

TOURISM DOING BUSINESS
INVESTING IN





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Why invest in the United Republic of Tanzania

6.5%

average annual economic growth rate 2009-2019.

35%

increase of the Foreign Direct Investment 2020-2021.

1 of the 10 biggest recipients of Foreign Direct Investment in Africa with a total amount of **USD 922 million.**



36.7% of the total Foreign Direct Investment flowed towards the **tourism sector.**

Main reasons to invest in the United Republic of Tanzania:



Strong economic growth with political stability

Growth projections

2022 **5.0%**
2023 **5.6%**



Crucial trade link with a competitive market access

Market size

450 million people



Safe environment for Foreign Direct Investment

Free economic zones

5 throughout its territory



Abundance of natural and cultural resources

Quality of nature-based tourism

1st in Africa
12th worldwide

A close-up photograph of a rhinoceros head, showing its eye, horn, and textured skin. A vertical blue rectangular overlay is positioned on the left side of the image, partially covering the rhino's face and horn.

2

Economic outlook

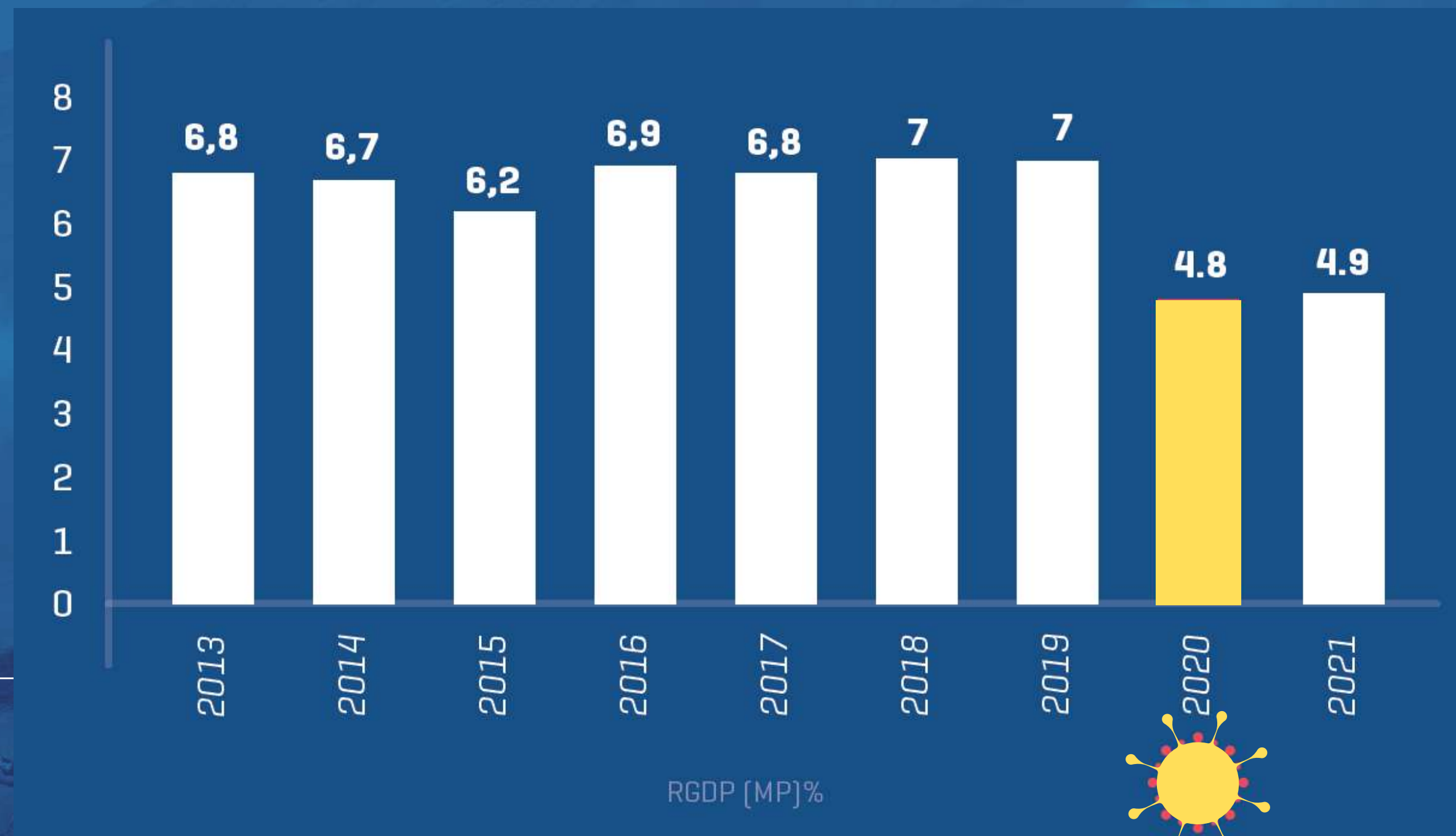
Tanzania: one of the few economies not to fall into recession due to gold exports and only light COVID-19-related restrictions.

