEW

ECONOMICS

#7 
(54.07)



POLITICS

▼¹ #10
(54.14)

SOCIETY

#4 ▼¹
(59.59)

 Increase from 2017
  Decrease from 2017
  No change
 2017 Score

TANZANIA BUSINESS ANALYSIS



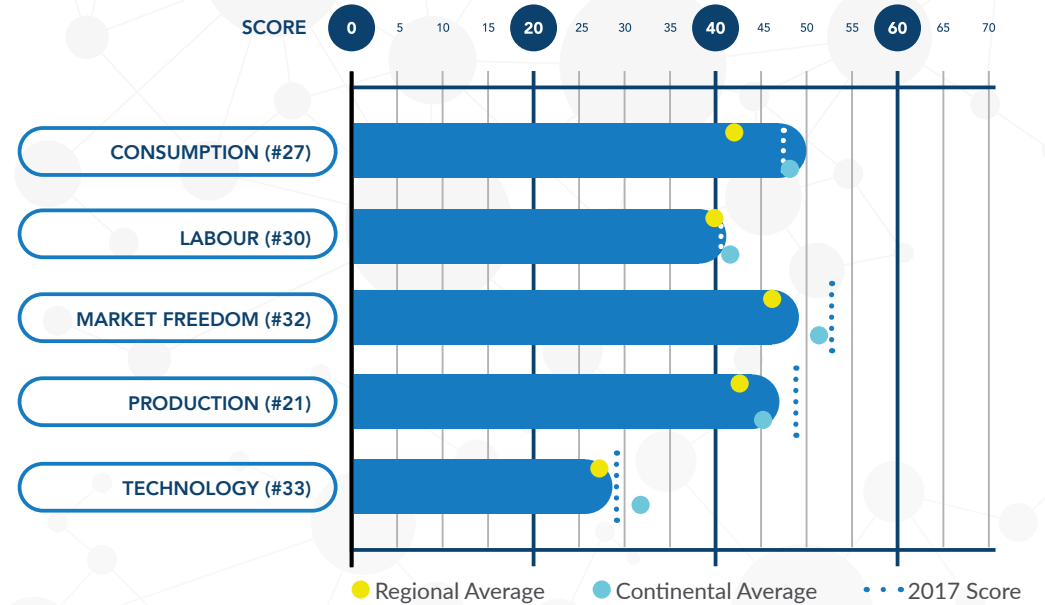
BUSINESS OVERVIEW

Tanzania's most rapidly growing sectors are the finance and ICT sectors, the latter exemplified by the 75% of Tanzanians who have mobile phone subscriptions. The Energy sector was founded on 850 billion m³ of natural gas discovered since 2010, bringing the total reserves to 1.275 trillion m³. The port of Dar es Salaam is undergoing upgrades and is one of East Africa's principal sea trade facilities. Road transport is the country's primary form of transportation, carrying more than 90% of passengers and 75% of freight traffic. Despite this sector's importance to the economy, Tanzania's transportation systems are underdeveloped. High travel costs and long travel times are both consequences of an inadequate and under-maintained road system. Road congestion

in urban areas is a growing problem. Aviation in Tanzania has not developed as greatly as in other East African countries. The Port of Dar es Salaam is a major economic asset for Tanzania and the region, where 35% of cargo passing through the port originates from or is destined to neighbouring countries.

Top scoring countries in ACBR quadrants tend to retain their positions. In the Business quadrant, Tanzania held onto their 8th place attained in the previous period of review. However, in all segments but one, Tanzania slipped, with significant seven-position decreases in Consumption, Market Freedom and Technology and a four-position decline in Labour. Tanzania only gained one position in Production.

BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

<p>Tanzania data availability 100%</p>	<p>REGIONAL AVERAGE 70.97%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #1</p>
	<p>At present, Tanzania scores a perfect 100% for business data availability, thus ranking 1st continentally along with 9 other countries. This stands high above both the regional average for Eastern Africa, currently at 70.97%, as well as the continental average of 77.78%. Despite its rich endowment of mineral resources, commerce remains stagnant and many Tanzanians are subject to poverty. In this regard, existing data needs to be coupled with improved implementation to bear significant fruit.</p>		

