

# United Republic of Tanzania

Ministry of Industry, Trade and Investment

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## 50 YEARS OF ENGINEERS CONTRIBUTION IN TANZANIA: Industrialization, ICT & Agricultural Development”

By

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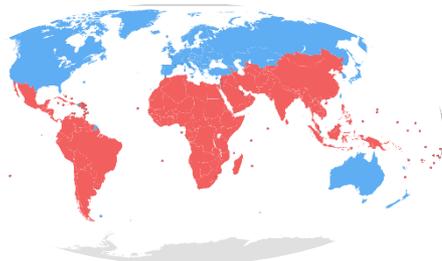


## AFRICAN COMMODITY STRATEGY: Value Addition

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## Tanzania Development Vision 2025: Industrialization



*“Those who are well  
have no need of a  
physician, but those  
who are sick”*

3.



## What we Want from Engineers

Ministry of Industry, Trade and Investment

# AGENDA 2063: The Africa We Want

## Framework for the Socio-Economic Transformation of the Continent

### The Flagship Projects / Initiatives are:

1. Integrated High Speed Train Network
2. Africa Virtual and E-University
3. African Commodity Strategy
4. Annual African Forum
5. Continental Free Trade Area
6. African Passport and free movement of people
7. Grand Inga Dam Project (40 GW)
8. Pan African E-Network
9. Silencing the Guns
10. African Outer Space Strategy
11. Single Air-Transport Network
12. Continental Financial Institutions



# AFRICAN COMMODITY STRATEGY: Value Addition for Global Competitiveness



- Resources in Africa (AEF, 2017):
  - ✓ 12% of the world's oil reserves,
  - ✓ 42% of its gold,
  - ✓ 80% - 90% of Cr and Pt group metals
  - ✓ 60% of its arable land,
- African economies depends heavily on commodity production and exports, with too **little value addition** (AEF, 2017)



# AFRICAN COMMODITY STRATEGY: Value Addition for Global Competitiveness

- Commodity based industrialization can serve as a launching pad (i.e. **Value Addition**)
- The high-priority commodity sectors in Africa:
  - ✓ Agriculture,
  - ✓ Mining,
  - ✓ Energy



# SADC Industrialisation Strategy and Roadmap 2015 – 2063: Strategic Goal

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**Strategic Goal:** *Substantial shifts in industrial structure, manufacturing production, exports, while doubling industrial employment.*

## The Three Core Pillars:

- i. Industrialization** as champion of economic and technological **transformation**;
- ii. Competitiveness** as an **active process** to move from comparative advantage to competitive advantage; and
- iii. Regional integration** as the context for **industrial** development and **economic** prosperity;

# SADC Industrialisation Strategy and Roadmap 2015 – 2063: Essential Elements

- i. Industrialization is a key for **inter-industrial links**;
- ii. Factor **Productivity**;
- iii. **Technology** upgrading and innovation;
- iv. Establishing national and regional **economic clusters**;
- v. Impact of the emerging global **technological** evolutions **on trade** patterns;
- vi. The crucial role of the **government** as a developmental **agent**;
- vii. Establishing a **compact** for industrialization and development (**all stakeholders involvement**);
- viii. Contribution of **SMEs** to employment growth and national development;
- ix. The acceleration of the tempo of **SADC's integration** programme and promoting the complementarities;
- x. Creation of a **stable macroeconomic** environment;
- xi. **Coordination and interfacing** of the industrial development efforts nationally and regionally to avoid harmful competition;
- xii. Ensuring **environmental and social sustainability**;
- xiii. Accelerating **empowerment** of youth and women; and
- xiv. The **role of ICT** as an **enabler** as well as a **catalyst** to industrialisation;

# SADC Industrialisation Strategy and Roadmap 2015 – 2063: Strategic Interventions

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- i. Infrastructure:** Investment in **new infrastructure**, soft as well as hard;
- ii. Energy:** Investment in energy provision both for **domestic use and export** to regional partners;
- iii. Transport:** The expansion, upgrading and interconnection of the **regional transport systems** (road, rail, air and ports);
- iv. Water Supply:** Water and sanitation **development and management** are among the critical ingredients of industrial development;
- v. Skills Development:** Education systems need to focus on **technical and vocational skills** of all kinds, especially those appropriate for a modern, knowledge economy;
- vi. Financing: Public and Private** investment in physical infrastructure and human capital development;

# SADC Industrialisation Strategy and Roadmap 2015 – 2063: Growth Scenarios and Timelines

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## The three cascading growth scenarios:

- Phase I (2015-2020):** Laying down firm **foundations** for long term development (production base and social equity, human capital, regional integration)
- Phase II (2021-2050):** Heavy lifting development focusing on **Productivity** and **Competitiveness**. Targeted GDP per capita of US\$ 9.000 by 2050, at a per capita growth rate of 8 %.
- Phase III (2051-2063):** Focused on **innovation** and business sophistication. Targeted GDP per capita of US\$ 17,000 by 2063, at a per capita growth rate of 5 % p.a. Drivers are frontier knowledge, unique **skills**, innovation and deepening the entrepreneurial culture.

