

# **FACILITATING TEXTILE AND APPAREL INVESTMENT: THE CASE OF TANZANIA**



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of Tanzania to the U.S. and Mexico**

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# Tanzania at a Glance



## Key Statistics

**Total area:** 947,000 square kilometres, slightly more than combined size of France and Germany, about 4 times the size of the Great Britain

**Economy:** Fast growing and diversified

**GDP growth estimated at** 6.0% in 2025

**Population:** 65.2M of which 75% youth

**Adult literacy rate:** 82%

**Human Development Index:** 0.55 (#2 in East Africa)

**Official Name:** United Republic of Tanzania.

**Federal Capital:** Dodoma (3M pop.)

**Largest city:** Dar es Salaam (5M pop.)

**Peace and stability:** #1 in Global Peace Index in East Africa (2025)

**Official languages:** English and Swahili.

**Credit Ratings:** Has the highest sovereign credit ratings in East Africa, with a B+ by Fitch and a B1 by Moody's



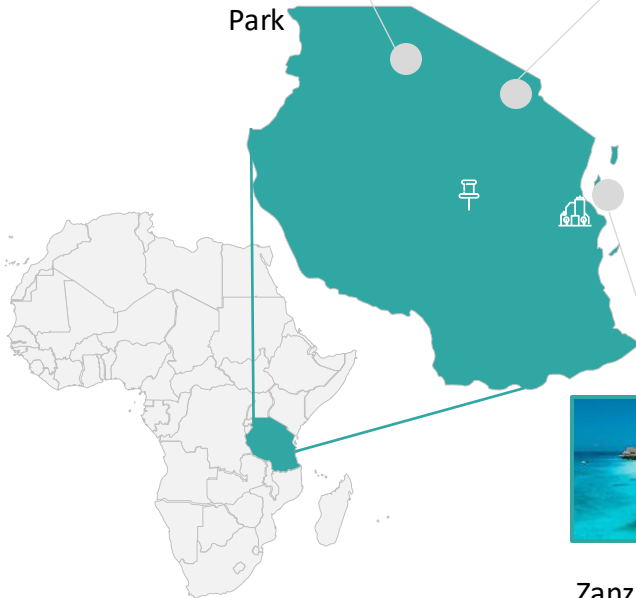
Serengeti National Park



Mt. Kilimanjaro



Zanzibar



Source: World Bank, IMF, IEP, Fitch, Moody's



# Tanzania Development Vision 2050

Envisions transforming Tanzania into a high-income, competitive, and knowledge-based nation by mid-century