BUSINESS STATISTICS

<p>% POPULATION IN URBAN CENTRES</p> <p>33.8% (#40)</p>	<p>LABOUR FORCE IN MILLIONS</p> <p>24.89 million (#5)</p>	<p>INDUSTRIAL PRODUCTION GROWTH</p> <p>8.8% (#5)</p>	<p>PRIME LENDING RATE</p> <p>15% (#27)</p>
<p>% ADULTS WITH A BANK ACCOUNT</p> <p>46.75% (#12)</p>	<p>ANNUAL AIR PASSENGERS</p> <p>1,12 million (#12)</p>	<p>MOBILE SUBSCRIPTIONS</p> <p>72.06 per 100 (#34)</p>	<p>NATIONAL 3G COVERAGE</p> <p>85% (#12)</p>

TANZANIA ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Due to Tanzania's sizable population, the economy is unable to raise the living standards on a large enough scale to lift two-thirds of the population out of their current poverty. The country's GDP is one-third below the average for Sub-Saharan Africa. While GDP growth has averaged a respectable 7% a year from 2014 until 2017, a majority of Tanzanians are excluded from any benefits of economic growth. Because of corruption, the nation's top 10% of income earners possess 10 times the wealth of the country's bottom 10% of income earners. Fewer than 20% of Tanzanians have access to or can afford electricity, and Tanzania has one of Africa's lowest rates of electricity use. Business-friendly policies and privatisation of state-owned companies are required for greater economic growth. Petty corruption is

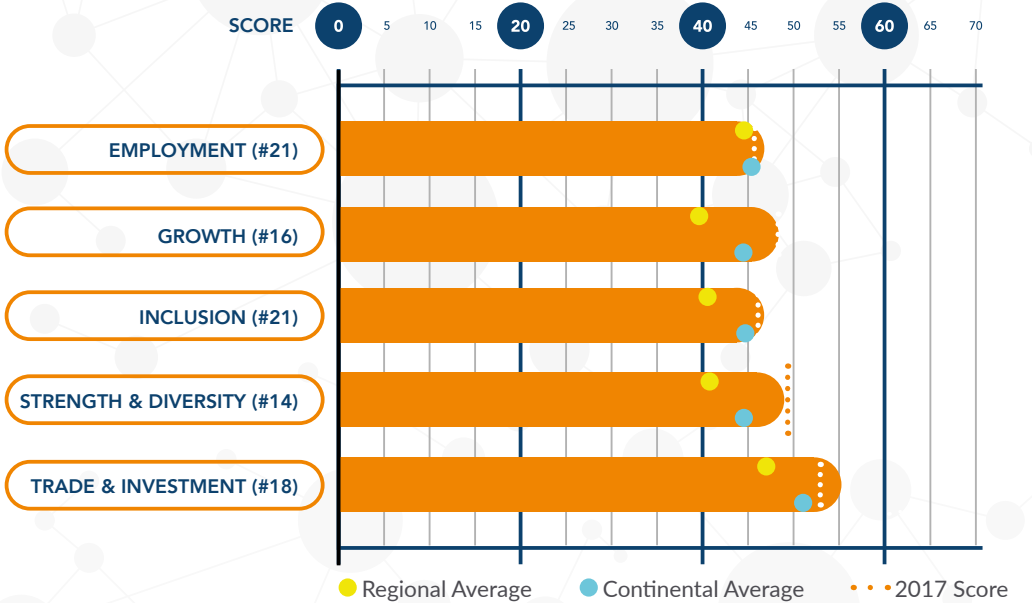
rampant, but President Magufuli seems serious about curtailing large-scale governmental corruption. If government can cease their interference in the private sector, the economic potential of Tanzania is strong. The services industry contributes 47.6% of Tanzania's GDP, and the subsector of tourism alone contributes 28% to GDP.

Tanzania climbed three positions in the Economics quadrant to 7th place. Accounting for the positioning is Tanzania's nine-position rise in the Employment and Trade & Investment segments due to continuing international investment that has yielded jobs. Tanzania's position in Growth and Strength & Diversity remained unchanged due to stable performance in these categories.

ECONOMIC DATA COMMENTARY

<p>Tanzania data availability 100%</p>	<p>REGIONAL AVERAGE 69.37%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #1</p>
	<p>As with the previous quadrant, Tanzania also scores a perfect 100% foreconomic data availability, thus ranking 1st continentally alongside 5 other countries. This too stands far in excess of the respective regional and continental averages of 69.37% and 77.78%. Despite this high performance, the World Bank has recently issued concern over Tanzanian legislation punishing those who question official statistics, thus raising questions over reliability. Nonetheless, ample data is available from local and international sources.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 3,300 (#27)</p>	<p>UNEMPLOYMENT RATE</p> <p>2.2% (#7)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>AFTZ, EAC, SADC</p>	<p>INFLATION RATE</p> <p>5.4% (#27)</p>
<p>GDP AT PPP</p> <p>US\$ 162.2 billion (#10)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 4.17 billion (#14)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 1,365 million (#12)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-2.7% (#13)</p>

