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ECONOMIC CONSULTING GROUP

ECONOMISTS TALK

What's Next For Tanzania Economy?

ECONOMIC CONSULTING GROUP

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Focus on business owners, business leaders and investors

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ECONOMISTS TALK is an economic magazine/newspaper that comes out every month (Monthly), analyzing the economic situation in Tanzania using the following criteria:-

1. Inflation rates
2. Money supply
3. Import rates
4. Export rates
5. Investment development
6. GDP growth rates
7. Debts Development

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WHAT ARE THE BASIC WAYS TO ESTIMATE TANZANIA'S GDP GROWTH RATES?

- ➔ The production approach
- ➔ The expenditure approach
- ➔ The income approach

What are the basic ways to estimate Tanzania's GDP growth rates?



INTRODUCTION

Monthly economic growth figures are discussed in "Economists Talk," along with the research done by the TICGL Economic Research and Data Development Center. Although a monthly comprehensive assessment of the Tanzanian economy is still lacking, "Economist Talk" organizes information on both short- and long-term economic data that is available on a monthly basis. An accurate way to pinpoint turning points in project development, investment, and the economic cycle is to employ a monthly overall indicator, which provides a very relevant and current picture of the Tanzanian economy. The newly created indicator is constructed from the supply side of the economy, combining structural data from the national accounts and monthly year-over-year volume growth rates for various industries. Regarding some industries (industry, construction, mining and quarrying, energy, and water supply etc).

"Economists Talk" analyzes and assesses the performance of monthly economic indicators and provides discussion and analysis on a number of financial and economic statistics pertaining to the Tanzanian economy. The performance of the economy and other aspects of the Tanzania economy are thoroughly reviewed and evaluated in "Economists Talk."



INVITATION TO A TANZANIA BUSINESS FORUM

To all stakeholders,



Economists Talk Magazine is preparing to hold Tanzania's first business forum (Business Dialogue Forum), with the purpose of expanding trade, business, and investment opportunities.

We are delighted to invite you to the inaugural Tanzania Business Forum. The conference will take place on **October 5, 2023, in Dar es Salaam, Tanzania**. The forum is co-hosted by Economists' Talk Magazine.

The forum will discuss key problems vital to Tanzania businesses, beginning with macroeconomic policy, sector policy, business environment, economic competitiveness, and company competitiveness.

We invite all stakeholders to learn about, discuss, and collaborate on the potential Tanzania has to offer.

THE FORUM WILL CATER TO CORPORATE MANAGERS, EXECUTIVES, OWNERS, AND INVESTORS.

The Business Forum will serve as a gathering and exchange of ideas for members of government, policymakers, and potential investors.

The Business Dialogue Forum's objectives:

- ➔ Raising awareness of the impact of the current circumstances on Tanzania's commercial and investment potential.
- ➔ Connecting businesses with funding opportunities
- ➔ Develop a platform for private-sector collaboration to satisfy ongoing private-sector needs.
- ➔ Creating a business environment that is conducive to MSMEs, women, and youth.
- ➔ Make finance and marketing more accessible and affordable to Tanzania businesses.

We hope that this business forum will help to create a more favorable and appealing business environment in Tanzania.

We are looking forward to your confirmed attendance at this event.

Don't miss out on this chance to learn, connect, and develop!

Register now for a fee of 300,000 Tanzania Shillings per individual before **AUGUST 31, 2023**.

From **SEPTEMBER 01, 2023**, you can register for 500,000 Tanzania Shillings.

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TANZANIA ECONOMIC UPDATES

Tanzania's inflation rate has fallen from 4.8% in February to 4.7% in March, with a decrease in insurance and financial services expenses and an increase in prices of basic commodities and services. Food and nonalcoholic beverage prices, alcohol and tobacco costs, housing, water, electricity, gas and other fuels, furniture, domestic equipment, and routes have all grown by 0.38 percent in one month, but by 1.10 percent in a year. Healthcare and education expenses have increased by 2.73 percent and 3.35 percent respectively, while transportation costs increased by 5.69 percent in twelve months.

Price increases in education, health, transportation, housing, and fuel have a direct impact on individual economy, with most of them being small business owners. The IMF predicts that the Tanzania economy will reach 200 trillion in 2023, while the GDP growth rate is 5.2%, which is a decrease of 5.5 percent from the previous period.

Small businesses struggle to make profits and expand their capital due to the majority of their profits going to sustaining their families and providing for their daily needs. However, the price of goods and services is expected to rise higher in the future, giving them more opportunities for large businesses to earn more profits.

Tanzania's job creation will be driven first by in-state businesses, which will account for more than 80% of all jobs created, including expansions of existing businesses, and then by startups and high-growth firms, which will account for more than 70% of potential markets for economic growth.

What will boost Tanzania's economic prospects?



Tanzania is home to 2,400 people with a net worth of over USD 1 million, 6 billion, and 1 with more than USD 1 billion. The country is the only East African country with a substantial number of billionaires, many of whom have fled due to fears about their investment safety or the high corporate tax rates. The causes of the flight of Tanzanian millionaires are several factors, including political volatility, weak rules and regulations, unstable high tax rates, and the lack of stable regulatory systems and greater investment options. In the last two decades, there has been a considerable increase in the number of Tanzania billionaires leaving the country and some investing outside the country. Tanzania is facing political instability, high inflation rates, poor fiscal policies, and other factors that are driving away African billionaires from the continent.

The absence of billionaires can have a negative impact on investment and enterprises, but it can also provide an opportunity for other entrepreneurs and investors to take their place. The option to remain or leave Tanzania as a billionaire is complex and multidimensional, taking into account economic, social, and political stability, personal safety, and the ability to conduct business efficiently.



GDP PER CAPITA INCOME

A Country's GDP per capita income has a variety of effects, ranging from economic growth to financial instability. When a country has a low GDP per capita income, it generally means that borrowing money and investing in the country is more expensive, making it more difficult for residents to purchase goods and services. This can result in lower consumer spending, which has a direct negative impact on the country's economy. Furthermore, businesses may be more hesitant to invest and expand, slowing economic growth.

A low GDP per capita income, on the other hand, can have some positive consequences. It can, for example, encourage saving and aid in the reduction of inflation. Because a low GDP per capita causes people to save money rather than spend it, the amount of money in circulation decreases. This reduction in the money supply may help to reduce prices and, as a result, inflation.