6.5% Average annual growth

24.15% Marginal increase of the Gross Domestic Product (GDP) per capita 2015-2021

5% Projected GDP growth 2022

17% is **Tourism's** whole value chain contribution to the country's GDP

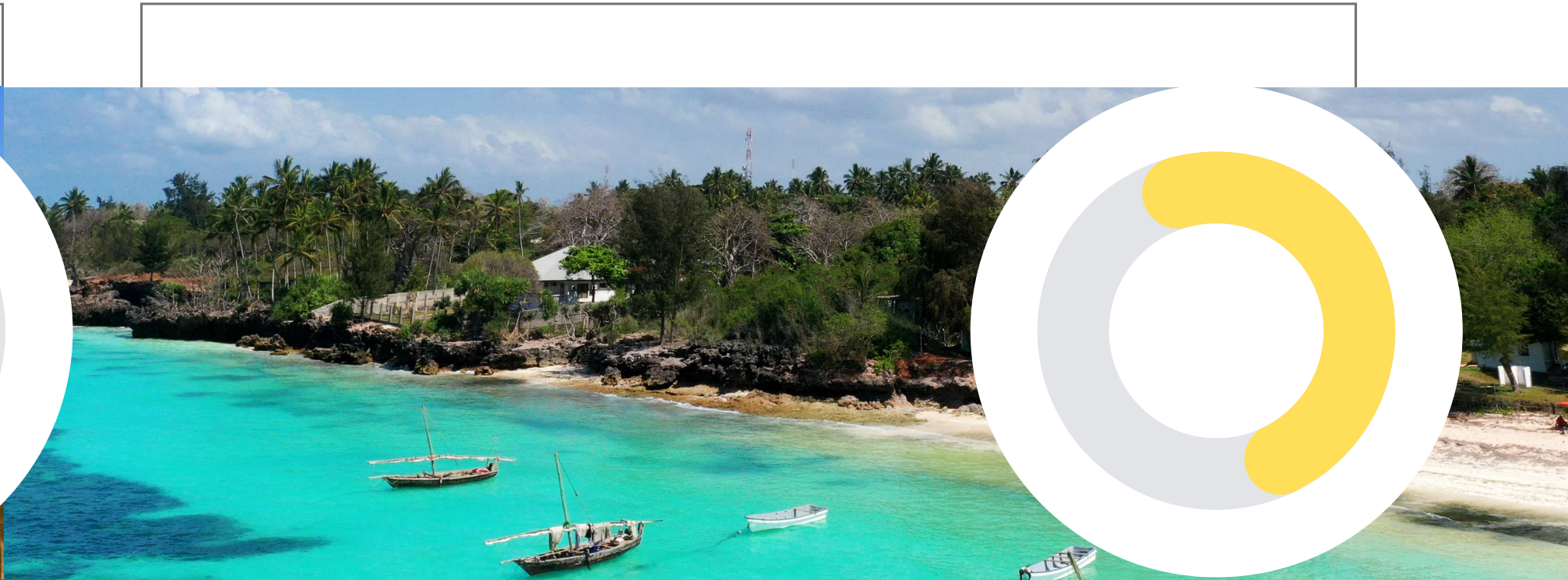


Real GDP growth (%)
2013 - 2021

Tourism sector:



