



Tanzania – a brief overview

Shortly after achieving independence from Britain in the early 1960s, Tanganyika and Zanzibar merged to form the nation of Tanzania in 1964. One-party rule ended in 1995 with the first democratic elections held in the country since the 1970s. Zanzibar's semi-autonomous status and popular opposition led to two contentious elections since 1995, which the ruling party won despite international observers' claims of voting irregularities. The formation of a government of national unity between Zanzibar's two leading parties succeeded in minimizing electoral tension in 2010.

Economy of Tanzania

Tanzania is one of the world's poorest economies in terms of per capita income, however, it has achieved high overall growth rates based on gold production and tourism. Tanzania has largely completed its transition to a liberalized 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 more than one-quarter of GDP, provides 85% of exports, and employs about 80% of the work force. The World Bank, the IMF, and bilateral donors have provided funds to rehabilitate Tanzania's aging economic infrastructure, including rail and port infrastructure that are important trade links for inland countries. Recent banking reforms have helped increase private-sector growth and investment, and the government has increased spending on agriculture to 7% of its budget. 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. 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. Continued donor assistance and solid macroeconomic policies supported a positive growth rate, despite the world recession. In 2008, Tanzania received the world's largest Millennium Challenge Compact grant, worth \$698 million, and in December 2012 the Millennium Challenge Corporation selected Tanzania for a second Compact. Dar es Salaam used fiscal stimulus and loosened monetary policy to ease the impact of the global recession. GDP growth in 2009-12 was a respectable 6% per year due to high gold prices and increased production.

Key Agri-products of Tanzania

Key agri-products of Tanzania are coffee, sisal, tea, cotton, pyrethrum (insecticide made from chrysanthemums), cashew nuts, tobacco, cloves, corn, wheat, cassava (tapioca), bananas, fruits, vegetables; cattle, sheep and goats, etc.

Key Industries of Tanzania

Key industries of Tanzania are agricultural processing (sugar, beer, cigarettes, sisal twine); mining (diamonds, gold, and iron), salt, soda ash; cement, oil refining, shoes, apparel, wood products and fertilizer, etc.

Tanzania's major trading commodities and partners

Major export commodities of Tanzania are gold, coffee, cashew nuts, manufactures, cotton while its major export partners are India 14.1%, China 11%, Japan 6.1%, Germany 5%, UAE 4.9% (2012). Moreover, major import commodities of Tanzania are consumer goods, machinery and transportation equipment, industrial raw materials, crude oil while its major import partners are China 21.1%, India 16.1%, Kenya 6.6%, South Africa 5.6%, UAE 4.8%.

Economic Relations between Pakistan and Tanzania

Relations between Pakistan and Kenya were established in the 1960's, when Pakistan expressed its support for Kenya in getting independence from British rule. Ever since, relations between the two nations have been warm; with both countries having had discussed previously in the Pakistan-Kenya Joint Ministerial Commission session which was hosted in Nairobi in 2004, about boosting bilateral trade and economic relations.

Historically, Pakistan has enjoyed cooperative and friendly relations with Tanzania. These relations, however, have remained restricted to the provision of material and technical assistance to Tanzania, and trade relations are quite limited, despite the potential for growth.

Trading Commodities between Pakistan and Tanzania

Among Pakistan's main exports to Tanzania are cement, textiles, rice and sugar, as well as some relatively high technology goods such as machinery and tractors. On the other hand, we import chiefly tea, raw cotton and hides for leather from Tanzania, along with some imports of tobacco, edible oils and tanning materials.

Bilateral Trade Relations between Pakistan and Tanzania

During Fiscal Year 2014-15, Pakistan exported goods to Tanzania of worth \$ 94.12Mn as against exports of \$ 105.12Mn in the same period last year showing decline of 10%. The goods imported by Pakistan from Tanzania witnessed decline of 5% during Fiscal Year 2014-15 was worth \$ 13.58Mn as against imports of \$ 14.33Mn during Fiscal Year 2013-14.