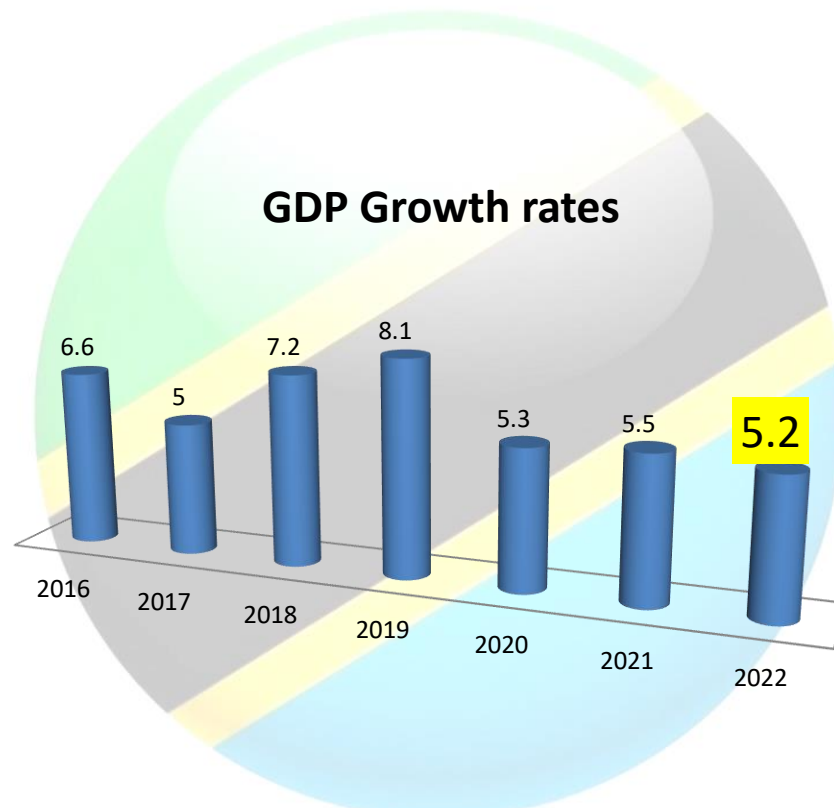
The country's currency may lose value as a result of the low GDP per capita income. Because foreign investors are less likely to invest in a country with low GDP growth, the currency depreciates in value. This depreciation may reduce the country's exports by making its products more expensive to foreign buyers

Despite the potential benefits of a low GDP per capita income, it is important to consider the negative consequences. A low GDP per capita income can lead to lower consumer spending, lower foreign investment, and a drop in the value of the country's currency. As a result, it is critical for countries to consider the potential.



GDP GROWTH RATE

The value of quarterly gross domestic product (QGDP) in absolute terms at current prices increased to TZS 42.9 trillion in the third quarter of 2022 from TZS 38.4 trillion in the same quarter of 2021. Furthermore, the value of QGDP at 2015 constant prices increased to TZS 33.9 trillion in the third quarter of 2022 from TZS 32.2 trillion in the same period in 2021, representing a 5.2 percent growth rate.

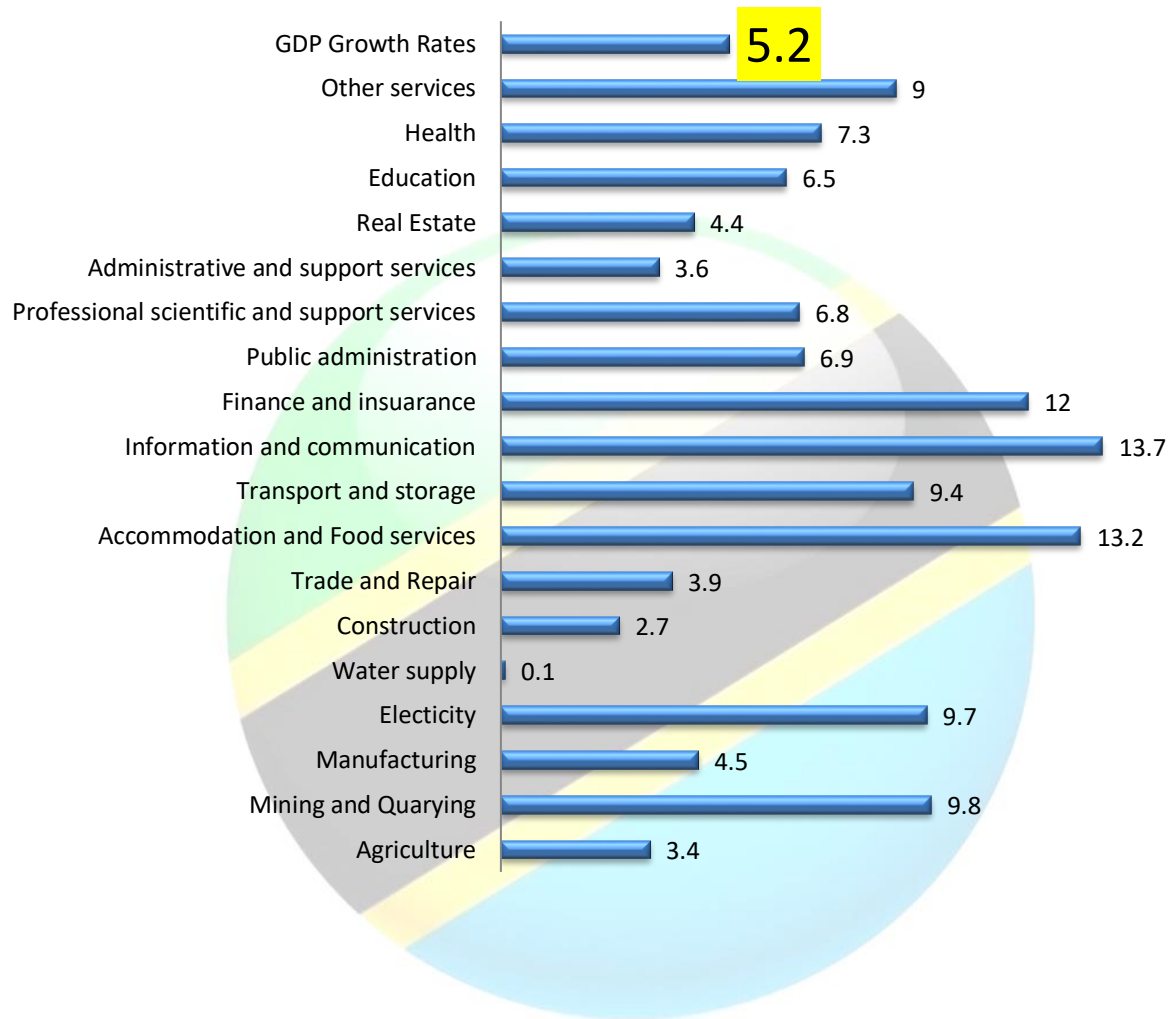


Tanzania's Major Economic Sectors Based on GDP Growth Rates

During the review period, information and communication grew at the fastest rate (13.7 percent), followed by accommodation and food services (13.2 percent), financial and insurance services (12.0 percent), mining and quarrying (9.8 percent), and electricity supply (9.8 percent) (9.7 percent).