1

Tanzania is on a decisive and persistent industrialization trajectory

2

Tanzania became a Low-Middle Income Economy in 2020

3

Tanzania has made significant progress on human development indicators

# Tanzania Textiles and Apparel (T&A) Strategy

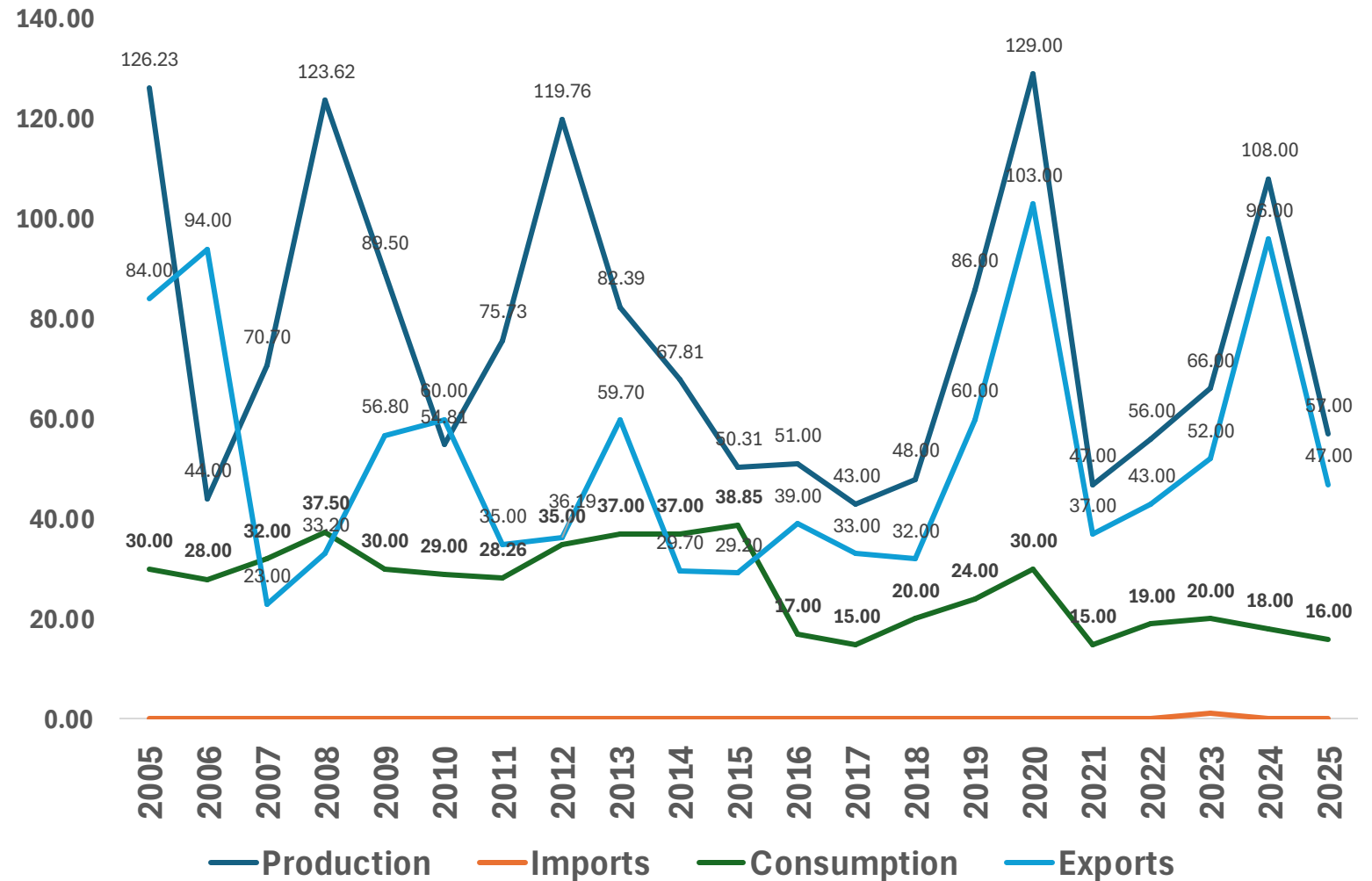


The Government's Cotton-to-Clothing (C2C) strategy targets to process 100% of cotton domestically by 2030