17% of Tanzania's GDP
850,000 employees



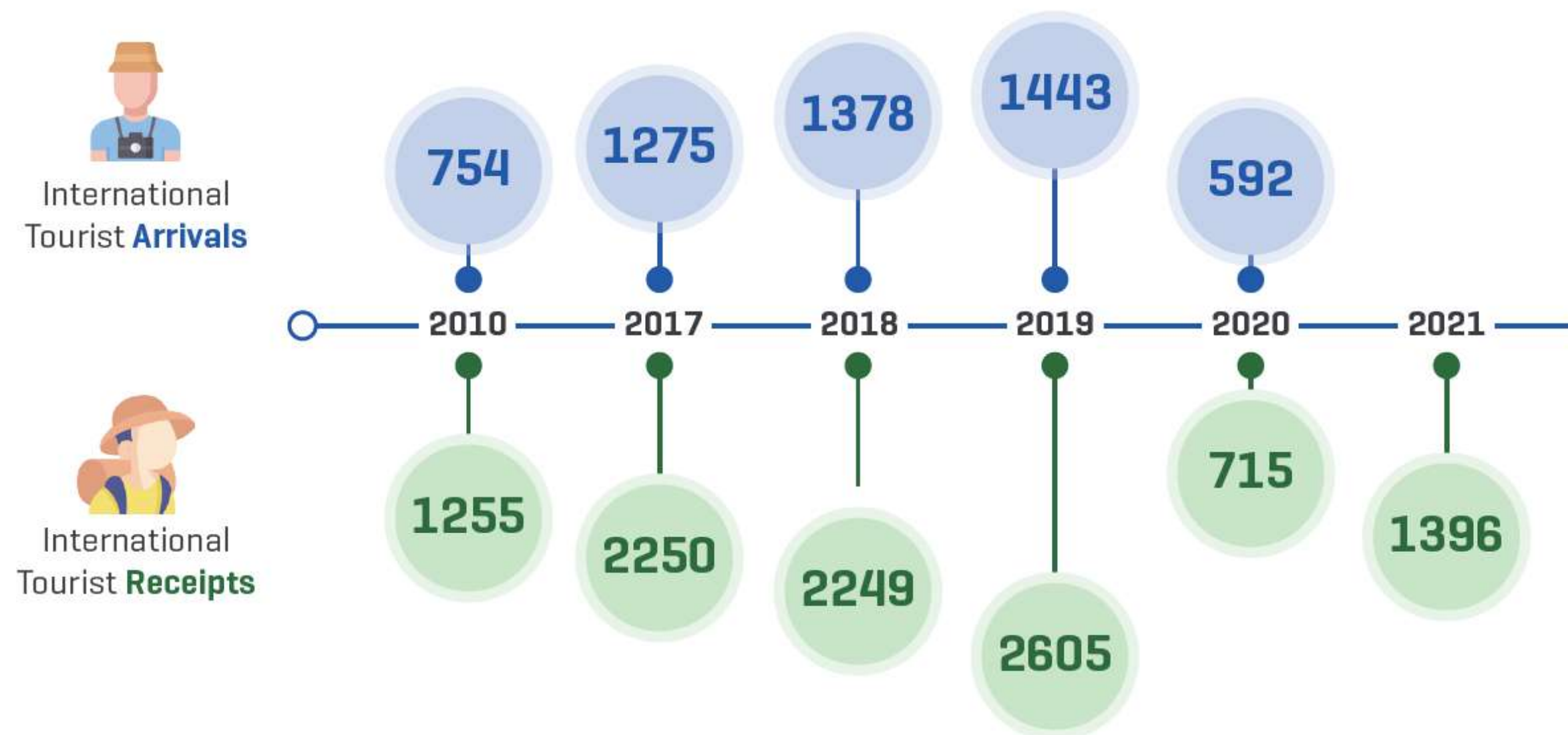
55.5% of Zanzibar's GDP
500,000 direct and indirect jobs



Relative tourism contributions to GDP 2013–2021



International tourist arrivals (thousands) and receipts (USD millions) for Tanzania 2010 and 2017–2021





Wildlife was the largest tourist activity with **36%** of the total of visitors.

