



Tanzania

Tanzania: Introduction

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Chart 1: Political map of Tanzania

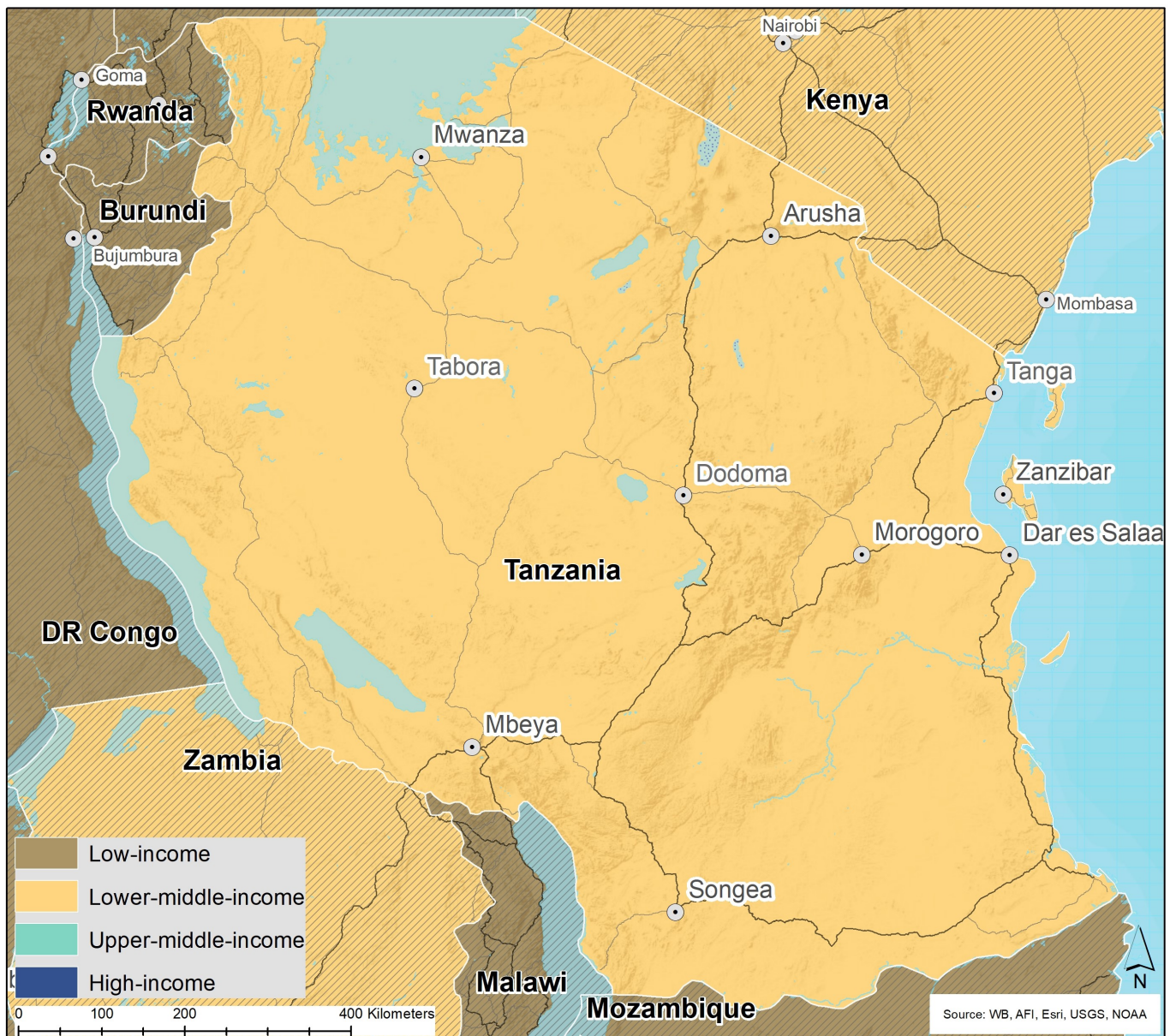


Chart 1 is a political map of Tanzania.

At 947 303 km², the United Republic of Tanzania is the 13th largest country in Africa, with the 11th largest economy and 5th largest population. Still, it ranks at only 31st when comparing GDP per capita in PPP. It borders Uganda to the north, Kenya to the north-east, Comoros and the Indian Ocean to the east, Mozambique and Malawi to the south, Zambia to the south-west, and Rwanda, Burundi, and the Democratic Republic of the Congo (DR Congo) to the west. The official capital is Dodoma, which is located 309 km west of Dar es Salaam, which is the country's commercial capital major seaport. Other big urban centres include Arusha, Moshi, Tanga, Mwanza, Morogoro, Mbeya, Iringa, Tabora, Kigoma, Shinyanga and Zanzibar.