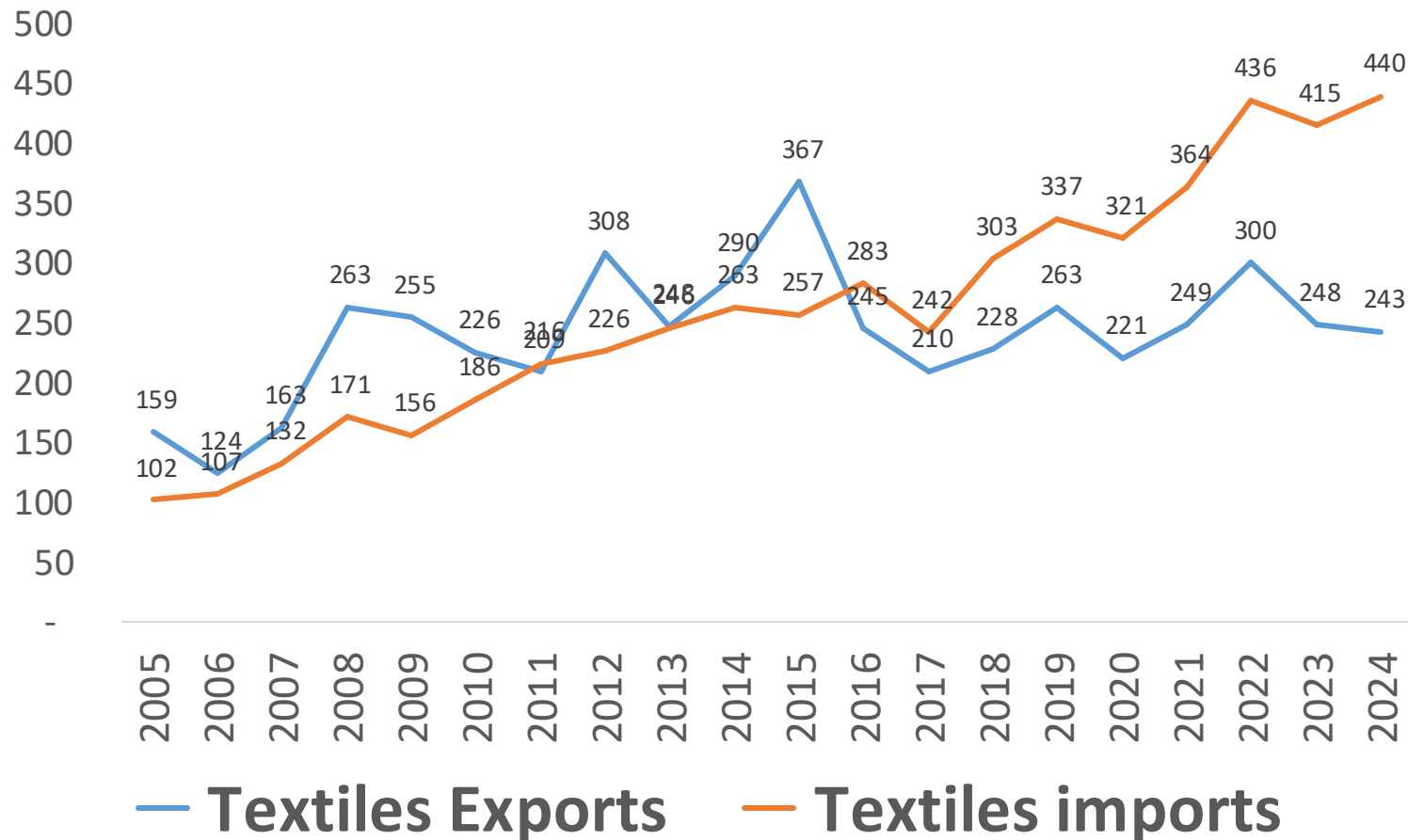
# Tanzania Cotton Statistics in '000 Tons