Main tourist preferred activities (2019)

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Investments overview

- **USD 922 million** in total Foreign Direct Investment inflows in 2021.
- **35%** increase in Foreign Direct Investment flows to Tanzania in 2021 (from 685 to 922 USD million).
- Tourism accounted for over **one-quarter** of the country's foreign-exchange earnings in 2019.
- Tourism projects registered between 2012 to 2021 reached a total of **162 new projects** of foreign ownership.

5 leading investors 2010-2021

(FDI in all sectors in
USD million)



2,494



2,163



2,120

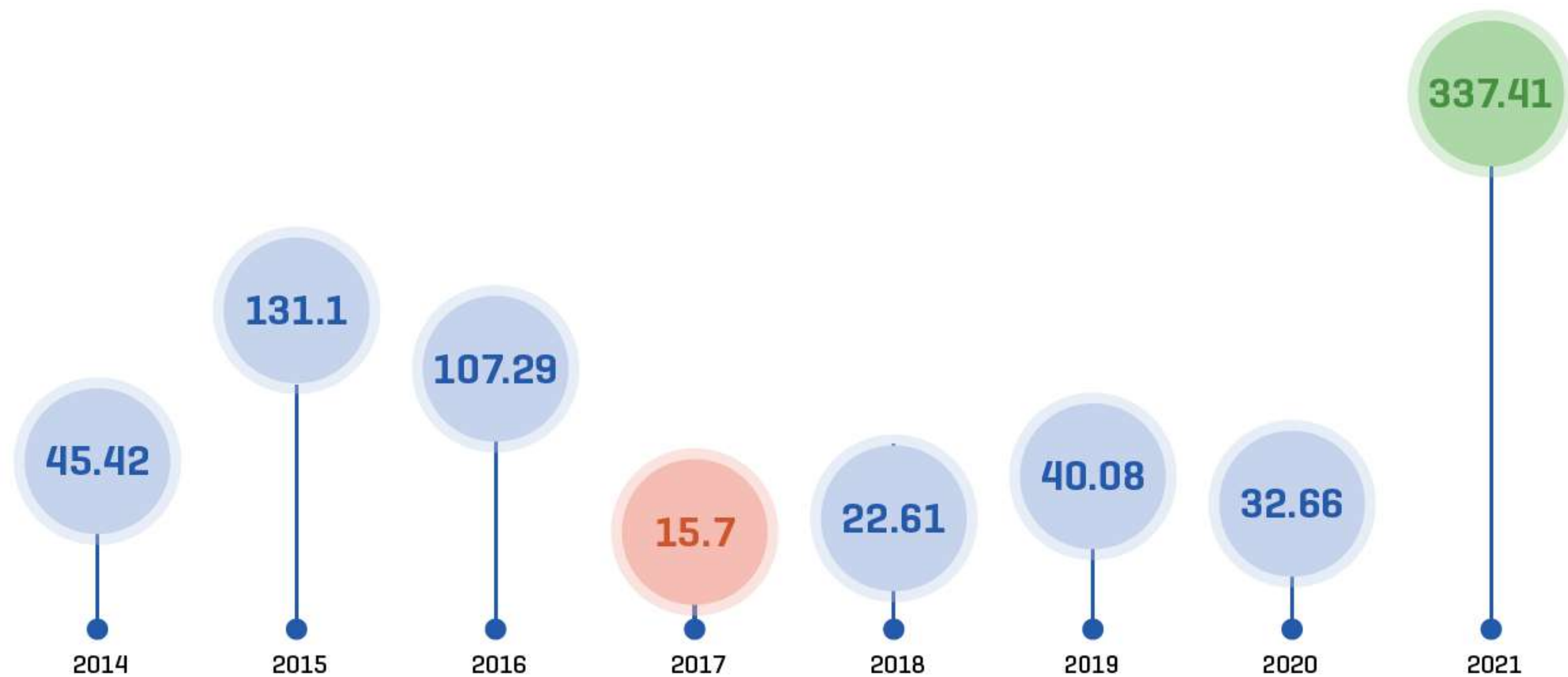


1,129



1,045

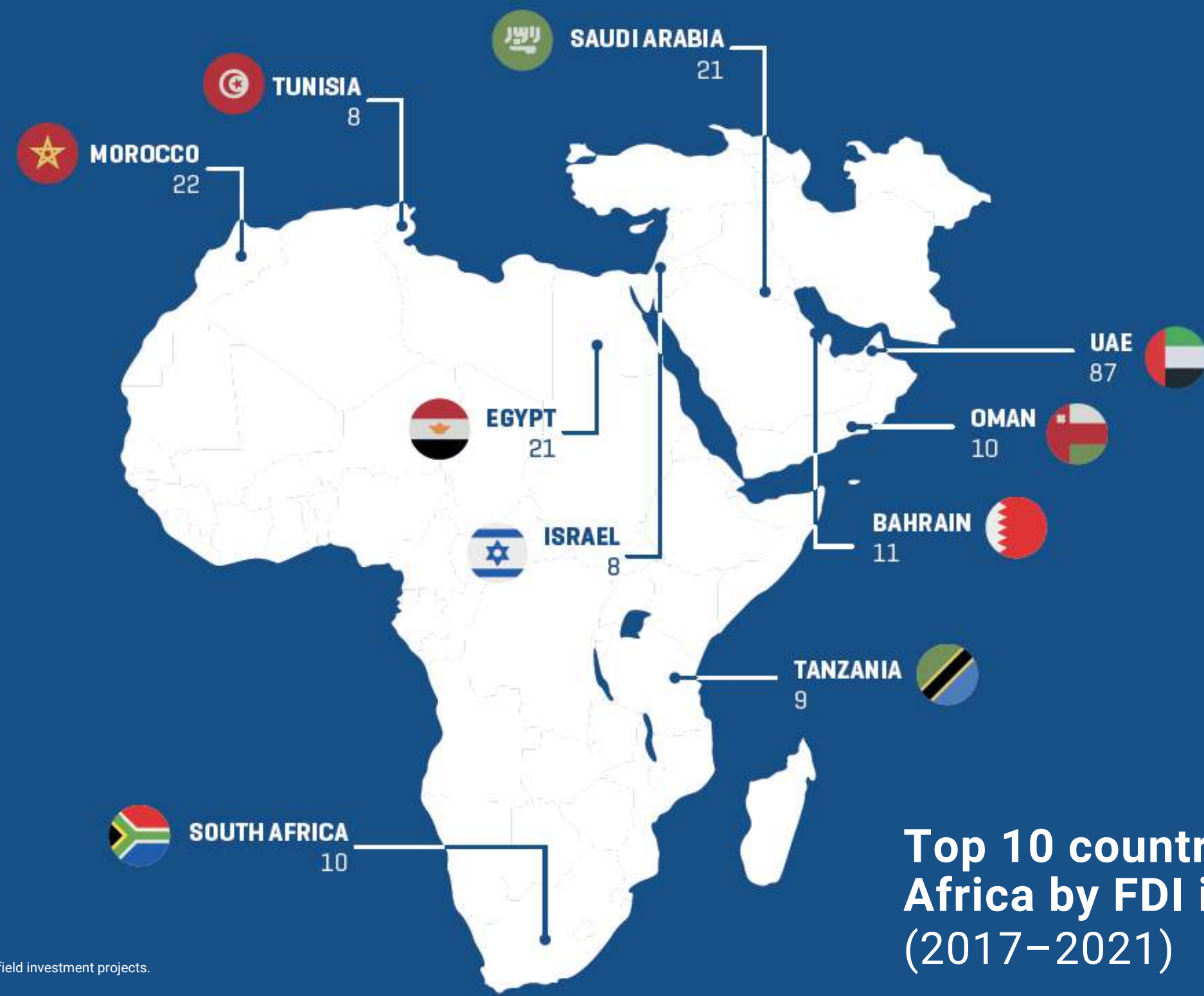
Tourism Foreign Direct Investment inflows 2014–2021 (USD million)



UNWTO (2022), based on data Tanzania Investment Centre registered projects FDI 2022. Note: preliminary data as of June, 2022.