GDP GROWTH RATES



GDP share by broad economic classification

Tertiary activities (Trade and Repair; Accommodation and Food Services; Transport and Storage; Information and Communication; Financial and Insurance Services; Public Administration and Defense; Professional, Scientific and Technical Services; 10 Administrative Support Services; Real Estate, Education, Human Health, Arts, Entertainment and Recreation; Other Social Services, and Household Activities as Employers) accounted for 41.2 percent of GDP. It should be noted that GDP shares have been calculated before taxation.



TANZANIA'S FISCAL POLICY AS A DRIVER OF ECONOMIC DEVELOPMENT

These efforts can help strengthen country economies by constructing and restoring roads, bridges, public transportation, school buildings, and other physical assets. They can also improve equity and widespread prosperity, thereby boosting national economies over time. Additionally, increased household income and providing child care and transportation services can help families make ends meet and improve children's life chances. Finally, lowering incarceration and taking an inclusive approach to illegal immigrants can help remove other barriers to economic stability and opportunity.

Tanzania's fiscal policy is an important factor in economic development. It has been a tax-cutting agenda that has often failed to deliver economic gains for the majority of the population, but has also squandered resources that the country could have invested in shared opportunity. Investing in education and health can help residents realize their full potential and increase productivity, while also boosting the economy by increasing access to higher education and job training. Additionally, investing in public health, increasing worker productivity, and improving people's quality of life can benefit the economy. The most important details are to launch public infrastructure projects to create jobs, stimulate economic growth, and promote equity.

In many regions, a tax deduction agenda shaped by and primarily benefiting the highest-income people and wealthy firms has long ruled. These tax deductions have often failed to deliver economic gains for the vast majority of the population, and they have squandered resources that the country could have invested in shared opportunity.

Much of the recent economic gains have gone to a tiny number of affluent individuals, and some recent legislative ideas would diminish fundamental economic security for millions more while shifting even more income to the top.

One thing is certain: fiscal policy in a Tanzania has never been more important. Tanzania policymakers may establish the groundwork for opportunity to flourish in every area of Tanzania by utilizing available



fiscal policy tools to build country economies in which everyone can contribute and achieve. They are capable of:

Investing in education and health can help residents realize their full potential and increase productivity. To enhance education outcomes, the country might focus on early learning, smaller class sizes, and greater teacher quality, especially for low-income pupils. By increasing access to higher education and job training, they can generate a more capable workforce. They can also boost the economy by investing in public health, increasing worker productivity, and improving people's quality of life

Launch public infrastructure projects to create jobs, stimulate economic growth, and promote equity. Jobs are created by constructing and restoring roads, bridges, public transportation, school buildings, and other physical assets. When these efforts are aimed at the most vulnerable areas, they can also promote equity and broad prosperity, strengthening country economies for the long haul.

Failure to make public investments in areas where people may thrive, such as education and health care, stifles human capital and reduces productivity and quality of life. Tanzania policies can assist people realize their full potential in order to establish a stronger economy and a greater standard of living for all of us. Tanzania, for example, can focus on education in order to enhance educational outcomes for low-income pupils. They can also benefit the economy by investing in public health, increasing worker productivity, and improving overall quality of life.



Roads, bridges, public transportation, school buildings, and other physical assets have a significant impact on the economy's ability to function and flourish. These public investments can also improve equity and widespread prosperity, thereby boosting national economies over time. In fact, unlocking each individual's potential and boosting national economies necessitates advancing equity across gender, race, and economic status boundaries. Spending on schools and roads, for example, should prioritize the areas that have been neglected the most, which are often those where low-income families live.

Increase household income for greater shared prosperity. With country-earned income tax credits and greater minimum wages, the country may help families make ends meet while also improving children's life chances. They can also help families get back on their feet by providing child care and transportation services. By lowering incarceration and taking an inclusive approach to illegal immigrants, Tanzania can also look to remove other barriers to economic stability and opportunity, such as by granting driver's licenses and in-country college tuition to pupils educated in the Tanzania's system.



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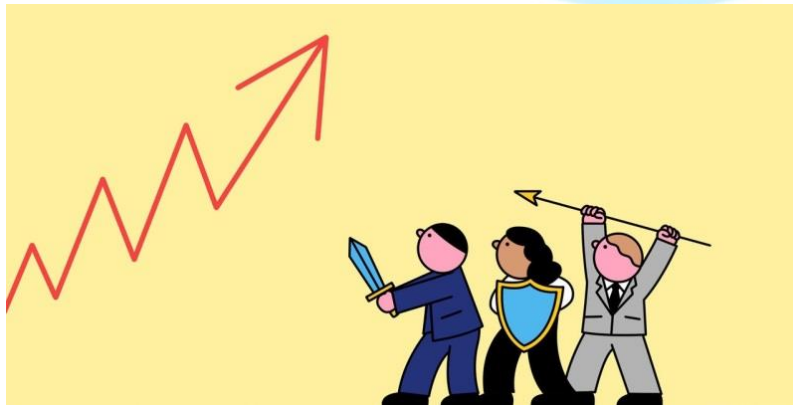
HOW ECONOMIES FUNCTION

INFLATION RATES

Tanzania's inflation rate fell from 4.8% in February to 4.7% in March, with the fall in inflation accompanied by a decrease in the price of various products, as follows: Insurance and financial services expenses have reduced by 0.40 percent in one month, but by 0.47 percent in twelve months.

Personal care, social protection, and other goods and services expenditures decreased by 0.03 percent in one month but increased by 1.34 percent in twelve months.

Although the numbers reflect a fall in inflation from 4.8 percent to 4.7 percent, the pricing of basic commodities and services have grown, raising the overall cost of living. Food and nonalcoholic beverage prices climbed by 1.93 percent in one month, but by 9.72 percent over a year. Alcohol and tobacco costs grew by 0.06 percent in one month, but by 0.50 percent over a year.



