

Tanzania union day

Growth, development built on stability, peace

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EMBASSY

Today, April 26, 2009, the United Republic of Tanzania celebrates its 45th Union Day, the anniversary of the country's founding. On behalf of my government and H.E. Jakaya Mrisho Kikwete, president of the United Republic of Tanzania, I would like to extend warm greetings to Their Imperial Majesties Emperor Akihito and Empress Michiko. In a special way, I would like to extend warm greetings to the prime minister of this great country, Taro Aso, and through him to all the people of Japan.

Ever since the establishment of the union government, Tanzania has enjoyed a friendly and strong relationship with Japan, especially since the opening of the Japanese Embassy in Dar es Salaam in 1961 and Tanzania's mission in Tokyo in 1970.

With regard to my country's achievements, Tanzania has recorded encouraging development in all spheres — political, economic and social as well as international relations.

Economic achievements

Tanzania is a free market economy, where trade, interest and exchange rates are fully liberalized. The country started considerable reforms in economic policies and strategies in the mid-1980s to create a macroeconomic growth framework. Such reforms have been a force in economic growth and development.

Tanzania has been able to attain an average of 5.5 percent economic growth for the last six years coupled with single-digit inflation — a dramatic transformation from the negative growth and over 36 percent inflation prior to the reforms. This has happened despite the global oil and food crisis in 2008. The vision for Tanzania is to be a middle-income country by 2025.

Notwithstanding, it is expected that the achievements will be negatively impacted by the global financial and economic crisis as it is affecting countries around the world. The gross domestic product, which enjoyed a positive trend for quite some time is expected to fall from 7.5 percent growth in 2008 to 6.5 percent or 6.9 percent for 2009.

The main economic impetus sectors are expected to record lower growth compared to the previous year. The agriculture sector, which employs about 80 percent of the population, accounts for about half of GDP and provides about 85 percent of exports, is expected to decline from 3.6 percent in 2008 to 3.1 percent in 2009. The tourism sector has already recorded a shortfall of 15 percent

of expected visitors to the country. This is going to affect domestic revenue collection and the overall coming budget.

The mining sector is also greatly affected as the price of tanzanite, diamonds and other minerals has dropped in the world market. Tanzanite, which sold at \$500 per carat, now sells for \$200 per carat while the price of diamonds has dropped by almost 60 percent. Unemployment will also increase as many companies are closing down because of falling domestic and international demand for their products.

In light of the global financial and economic crisis, the government has initiated a number of measures to mitigate its effects on the national economy to a certain level. These measures include maintaining sufficient food stocks for the country through a strategic grain reserve and providing relief food to areas with shortages.

The government is also focusing on instilling accountability and transparency in its institutions, and reducing government expenditures, especially those related to administrative costs, and allocating the saved funds to the agriculture sector.

The government policy is to improve agricultural productivity through improved extension services to farmers, including the provision of machinery such as power tillers, and subsidize food production by increasing access to farm inputs like fertilizers.

Tanzania's economy is private sector driven. Therefore much needs to be done to strengthen the country's private sector to engineer and drive economic growth. In this regard, the government is putting a lot of effort into building a conducive environment in which the private sector can grow. These initiatives include financing for infrastructure development such as road construction, railways, port improvement, power and water supply networks, etc. The private sector has also been encouraged to look for alternative markets in the region as well as in Asia as a way to deal with the problem of reduced export demand from traditional markets like Europe.

Against that backdrop, the government of Tanzania urges development partners and the international community to continue their assistance through general budget support provisions to poor countries, including Tanzania.

Political achievements

Since the formation of the union, the United Republic of Tanzania has remained one of the most peaceful and politically stable nations on the con-



President of the United Republic of Tanzania Jakaya Mrisho Kikwete

continent. Peace and security, rule of law, good governance and democracy have remained the main driving force of our political stability even after the introduction of a multiparty political system in the early 1990s. Tanzania so far has conducted three multiparty elections, which were all considered to be free and fair by observers.

Next year, there will be a general election. This year there will be local government elections throughout the country, which we are also optimistic will be free and fair.