# INDUSTRIALIZATION POLICIES IN TANZANIA

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- Sustainable Industrial Development Policy (SIDP) was established for the period of 1996 – 2020.
- SIDP was derived from:
  - Basic Industry Strategy (BIS) from 1985 – 1995;
  - Reforms regarding the role private sector on industrialization;
  - Market forces in economic management;
  - Requirements by World Trade Organization (WTO);

# INDUSTRIALIZATION POLICIES IN TANZANIA ...

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- Other supporting instruments to SIDP (1996 – 2020):
  - **Tanzania Development Vision (TDV) 2025:** Aims at transforming the nation to self-sustaining **Semi-Industrialized Economy**.
  - **Integrated Industrial Development Strategy (IIDS) 2011-2025:** Provide **Strategies** to achieve **SIDP Objectives** and for realization of TDV 2025.
  - **National Trade Policy (NTP, 2003):**
  - **Agricultural Marketing Policy (AMP, 2008):**

# Tanzania Development Vision - TDV (2025)

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- Aims at transforming the nation to self-sustaining **Semi-Industrialized Economy**
- **Vision**
  - To build an internationally **competitive business** through industrialization
  - To transform Tanzania into the **industrial and logistics hub** of East and Central Africa,
  - To promote **rural industrialization** through an agriculture-development
  - To provide growth opportunities for MSMEs

# Tanzania Development Vision - TDV (2025)

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## • Targets:

- **Manufacturing Sector Growth:** Average annual growth at 15 %.
- **Manufacturing Sector contribution to GDP:** From 9.0 % in 2010 to 23 % by 2025 at GDP and population growth rate of 8 % and 2.5 % respectively.
- **Manufacturing Value Addition:** From US\$ 1.8 billion in 2010 to US\$16.8 billion by 2025 at GDP and population growth rate of 8 % and 2.5 % respectively.
- **Manufactured Goods Export:** From US\$ 707 million in 2010 to US\$ 6.7 billion by 2025

# Tanzania Development Vision - TDV (2025)

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## • Policy Measures:

- **Develop a new port at Bagamoyo** to supplement Dar es Salaam port.
- Establish a realistic phased **Development Master Plan for Economic Zones** over the country.
- Coordinate concentrated **infrastructure development**
- Promote **Value Addition** of natural resources through industrialization
- Locate **Industrial Extension Officers** at the regional level to **support rural industrialization** and support MSMEs
- Select **targeted industrial sub-sectors** and extend to leading industries
- Organize enterprises, both sectorial and regional, and promote business linkage and **cluster formation**.

# MISSION AND OBJECTIVES

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## **The Overall Mission of SIDP were:**

- a) To contribute towards the achievement of overall national long-term development goals;
- b) To enhance sustainable development of the industrial sector.

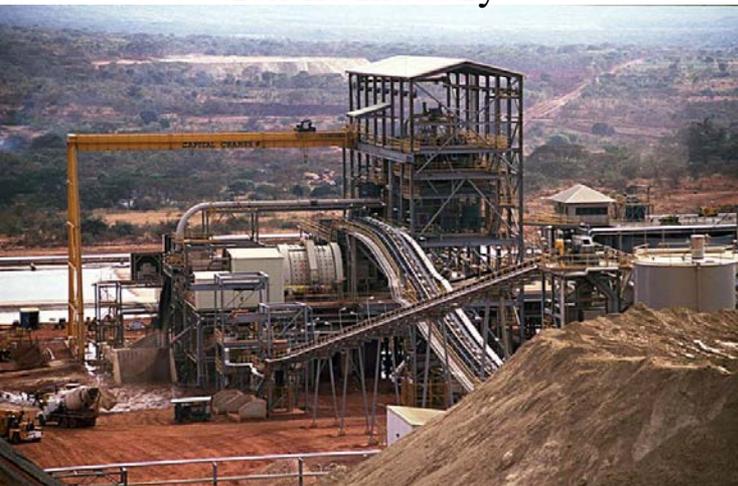
## **The Objectives of SIDP Focused on:**

- a) Human Capital Development and Employment Creation
- b) Economic Transformation
- c) Trade Balance (Import vs Export)
- d) Equitable Development (reduction of income disparities)

# TARGETS AND PRIORITY ACTIVITIES



Textile Industry



Capital Investment in Cement Production

**Major Economic Indicators for the Set Targets were:**

- i. Rate of Growth
- ii. Value Added
- iii. Contribution to GDP
- iv. Exports
- v. Employment

# TARGETS AND PRIORITY ACTIVITIES

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## **Priority Programmes-SIDP:**

**Phase I (1996-2000):** Involved restructuring public industrial firms through privatization

**Phase II (2000-2010):** Focused on establishment of capacities on manufacturing industries for export of goods.

**Phase III (2010-2020):** Focused on investment of basic capital goods industries including iron and steel industry.

# IMPLEMENTATION STATUS

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**Phase I (1996-2000):** Involved restructuring public industrial firms through privatization

**What has been done:**

- Some industries are not performing well as expected
- Effort to improve the performance of these industries is ongoing