ECONOMIC CONSULTING GROU

Housing, water, electricity, gas and other fuels, furniture, domestic equipment, and routes have all grown by 0.38 percent in a month, but by 1.10 percent in a year. Healthcare expenditures climbed by 0.04 percent in one month but by 1.73 percent over a year. Following that are the costs of education services, which have climbed by 0.07 percent in one month but by 3.35 percent in twelve months. Within a month, transportation costs grew by 0.14 percent, but by 5.69 percent over a year.

Education, health, transportation, housing, and fuel have all seen price increases. These are services that people use it on a daily basis, so an increase in the price of these items will have a direct impact on individual economy, while most of them their earnings have not improved, and the majority of them are small business owners.

Why Does Inflation Matter for Small Businesses?

Inflation is an important factor for small businesses, as it can have a significant impact on their capacity to plan for the future. It can also cause clients to become concerned and reduce their spending, leading to lost sales. While inflation can be harmful, it can also be beneficial for small enterprises if they absorb higher costs or raise prices. This can help them to increase their revenue and make it financially advantageous to expand without raising red flags with their clients.

When it comes to small-business inflation, many people just consider the bottom line. Understanding the big picture is, of course, crucial for any small business owner or manager. It is critical to properly grasp how increased prices affect your business and to plan measures to protect your firm against inflation.

What would be the best model for a business to adopt, especially in this period where the prices of goods and services are unpredictable?

When inflation rises, all aspects of a firm become more expensive, higher service expenses, for example, can have an impact on the amount of money you have on hand. Cost hikes may cause you to forego significant purchases while cutting everywhere you can. Inflation may cause you to reconsider your expansion plans.

When inflation is out of control, it can have a significant impact on your capacity to plan for the future. Not knowing where prices will likely be six months from now, for example, can impair your capacity to budget. It can also cause your clients to get concerned, and they may reduce their anticipated spending, which can cost you money in the form of lost sales.

Although the IMF predicts that the Tanzania economy will reach 200 trillion in 2023, while also predicts Tanzania economy will continue to grow and reach 300 trillion in the next five years, but rising costs of living may lead to business or investment not to produce the desired results. Currently, the economic growth rate is 5.2 percent, which is equal to \$32.2 trillion, which is a decrease of 5.5 percent from the previous period.

In a period like this, small businesses struggle to make profits and expand their capital because the majority of their profits go to sustaining their families and providing for their daily needs.

Opportunities for large businesses to earn more profits and expand their business when the price of goods and services rises and most of them are anticipated to rise higher in the future.

How is inflation affecting businesses?

The question is not so much "how does inflation affect small businesses" as "what parts of a business are not affected?" There are certainly a few outliers, but they are hard to find because anything that costs money has been influenced in some way by rising expenses.

The current inflationary tendencies make it increasingly difficult for small enterprises to offer their goods and services at competitive pricing. That leaves managers and owners with two options: absorb the higher costs or raise prices. While bearing the extra costs is never a pleasant option, boosting pricing in some businesses may be impossible.

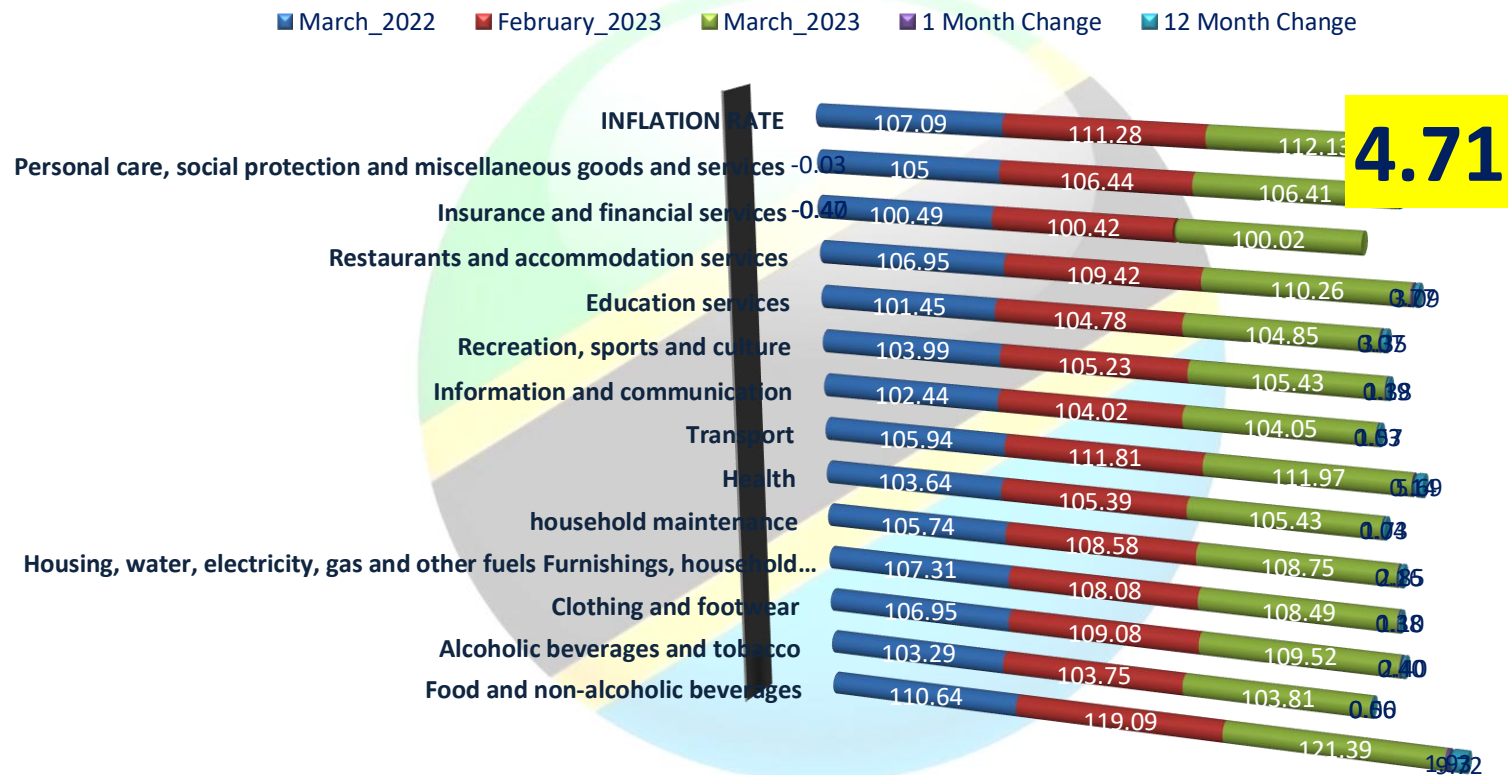
The benefits of inflation to big company

This reality demonstrated a surprising principle, not all inflation is harmful.