TOURISM FDI INTO THE MIDDLE EAST AND AFRICA, 2017-2021

Year	Capital Investment (\$bn)*
2017	3.1
2018	6.0
2019	8.9
2020	1.5
2021	2.6
Total	22.2



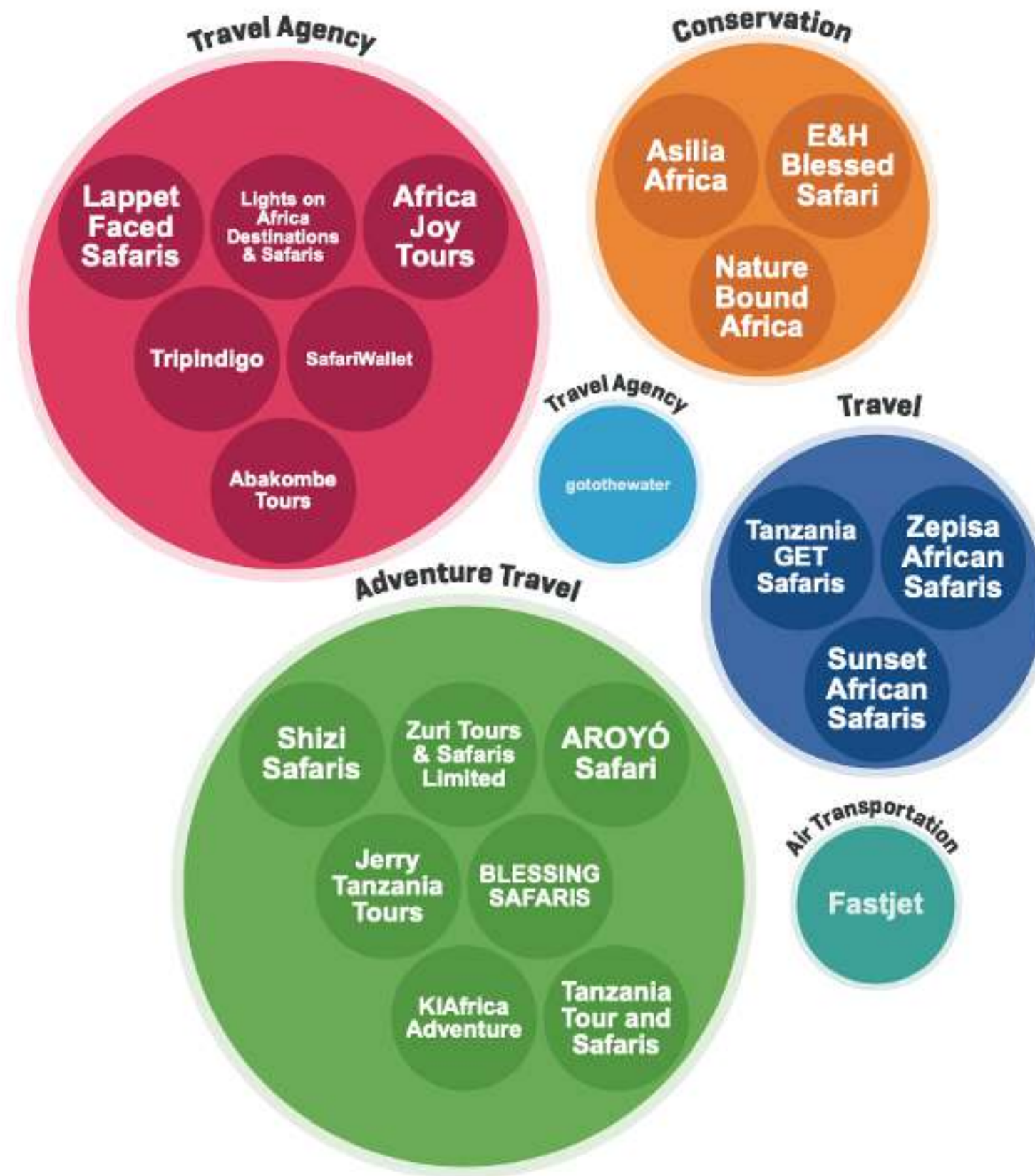
Top 10 countries in Middle East and Africa by FDI inflows (2017–2021)

fDi Markets, Financial Times (2022). Note: weighted based on number of announced greenfield investment projects. Data considered Greenfield investments Africa and Middle East.