Tanzania is Africa's leading producer of organic cotton





# Tanzania Textiles Trade \$million

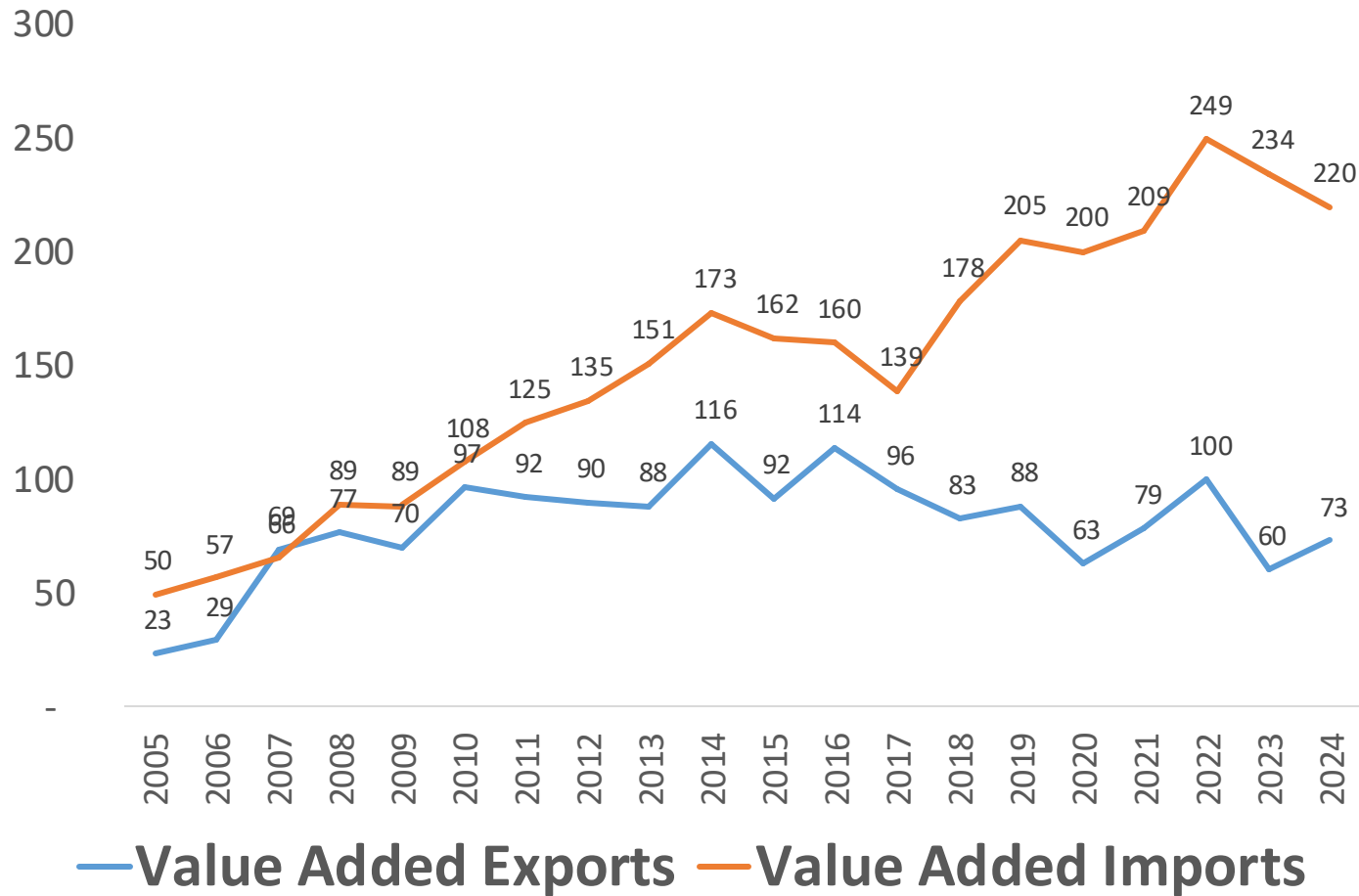


Importing Country	2024
Pakistan	33
India	29
China	22
Kenya	15
Nigeria	15
Bangladesh	13

Products	2024
Cotton, neither carded nor combed	62
Twine, cordage, ropes and cables, of sisal or other textile fibres of the genus Agave, whether ...	23
Wadding of cotton and articles thereof (excl. sanitary towels and tampons, napkins and napkin ...	17
Jute and other textile bast fibres, raw or retted (excl. flax, true hemp and ramie)	16
Coconut, abaca "Manila hemp or Musa textilis Nee", ramie, agave and other vegetable textile ...	13



# Tanzania Value Added Trade \$million

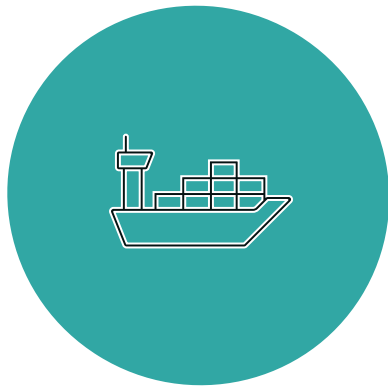


Importing Country	2024
USA	39
Kenya	9
South Africa	6
Zimbabwe	3
Congo	3

Products	2024
Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	21
Sacks and bags, for the packing of goods, of polyethylene or polypropylene strip or the like ...	11
T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	11
T-shirts, singlets and other vests of cotton, knitted or crocheted	10
Men's or boys' shirts of cotton, knitted or crocheted (excl. nightshirts, T-shirts, singlets ...	6