A natural progression of pricing and expenses allows you to enhance your revenue and makes it financially advantageous to expand whenever possible. When prices for things steadily grow, you can raise pricing for your items or services without raising red flags with your clients.



Inflation Rates



IS TANZANIA'S LOAN APPROVAL AIDING ECONOMIC GROWTH?

Tanzania continues to receive loans from international financial institutions for public investment, strengthening and reforms of economic program.

Despite the facts that Tanzania continues received loan but it seems to have a weak public investment management system which causes to an increase in inflation rates.

Therefore:-

1. What is the most effective approach for Tanzania to enhance domestic revenues in order to boost economic growth?
2. Is Tanzania's monetary policy assisting in the control of rising inflation rates?
3. Is Tanzania's economic reform program making headway?

The IMF has authorized the first review of Tanzania's three-year extended credit facility, allowing for the immediate release of about \$153 million in loans to help Tanzania's economy.

Despite the global economic situation, Tanzania's economic reform program is making significant progress, but policymakers should attempt to enhance domestic revenue while speeding structural reforms to decrease bureaucracy and fight corruption.

Monetary policy should remain sensitive to changes in actual and projected inflation, while allowing exchange rate flexibility to protect the economy from external shocks. Strengthening public investment management system and oversight of state-owned enterprises is critical to contain fiscal risks, and authorities should clear domestic arrears and prevent new ones from accumulating by improving cash management and commitment controls

SUB-SAHARAN AFRICA AND THE GLOBAL ECONOMY

Sub-Saharan Africa has the potential to change the global economy's decline. The global economy will suffer if Sub-Saharan Africa fails to lower trade costs. SSA has the highest trade costs for agricultural products, which can cost up to 250% of the actual tariff rates to trade.

Research is needed to evaluate the long-term effects of the COVID-19 epidemic and Russia's invasion of Ukraine on the global economic growth rate, so that lowering trade prices in high-cost countries can boost international commerce and global economic growth. SSA has the highest trade expenses in the world, with total expenditures including shipping, logistics, and regulatory fees totaling around 130 percent of real tariffs spent on traded commodities.

SSA, in particular, has the highest trade costs for agricultural products, which can cost up to 250% of the actual tariff rates to trade. However, in addition to expensive trade costs, the region has some of the world's highest taxes on all items. Tariffs in emerging and growing countries, including SSA, averaged 8%, while established economies had less than 2%.

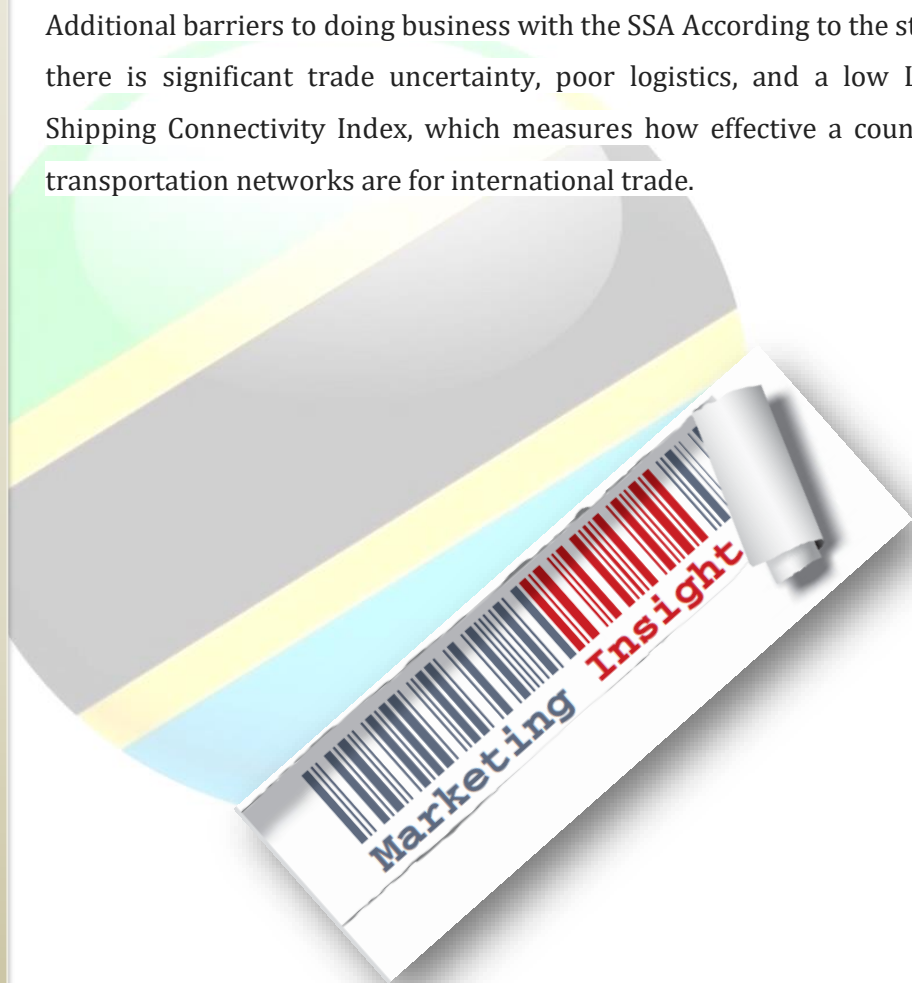
Sub-Saharan Africa (SSA) must cut trade costs by at least half to reenergize global commerce, which has been falling since mid-last year.



These challenges have piled on to Africa's commerce with the rest of the world, reducing economic growth in the midst of an overall drop in international trade caused by last year's shocks.

Furthermore, nations in the region have fewer regional trade agreements (RTAs) than countries with advanced economies. African nations, on average, have roughly 25 RTAs with other countries, whereas industrialized economies have over 90 such agreements with other countries, facilitating cross-border trade.

Additional barriers to doing business with the SSA According to the study, there is significant trade uncertainty, poor logistics, and a low Liner Shipping Connectivity Index, which measures how effective a country's transportation networks are for international trade.