Potential for enhancing bilateral trade relations between Tanzania and Pakistan

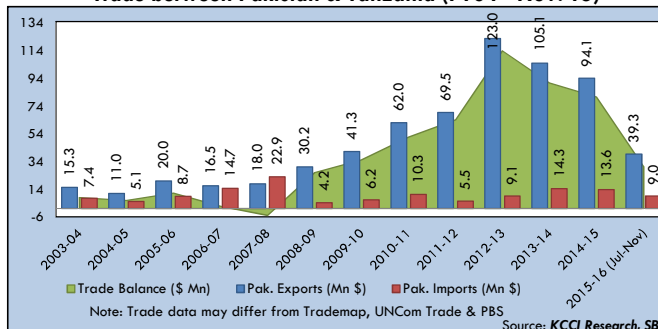
Potential exists in enhancing bilateral trade between the two countries. The key export item around the globe is textiles which can be improvised through effective bilateral talks and measures.

Economic Indicators

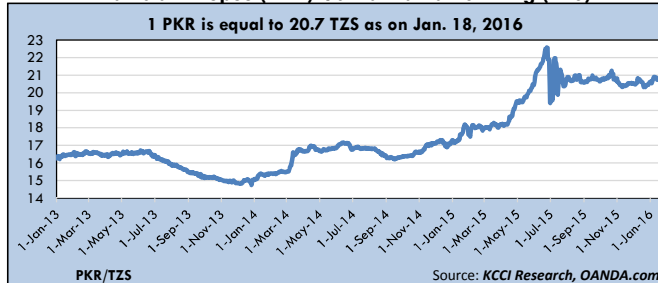
Indicators	Unit	2013	2014	Change
GDP (PPP)	\$ Bn	119.80	128.20	7.01%
GDP per Capita	\$	2,600	2,700	3.85%
GDP growth	%	7.3	7.0	-0.30%
Forex Reserves	\$ Bn	-	4.39	-
External Debt	\$ Bn	13	14	8.45%
Exports	\$ Bn	5.26	5.32	1.16%
Imports	\$ Bn	11.03	10.92	-1.00%
Trade Balance	\$ Bn	-5.77	-5.60	2.96%
Current Account	\$ Bn	-4.60	-4.48	2.59%
CPI	%	7.9	6.1	-1.80%
Unemployment	%	-	-	-
Prime Lending Bank Rates	%	-	0.0	-

Sources: KCCI Research, CIA Factbook

Trade between Pakistan & Tanzania (FY04 - Nov.'15)



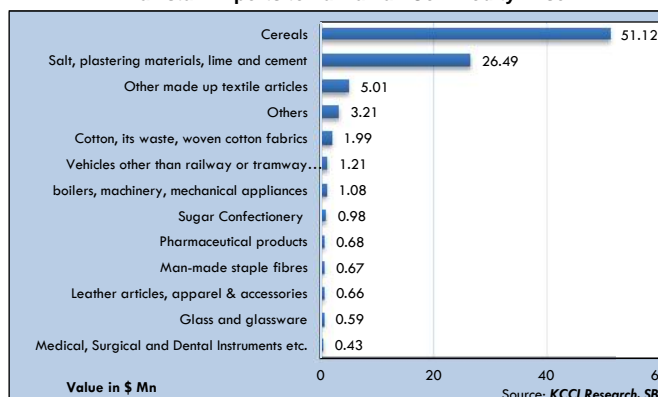
Pakistani Rupee (PKR) Vs. Tanzanian Shilling (TZS)



Key Memberships

Tanzania belongs to a number international organizations, including ACP, AfDB, AU, C, CD, EAC, EADB, EITI (candidate country), FAO, G-77, IAEA, IBRD, ICAO, ICC (NGOs), ICRM, IDA, IFAD, IFC, IFRCs, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, MONUSCO, NAM, OPCW, SADC, UN, UNAMID, UNCTAD, UNESCO, UNHCR, UNIDO, UNIFIL, UNISFA, UNMISS, UNOCI, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

Pakistan Exports to Tanzania - Commodity Wise



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