Investments in innovation

Tanzania is one of the **top 7** countries receiving over **USD 150 million** throughout all economic sectors.

Travel and tourism startups in Tanzania (2000-2022)



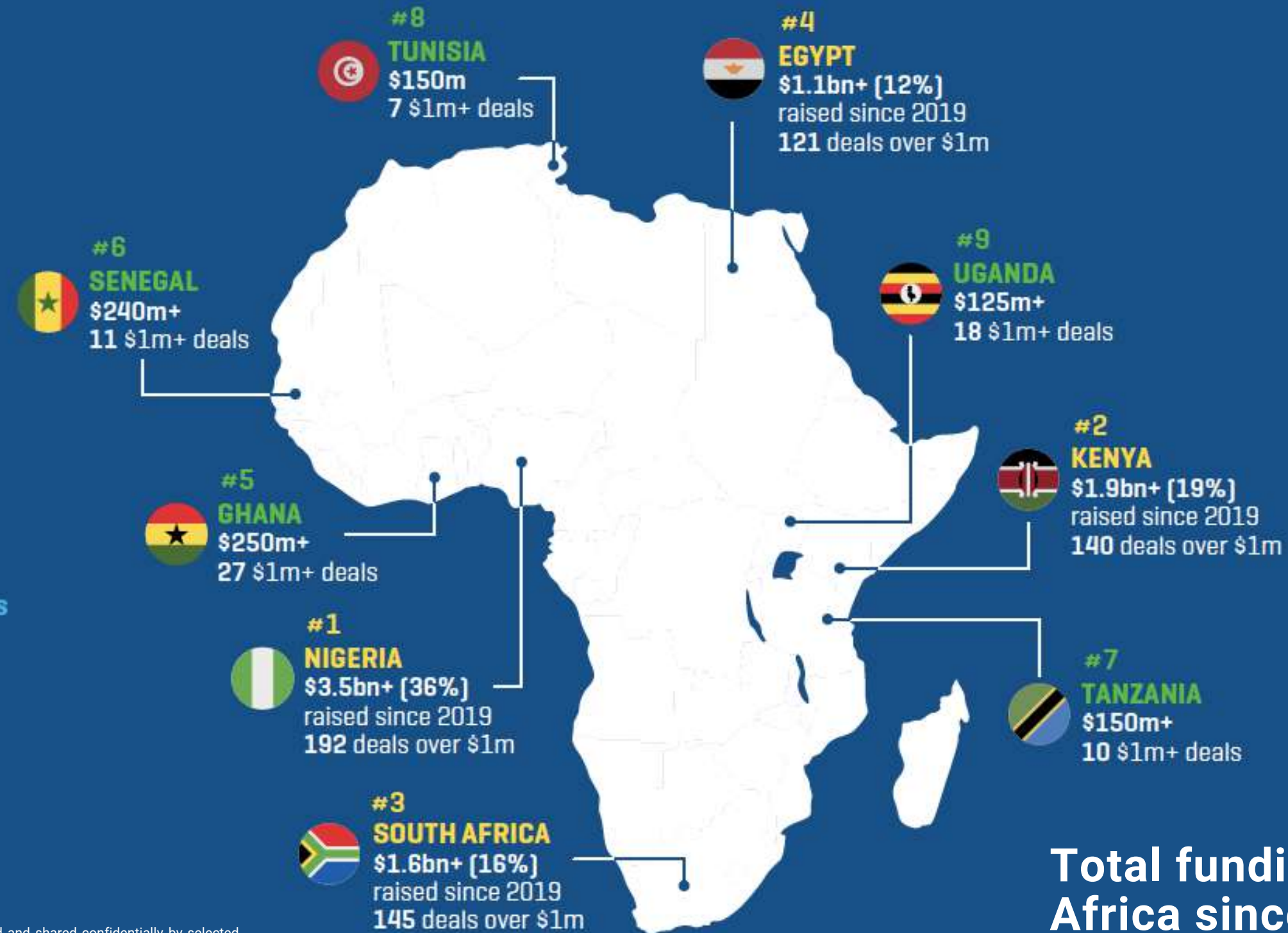
UNWTO (2022), based on Crunchbase analysis (from 2000–2022). Note: considering main travel tech investments by subsectors.