TANZANIA'S BILLIONAIRES HELPS BOOST ECONOMY

1. Tanzania has 2,400 persons with a net worth of more than USD 1 million, 6 with more than USD 100 million, and 1 with more than USD 1 billion.
2. Make it the only East African country with a substantial number of billionaires.
3. Most millionaires have fled Tanzania in recent years owing to fears about their investment safety.
4. Others have left to build their firms outside of Tanzania, taking advantage of fresh chances.
5. Tanzania's high corporate tax rates have also been highlighted as a motivation for departure, as they stifle economic growth.

Tanzania is home to some of the world's wealthiest people for the purpose of investment, however during the last two decades, there has been a considerable increase in the number of Tanzania billionaires are leaving the country and some investing outside the country.

The causes for the flight of Tanzanian millionaires are several. One of the important factors is the absence of economical volatility, which jeopardizes their investment chances, as well as the regulatory environment that comes with weak rules and regulations, unstable high tax rates that make it difficult for businesses to develop.

Many Tanzanian billionaires find it easier to do business in developed countries with stable regulatory systems and greater investment options. Furthermore, the absence of basic infrastructure, including transportation, energy and communication, makes it challenging to grow businesses in Tanzania.

Security worries are another reason why African billionaires are fleeing the continent. Tanzania is plagued by political instability, which leads to incompetence and corruption, endangering the safety of investment and enterprises

Furthermore, Tanzania's tax policies are driving away the country's billionaires. While taxes are vital for a country's growth and development, high taxes can be a considerable burden on enterprises, particularly those just starting out. Tanzania has high tax rates that can result in significant financial losses for business investment or enterprises.

However, the exodus of billionaires from Tanzania is not entirely negative. It may also provide an opportunity for other entrepreneurs and investors to step up and take their place. The absence of certain billionaires leaves a void in the market that other entrepreneurs can fill. Tanzanian governments may also make their country more appealing to investors by strengthening the regulatory environment, infrastructure, and tax laws.

To summarize, the option to remain or leave Tanzania as a billionaire is a complex and multidimensional one. It entails taking into account a variety of aspects such as economic, social, and political stability, as well as personal safety and the ability to conduct business efficiently



WHAT DOES TANZANIA'S GDP GROWTH TELL US ABOUT THE COUNTRY'S ECONOMIC GROWTH?

- ➔ Tanzania's GDP is expected to reach Shs. 200 trillion in 2023, up from Shs. 163 trillion in 2021.
- ➔ The IMF expects Tanzania's GDP to reach Shs. 300 trillion during the next five years.
- ➔ GDP, or Gross Domestic Product, is one of the most important indicators of Tanzania's economic health.
- ➔ GDP growth assists businesses in determining whether to expand and hire more workers in order to create more jobs, and it allows the government to determine how much to tax and spend.

Simply because Tanzania GDP is rising does not imply that an individual's standard of living is rising. When a country's population grows, GDP rises because more people means more money spent. Individuals in that country, however, may not be growing much wealthy. Even when GDP rises, they may be getting poorer on average.

According to new International Monetary Fund (IMF) figures, Tanzania's GDP at current prices will reach 85.42 billion US dollars (200 trillion shillings) in 2023, indicating that President Samia Solutions Hassan's economic policies are bringing significant reforms to the country.

GDP has increased from 69.9 billion US dollars (163.5 trillion shillings) in 2021, when President Samia entered office. According to IMF data, Tanzania's GDP could rise even more, reaching US\$136.09 billion (Sh. 276 trillion) by 2028



Therefore, Tanzania's GDP growth is an important indicator of its economic health, with the expectation of reaching Shs. 200 trillion in 2023 and Ts. 300 trillion in the next five years. GDP growth does not mean that an individual's standard of living is rising, but rather that the population grows and the government can determine how much to tax and spend. According to IMF data, Tanzania's GDP could rise even more, reaching US\$136.09 billion (Sh. 276 trillion) by 2028.

In terms of countries south of the Sahara Desert, Tanzania is the 6th largest in terms of GDP, with ten countries with the largest GDP in Sub-Saharan Africa being Nigeria, South Africa. GDP growth is an important indicator of a country's economic health, as it usually means people spend more, create jobs, pay taxes, and get greater pay raises. If GDP falls, the economy is contracting, which can lead to pay freezes and job losses. Governments must keep track of how much they borrow in relation to the size of the economy, as well as the hidden economy and inequality.

In terms of countries south of the Sahara Desert, Tanzania is the 6th largest in terms of GDP. According to IMF statistics, the ten countries with the largest GDP in Sub-Saharan Africa are the following:

1. Nigeria: \$506.6 billion
2. South Africa: \$399 billion
3. Ethiopia: \$156 billion
4. Kenya: \$118.1 billion
5. Angola: \$117.8 billion
6. Tanzania: \$85.4 billion
7. Côte d'Ivoire: \$77 billion
8. DRC: \$69.4 billion
9. Ghana: \$66.6 billion
10. Uganda: \$49.7 billion

Most economists, politicians, and businesses prefer to see GDP expand gradually since rising GDP usually means people spend more, more jobs are created, more taxes are paid, and workers get greater pay raises.

If GDP is declining, the economy is contracting, which is terrible news for firms and people. A recession occurs when GDP falls for two consecutive quarters, which can result in pay freezes and job losses.

How does GDP affect me?

If GDP grows, the government will take that as evidence that it is doing a good job of managing the economy. Similarly, if GDP falls, opposition leaders would accuse the government of mismanaging the economy.

But it's more than just a report card on how the government is performing. People will pay more in taxes if GDP grows steadily because



they are earning and spending more. This means that the government will have more money to spend on public services such as schools, police, and hospitals. Governments also want to keep track of how much they borrow in relation to the size of the economy.

What are its limitations?

GDP growth doesn't tell the whole story.

There are lots of things the statistics might not take into account:

1. Hidden economy: Unpaid work isn't captured in official figures, such as caring for an elderly relative
2. Inequality: GDP growth doesn't tell us how income is split across a population - rising GDP could result from the richest getting richer, rather than everyone becoming better off



TANZANIA MOBILE INTERNET ACCESS AND DIGITAL INCLUSION

- ➔ Will price cuts make internet access more affordable to more of its customers?
- ➔ Tanzania internet service providers must reduce the cost of internet access in order to make it more available to residents.
- ➔ Currently, customers who pay 10,000 tsh for internet service obtain 3 GB, which is more expensive.