# Strategic Pathways for Developing T&A Value Chains

.....investing in enabling infrastructure and building capabilities to competitively position Tanzania as a strategic hub for textile and apparel in Africa



Infrastructure  
Investment



Human Capital  
Development



Conducive Business  
Environment

**Tanzania is strategically positioned to serve as a regional investment, transport and logistics hub...**

# Investing in Enabling infrastructure



**US\$10bn SGR project | 2,561km | Dar es salaam – Dodoma 541 km trip launched on 1<sup>st</sup> August 2024**



**Acquired 15 new aircraft since 2019 to revive Air Tanzania**

## Upgrading major ports



**Dar es Salaam Port**  
15.4M tons dry cargo | 6.6M tons bulk liquid

## Establishing SEZs



Tanzania has significant electricity surplus, more than doubled its generation capacity over the past 5yrs

# Investing in Enabling infrastructure



**Julius Nyerere Hydropower project: 2115MW**



**400kV Transmission Line to connect Eastern and Southern Africa Power Pools**



## ...skills development, healthcare and social protection to build a vibrant workforce, considering the young population

# Human capital development and social services delivery

### Health care

In past three years, Tanzania constructed

- more than 1,000 clinics,
- 390 Health Centers, and
- 135 District Hospitals

### Water Supply and Sanitation

- Tanzania is investing over **USD 650 million** in the provision of portable water in rural areas
- Established the Rural Water Supply Agency (RUWASA) to manage the investment

### Education (Skills Development)

- Tanzania has abolished fees in all public schools from primary to A-Level Schools
- Investing in quality and market-relevant technical vocational education and training centers with industry-specific training

### Social Protection

Tanzania is investing over **USD 200 million** in a Social Safety Net Program to:

- Improve access to income-earning opportunities and socio-economic services, while
- Enhancing and protecting the human capital of poor households' children

# Creating conducive business environment

## Sustained reform momentum



- Tanzania has implemented comprehensive reforms to improve the investment climate
- Notable regulatory reforms undertaken in the past three years include
  - Abolishing more than 232 fees and fines that were obstacles to businesses in various sectors
  - Amending 40 Laws and Regulations to improve business regulatory frameworks
  - Establishing the Tanzania Investors Electronic Single Window (TIESW) to facilitate investment related applications – certification, permits, licenses and authorizations.
  - Enacted new investment Act 2022
  - Amended the Public Private Partnership Act, 2023
- Established Tanzania Investment and Special Economic Zones Authority (TISEZA) in 2025 to serve as a one-stop centre, promoting both local and foreign direct investment
- **Now working with ICAC to review the existing Textiles and Apparel Policy**