All the people enjoy freedom of the press, expression and association that also have strengthened the union for the last 45 years.

Social development

Taking the private sector as the engine of growth and development, Tanzania considers and believes that having a well-educated and healthier population is an important component for vibrant private-sector development.

Tanzania has undertaken various measures to improve its social sector. These include expansion and improvement of elementary and secondary school facilities, and children's enrollment. At the same time, the government is engaged in expanding tertiary and technical education to enhance the capacity of many young people to participate in productive activities. The country has also improved women's access to education, training and employment. In the health sector, the government is expanding health facilities and improving their quality.

The water supply network is being improved, and various disease intervention programs such as immunization, control of malaria, HIV/AIDS and tuberculosis are going on.

International diplomacy

In the international arena, Tanzania has remained a strong and active member of regional and international organizations. In terms of regional cooperation, Tanzania is a member of the East Africa Community, South African Development Community and Great Lakes Region while continentally it is a member of the African Union. As for international engagement, Tanzania is a member of the United Nations, the Nonaligned Movement and the Commonwealth.

Engagement in these regional and international bodies has enabled Tanzania to practice its right to condemn and support various international issues such as peace and security, human rights, prac-

tice of good governance, democracy, as well as various economic policies for the betterment of Africa and the world at large.

Since the establishment of the union, Tanzania has engaged in fruitful bilateral and multilateral international cooperation. The country has always enjoyed long-established relations with Japan, including close exchange of visits. It is the Tanzanian mission's role to cement the existing friendly relations in the political and economic spheres.

The business links between Japan and Tanzania are not well developed but are promising, with a number of new companies establishing investment ventures in Tanzania. Such companies include Sumitomo Co., which is producing insecticide mosquito nets in Arusha, and Oji Paper Co., which is planning to establish a eucalyptus plantation in the Mtwara and Lindi regions of the country. Tanzania welcomes more investors to take up ventures in Tanzania, and Africa in general as there is a lot of hope and opportunities in agriculture, agro-processing, mining, tourism and the service industries. We believe that foreign direct investment will help tap the rich potential in various sectors and accelerate sustainable development for the country. Investors in Tanzania can access the huge markets available through the East Africa Community and South African Development Community, and the U.S. market through the AGOA and U.K. market



Tanzanian icon: Standing 5,895 meters, Mount Kilimanjaro is the highest peak in Africa. TANZANIA EMBASSY

through the EU's Everything But Arms initiative.

There are policies in place to help the private sector to take off, among others a one-stop center to facilitate foreign investments in licensing, customs, land acquisition and any other investment-related issues, and the Tanzania Investment Center will cater for all these.

Tanzania is also one of the best and safest places for a vacation. Tourism promotions have been launched to attract more tourists to Tanzanian icons such as Mount Kilimanjaro, Serengeti Wildlife Park and the Spice Islands of Zanzibar. Japanese visitors are promised a wonderful vaca-

tion discovering Tanzania's natural beauty and diverse nature.

It is worth acknowledging Japan's contribution to Africa, including Tanzania, through the TICAD process. About 40 African countries, including Tanzania, attended the TICAD IV meeting in May 2008 in Yokohama. Tanzania welcomes the assistance Japan has accorded to African countries by doubling its official development assistance to Africa by 2012, doubling Japanese private investment in Africa by June 2021, and other various support in infrastructure, capacity building and the initiative to double rice production in Africa from 14 mil-

lion tons/year to 28 million tons/year by 2018.

Once again on behalf of the government of the United Republic of Tanzania, I would like to acknowledge with the highest appreciation the assistance that the government of Japan has and continues to extend to Tanzania. Such assistance has contributed considerably to Tanzania's efforts in accelerating economic growth as a way to achieve sustainable development. Such support has contributed much to the revival of sectors like education, infrastructure, agriculture, health and utilities, to mention a few on a long list.

Long live the relationship between Japan and Tanzania!

Congratulations
to the people
of
the United Republic
of Tanzania
on the occasion
of
their Union Day

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to the People of
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