TANZANIA POLITICAL ANALYSIS



POLITICAL OVERVIEW

The lack of political opposition has led to lax governance and poor development over the years. The Chama Cha Mapinduzi (CCM) party is one of Africa's longest-ruling political parties. The CCM holds 75% of parliamentary seats. As party head, President Magufuli has not yet fulfilled his campaign promise to clean up government corruption, with his efforts thus far appearing to be publicity-seeking gestures. While running for office as a populist, Magufuli has shown autocratic tendencies while in power. He banned all political rallies until 2020, cut off live broadcasts of parliamentary sessions and informed news editors that freedom of the press has limitations under his administration. Tanzania's religious leaders have been vocal in their condemnations of

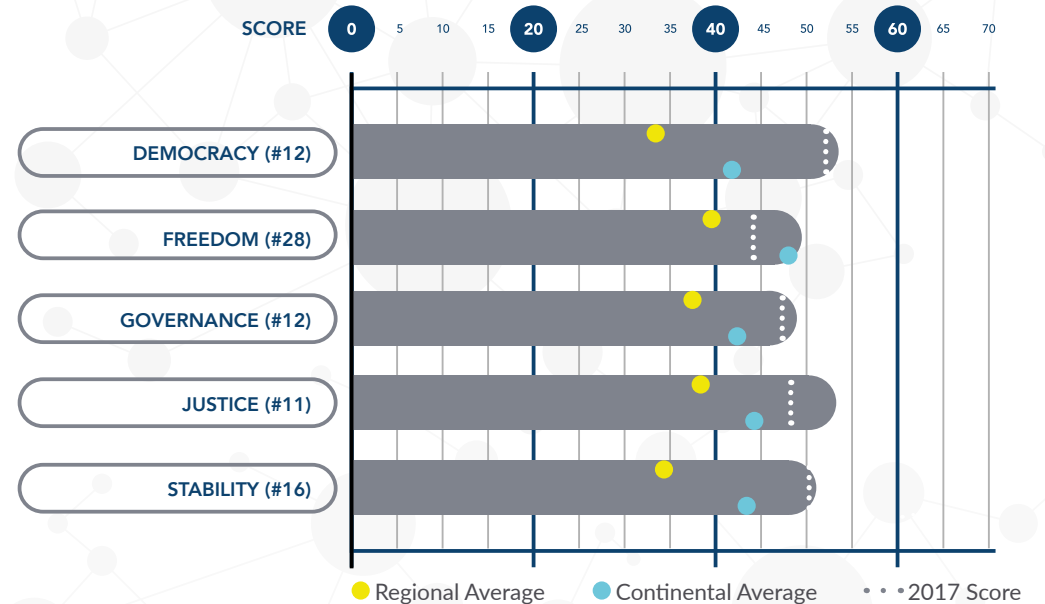
Magufuli's authoritarian style, and in turn, he has threatened to deregister any church where political matters are addressed from the pulpit. Magufuli shows intolerance not only to dissent but also to criticism. The CCM passed a Cybercrime Act in 2015 that criminalised insulting the president, a move which lowered the country's ranking in human freedom indexes.

Tanzania fell one position in the Politics quadrant but still remained in the top 10 in 10th place. Tanzania's movement in individual segments was minor due to the country's political stability: descending one position in Stability, maintaining its position in Democracy and Freedom and climbing one place in Justice and two places in Governance.

POLITICAL DATA COMMENTARY

<p>Tanzania data availability 100%</p>	REGIONAL AVERAGE 74.88%	AFRICAN AVERAGE 82.86%	CONTINENTAL RANK #1
	Continuing its high streak, Tanzania currently scores a perfect 100% for political data availability, thus ranking 1 st continentally along with 6 other countries. This too compares highly favourably with the respective regional and continental averages of 74.88% and 82.86%. Despite this, however, critics and opposition of the ruling party have been subject to intensifying repression since 2015 along with the press and civil society, thereby threatening continued political transparency and the future stability of Tanzania.		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

NUMBER OF POLITICAL PARTIES 9 (#30)	MILITARY EXP AS % OF GDP 1.1% (#31)	REFUGEE INFLOW 321,940 (#25)	NUMBER OF RIGHTS 38 (#43)
DATE OF INDEPENDENCE 26/04/1964	NET OFFICIAL DEVELOPMENT ASSISTANCE 2,318 (#3)	WOMEN IN PARLIAMENT 36.4% (#8)	CAPITAL PUNISHMENT Special Cases

US\$ 000 million

TANZANIA SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

Tanzania has population growth of nearly 3%. The main threat to Tanzania's societal progress is overpopulation. The employment and social welfare of the under-25 youth demographic, which comprises two-thirds of the population, are challenges that will worsen. Looking at the younger youth population, nearly three million children (21%) are forced to work as child labourers. Two thirds of Tanzanians (69%) live below the poverty line.