In order to increase access to internet connectivity in the nation, mobile internet service providers must provide affordable mobile internet services. The company's prices must be reduced by at least nearly half of the current price, which appears to be more expensive as the country now has a low GDP per capita income of 5.2%, preventing many of them from accessing mobile internet services as many of them become employed and engaged in digital marketing.

As more individuals assess mobile internet, it appears to have greater economic potential. Tanzania mobile internet providers must continue to work to close the digital marketing gap, which has enormous potential for our economy, and allow more people to access the internet from the comfort of their own homes.

Making internet connectivity more affordable helps to grow business because we are now rolling out 5G networks, so the price cuts needs to provide consumers with more affordable and accessible 5G

With plans to expand access to affordable mobile internet services, the company must also leverage strategies that will enable those who are unable to obtain smartphones to obtain them at an affordable price, or by providing device-financing solutions to make more affordable 5G smartphones available to its customers

Price cuts on mobile internet services will make internet connectivity more accessible and reasonable for millions of its customers, many of whom will gain employment. Currently, the absence of affordable mobile internet services makes it difficult for youth to become self-employed.

Customers will be able to enjoy their favorite online experiences without having to think about data costs thanks to the affordable mobile internet service.

The price cuts will encourage the adoption of home internet connectivity, which has grown steadily in recent years due to low prices but still trails behind Tanzania. Tanzania Mobile internet access requires a low cost, which will increase internet access and promote digital inclusion in Tanzania.

As the nation prepares to transition to a 5G network, we hope Tanzania mobile internet providers will enable all customers to access faster internet speeds, allowing their clients to download, stream, and play video at breakneck speeds.



INVESTMENT DEVELOPMENT

- ➔ **But how would this investment assist to alleviate the country's labor shortage?**
- ➔ **How would this foreign investment help us have more foreign reserves?**
- ➔ **How will this investment affect the pace of increase in GDP growth rates?**

- ❖ Tanzania has registered \$1.2 billion in investment from the start of the year till March 2023.
- ❖ This marks a 52.4% increase over the same period in 2022.
- ❖ The funds will be invested in 93 initiatives, which will result in the creation of almost 16,400 new job opportunities.

According to the most current TIC report, which was made available, the investment would be made in 93 projects, creating over 16,400 job opportunities

Tanzania raised investment by 52.4% in the first quarter of 2023 compared to the same period previous year, owing to an improvement in the economic conditions.

From January through March, Tanzania received \$1.2 billion (about Sh2.8 trillion) in investment through projects registered with the Tanzania Investment Centre (TIC), compared to \$787.4 million (Sh1.8 trillion) in 2022.



The outstanding performance of the construction/commercial buildings sector, which soared with a \$333 million investment, was principally responsible for positive investment growth.

Power costs the least in the region, according to TIC, at \$8.45 Kwh (medium voltage) and \$6.65 Kwh (high voltage), when compared to all regional peers in Eastern and Central Africa.

Tanzania's investment in TIC-registered projects is predicted to increase 135% in March this year compared to February. According to TIC, the capital expected to be spent increased from \$339 million in February to \$796 million in March, despite a 9.8% decrease in the number of registered projects throughout the study period.

37 projects were registered in March 2023, compared to 41 projects filed in February 2023. Also in the same month, local investors held 50% of total projects, while foreigners held 31% by foreigners, and 19% were joint ventures.

The transportation industry emerged as the most active participant, with allowed investments totaling \$393.96 million, a 349% increase over the same period last year.

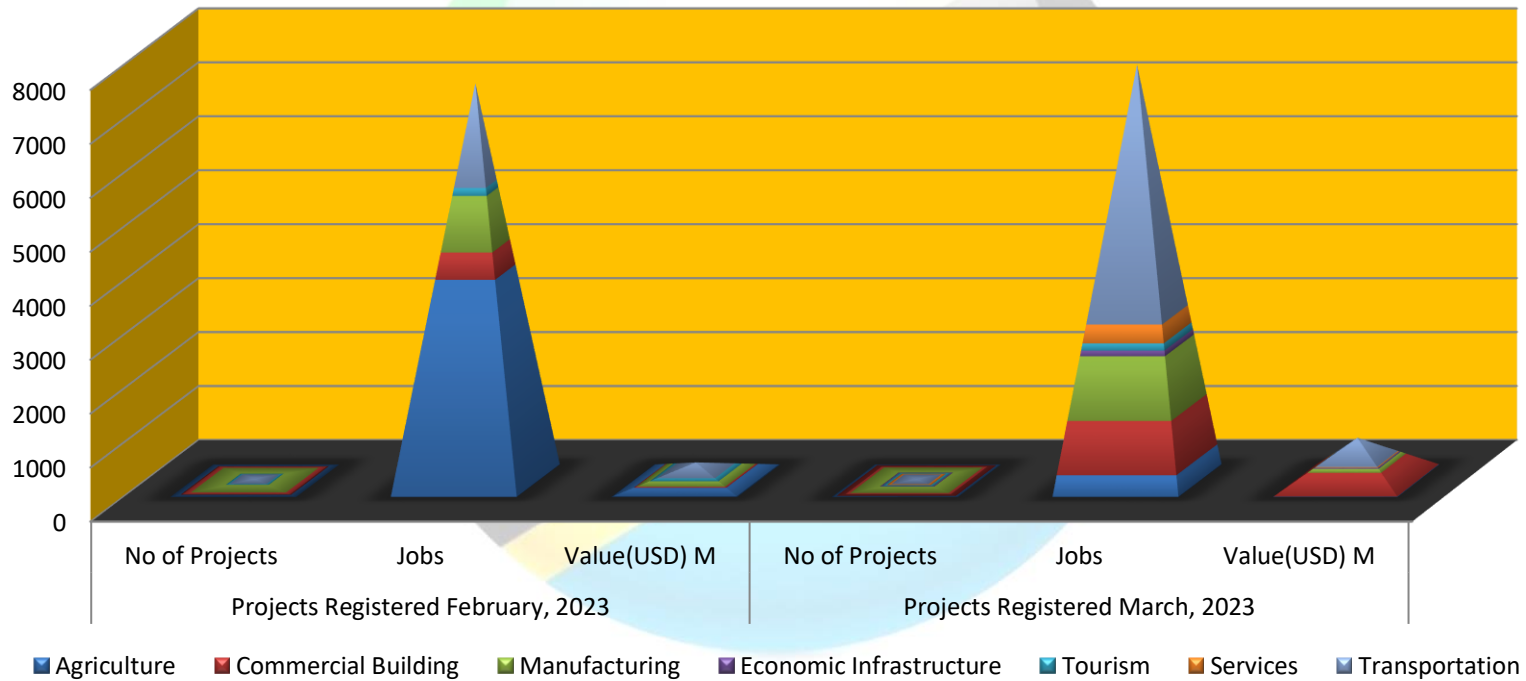
Commercial construction and manufacturing were second and third in terms of investment, with \$318.21 million and \$52.04 million, respectively. The majority of projects registered in March 2023 were new, accounting for around 89% of all registrations, with expansion and rehabilitation projects accounting for approximately 11% of all registrations.