**Total funding raised by start-ups
in the country since 2019**

- Big Four
- \$100m and over
- \$10m to \$100m
- \$10m and less
- No recorded activity

Max Cuvellier and Mazime Bayen (2022), based on publicly disclosed and shared confidentially by selected investors. Note: Venture Capital investments as of April 2022. As May 1st, 2022, considering deals from USD 1 million (2019 – 2020) and above USD 100.000 (2021).



**Total funding raised by startups in
Africa since 2019**

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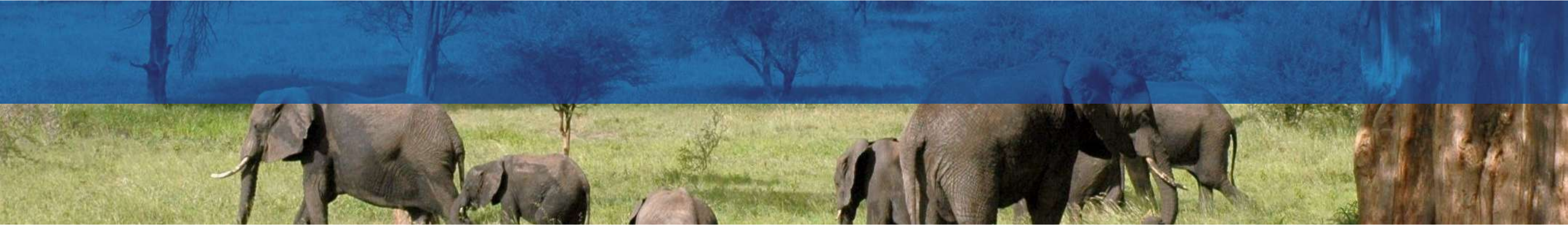
Green investments and climate finance opportunities

- Great potential to seize on new consumer behaviors and increased focus on green investments
- Africa needs around **USD 2.5 trillion during 2020–2030 in climate financing.**
- **USD 250 billion per year** is needed to meet the 2030 country climate goals.

Need for climate finance

Opportunity for the United Republic of Tanzania to identify the cost of **climate action** and the financing gap between the local investments and remaining needs.





Fiscal incentives

- Discounts on **customs duties, corporate taxes, and VAT**.
- **100% capital allowance deduction** in the years of income.
- Import duty deemed capital goods is **exempted by 75%**.

Non-fiscal incentives

- Tanzania Investment Act, 1997:
 - **Protection of private property guaranteed** by the Constitution and international treaties.
 - Investments are **guaranteed against nationalization and expropriation**.
 - Investors are **allowed to repatriate net profits or dividends** without inhibitions.



Incentives in Zanzibar

General investment incentives

- 100% foreign ownership.
- **75% exemption** from payment of import duty, excise duty, VAT on capital goods.
- **Corporate tax exemption** up to five years
- **33 up to 99 years** of land and marina lease agreement.
- **100% exemption** repatriation of all profits after tax.



Case studies



Hotel Green Revitalization Program
Incentives and technical assistance to support hotel’s green retrofit.



Africa Conervation and Community Tourism Fund (ACCT)
Financing solutions that support tourism businesses throughout their financial lifecycle and establish a significant and measurable impact for people, landscapes and wildlife.



Portfolio of projects

38 tourism projects **10** prioritized projects accounting for more than **USD 319,900,000**



Tourism investments are booming again!

Tourism Foreign Direct Investment accounted 922 USD million
in 2021 and Venture Capital, 150 USD million.

Africa has the amazing opportunity to bright from green biodiversity to green tourism development.



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