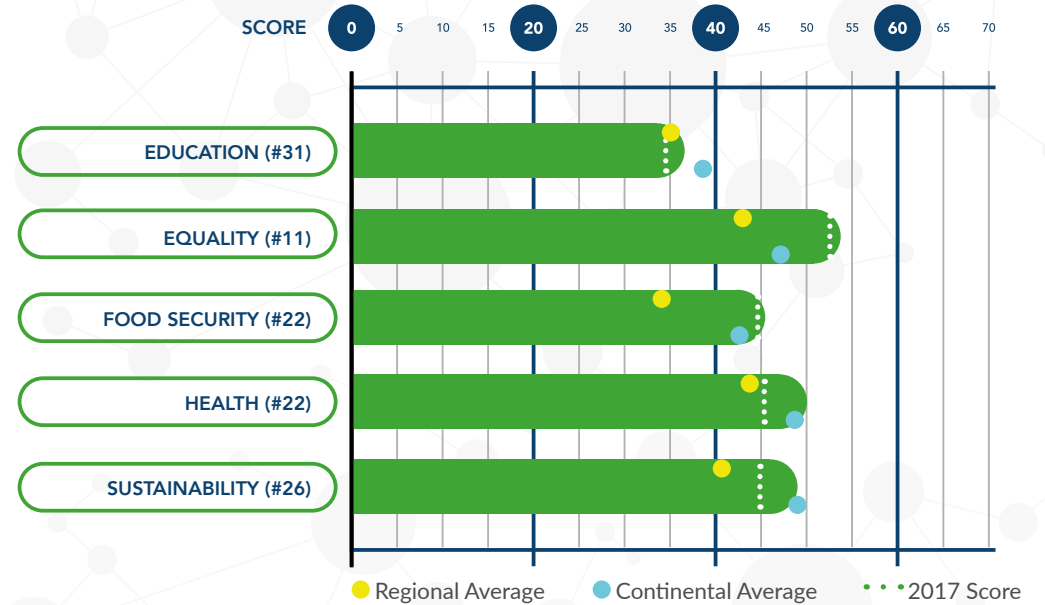
HIV is a major health crisis, and Tanzania has the world's 4th-highest AIDS death rate. Although Tanzania is East Africa's most-diverse country in terms of languages, with 100 languages spoken, about one-third of Tanzanians are illiterate. Government spending on education is low as a

percentage of GDP. Tanzanians possessing household sanitation necessities, like toilets and running water, are 31% of urban dwellers and only 8% of the rural population. Because of these factors, Tanzania's ranking on the United Nations (UN) Development Programme's Human Development Index is unusually low for a country not experiencing conflict, earning a classification as a 'low development country'. Tanzania descended in the Society quadrant, from 3rd position in the last review to a still high 4th place. In individual segments, Education and Food Security fell by two positions, the latter due to severe drought. By contrast, a five-position rise was recorded in the segment of Health as public health innovations were put in place and began to see results.

SOCIETAL DATA COMMENTARY

<p>Tanzania data availability 100%</p>	<p>REGIONAL AVERAGE 63.78%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #1</p>
	<p>Finally, Tanzania also scores a perfect 100% for societal data availability, thus ranking 1st continentally along with 5 other countries. This too stands high above the respective regional and continental averages of 63.78% and 75.28%, thereby reinforcing overall comprehensiveness in total data coverage. This has assisted in achieving increased access to electricity, education and related social services, but further efforts and sustained transparency are nonetheless required to combat existing levels of poverty.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>53,950,935 at 2.75% p.a (#6) (#11)</p>	<p>LIFE EXPECTANCY</p> <p>62.6 (#26)</p>	<p>HIV PREVALENCE</p> <p>4.7% (#13)</p>	<p>SEXUALITY TOLERANCE</p> <p>Illegal</p>
<p>ACCESS TO DRINKING WATER</p> <p>55.6% (#45)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>6.12% (#21)</p>	<p>PRIMARY EDUCATION EXPENDITURE (% OF GDP)</p> <p>49.15% (#13)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>9% (#29)</p>

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