Tanzania has an Indian Ocean coastline of approximately 1 424 km, and its territory includes the semi-autonomous region

of Zanzibar. Mount Kilimanjaro, Africa's highest mountain, is in the mountainous and densely forested north-east of Tanzania. Three of Africa's Great Lakes are partly within Tanzania: Lake Victoria, Africa's largest lake; Lake Tanganyika, the continent's deepest lake; and Lake Malawi. Tanzania's eastern shore is hot and humid, and the Zanzibar Archipelago is just offshore.

After two decades of sustained economic growth, Tanzania graduated from low- to low-middle-income country status in July 2020. Given that its GDP per capita is still amongst the lowest of Africa's low-middle-income countries, higher than only Lesotho and Zimbabwe, it will likely remain at the lower end of the group in various development indicators on the Current Path forecast. It also has one of the largest informal sectors in Africa, second only to Zimbabwe as a per cent of GDP. On the Current Path forecast, Tanzania would only graduate to upper-middle income status at around 2054, mainly because of the drag from its substantial informal sector on productivity improvements.

Tanzania is a member of the Southern African Development Community (SADC), the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA). Its level of engagement with the latter has declined in recent years, with attention shifting to the EAC which has been more successful in liberalising agricultural trade which is important for the country. The EAC has negotiated an Economic Partnership Agreement with the European Union, a comprehensive trade agreement that aims to promote economic cooperation and development between the two regions. The Agreement was finalised in October 2014 but has not been fully implemented due to concerns (and disagreements) by some EAC member states about the economic impact of the agreement. As a result Tanzania, Uganda, Rwanda, and Burundi, have not yet ratified.

Tanzania maintains a trade relationship with the EU under the Everything-But-Arms scheme that removes tariffs and quotas for all imports of goods (except arms and ammunition), coming into the EU from least developing countries. It also benefits from the preferential access to the USA market through the African Growth and Opportunity Act (AGOA). However, it is trade relations with Asia that is growing more rapidly, facilitated by the China-Africa Forum, the TICAD process led by Japan, and the Africa-India Partnership Forum.

Recent years have seen the discovery of large gas reserves that could transform the Tanzanian energy sector. Two fields (Songo Songo and Mnazi Bay) produce gas since 2004/05 that is used for power generation at the Ubungu power plant in Dar es Salaam and for industrial use, including for cement production. The majority of Tanzania's larger and more recent discoveries of gas reserves were between 2010 and 2015 in deep-water blocks off the coast of Lindi and Mtwara by Shell Exploration and Production Tanzania LTD (Shell) and its partners Ophir and Pavilion. Tanzania's proven natural gas reserves are estimated to be around 57 trillion cubic feet (TCF), with at least 49.5 TCF of those reserves located far offshore. Its proven gas reserves are comparable to Libya and the largest in East Africa.

As part of the National Development Plan III (2021/22 - 2025/26) (see below) the government envisages a multi-billion investment in an LNG plant and the associated infrastructure. Talks on developing the plant have been held intermittently since 2017, nearing conclusion in 2023 with construction due to begin around 2026 and the first exports forecast for 2028.

The Current Path forecast within IFs on gas production in Tanzania already includes substantial growth to 127 MBOE in 2043 and has been adjusted upward in the expectation of gas production commencing as from 2028. In 2043 Tanzania is now forecast to produce 154 MBOE, most likely for export. The forecast also includes the completion of the 2 100 MW Rufiji hydroelectric scheme in 2027. Tanzania is now forecast to produce 11 MBOE of hydropower in 2040. The extent to which the benefits from these projects will trickle down to citizens will require appropriate government policies and determined implementation.

Tanzania generally **exports commodities**. Gold was Tanzania's most significant export product by value in 2021, accounting for 37% of exports by value, followed by raw copper, dried legumes, rice, refined copper, nuts, and coffee, mainly exported

to India (22%), the United Arab Emirates (UAE) (16%), South Africa, Switzerland and Kenya.

Tanzania's top imports are refined petroleum (16% of imports), palm oil, packaged medicaments, coated flat-rolled iron, and hot-rolled, importing mainly from China (34% of imports), India (11%), UAE (10%), Saudi Arabia, and South Africa.

Tanzania could be a significant food-exporting country but currently struggles to meet its food requirements due to low productivity and the predominance of subsistence farming. The result, amongst others, is high levels of stunting in the population, particularly among children below five years of age, at 30% in 2023, declining to 17% in 2043.

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Dr Jakkie Cilliers is the ISS's founder and former executive director. He currently serves as chair of the ISS Board of Trustees, head of the African Futures and Innovation (AFI) programme at the Pretoria office of the Institute, and is an extraordinary professor at the University of Pretoria. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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