The proposals submitted last month are anticipated to have created 7,714 new job opportunities in the country, according to the data. In March 2023, the top five leading sources of FDI are China, the United States, Mauritius, Spain, and India.



INVESTMENT DEVELOPMENT

Investment Development



CHINA HAS REMAINED THE TOP INVESTOR IN TANZANIA

China has remained the top investor in Tanzania, with a total value of USD 124.2 million, followed by the United States, with a total value of USD 8.0 million.

Commercial buildings have a USD 112.16 million investment while providing 4639 employment, followed by manufacturing with a USD 20.05 million investment and 1154 jobs, and transportation with a USD 9.04 million investment and 968 jobs.

Transportation has led domestic investment with a value of USD 375.95 million, followed by commercial building with a value of USD 206.05 million and manufacturing with a value of USD 25.77 million.

Agriculture, commercial building, manufacturing, economic infrastructure, tourism, transportation, and services are the sectors on which investment is focused.

According to February statistics, they can create more than 7370 employment in the stated sector, with a total value of USD 339.22 million from 41 projects. However, if 37 projects are announced in March, they can create more than 7714 employment worth USD 797.17 million.

Being a gain in the value of USD 456.95 million in one month, but also an increase in sectors such as economic infrastructure

Despite the fact that investment projects in the country are expanding, how can this investment, whether domestic or foreign, support Tanzania's economic growth?

What should Tanzania do to boost the investment industry and stay up with the current rate of economic growth?

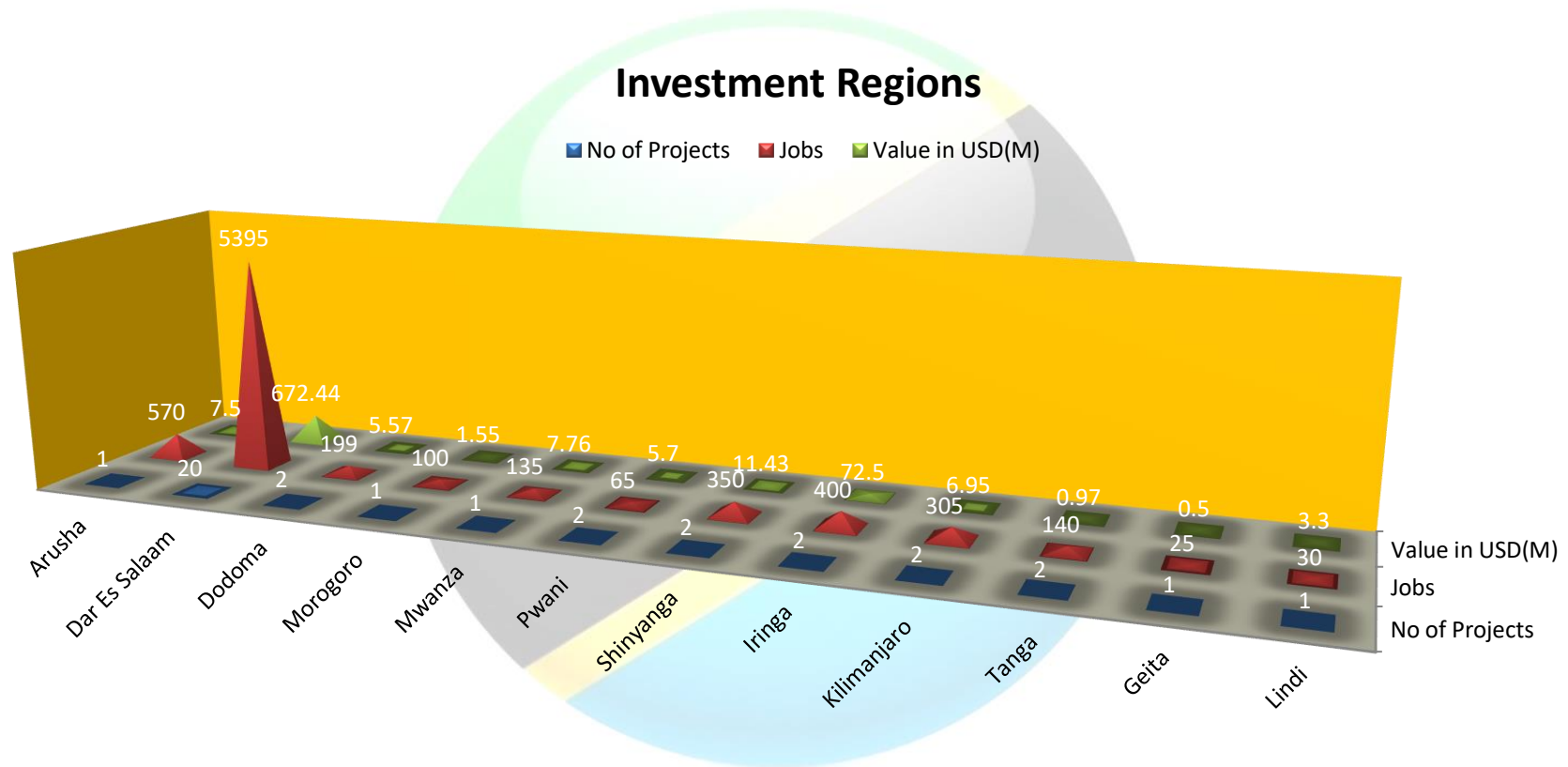
and services, reaching a total of 37 projects, which is smaller than last month's 41 projects.

The investment development is expected to be completed in 12 regions and will generate more than 7714 jobs, with Dar es Salaam having the most jobs (5395), but also the most projects (20), followed by the regions of Iringa and Shinyanya, which will generate 400 and 350 jobs, respectively.

What should Tanzania do to boost the investment industry and stay up with the current rate of economic growth?



INVESTMENT REGIONS



TANZANIA ECONOMIC UPDATES

We review and evaluates the performance of monthly economic indicators

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