# Why invest in Tanzania?



Fast-growing economy with political stability



A strategic gateway to the region



Access to sizable market



Attractive investment incentives

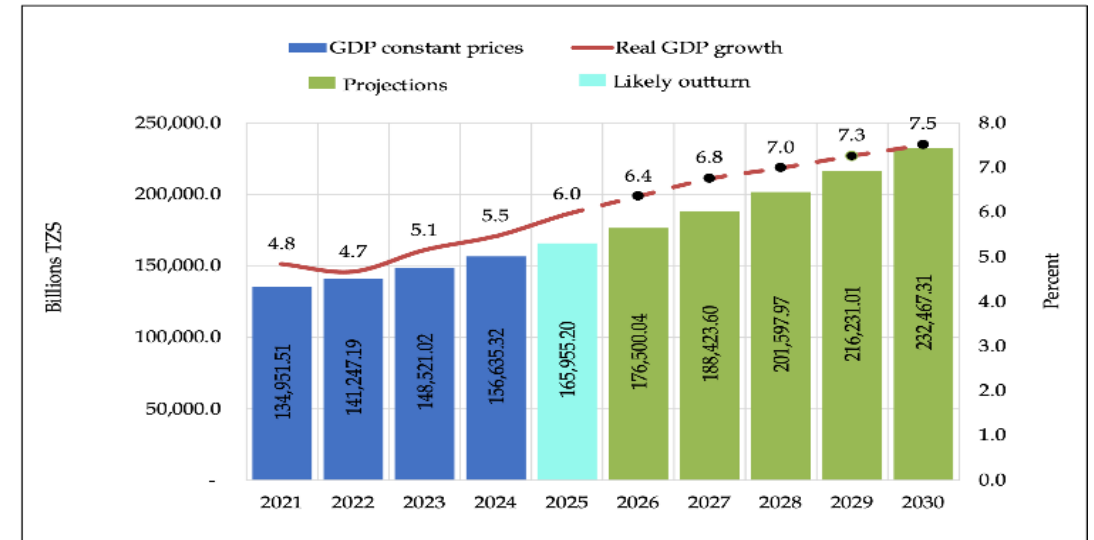


Fast-growing economy with political stability

# Investment friendly economic environment

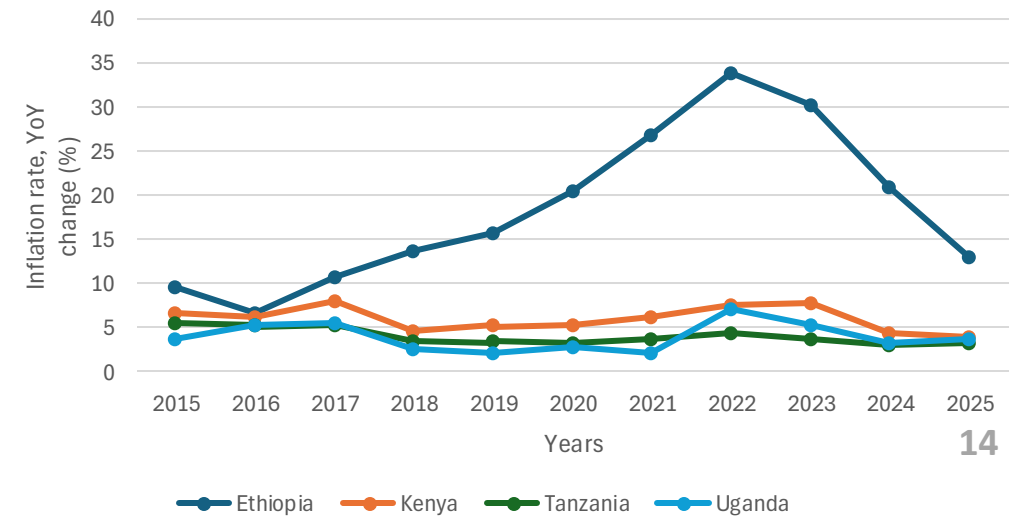
## Strong economic performance with steady growth

Note: 2025 data are estimates  
Source: NBS Tanzania



## Steady decrease in inflation in the past decade

Note: 2025 data are estimates  
Source: IMF



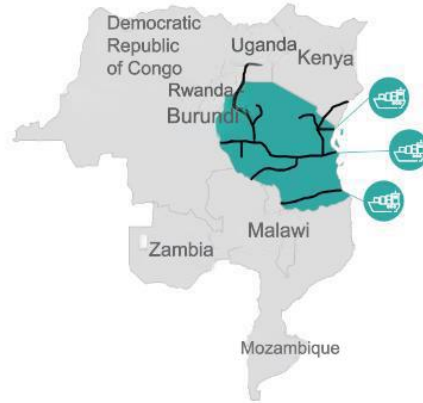


A strategic gateway to the region

# A strategic gateway to the region



## Tanzania is strategically positioned to serve as a regional logistic hub...



- Accessible through the Indian Ocean
- Borders 8 countries
- Sits in between 6 landlocked countries
- 3 deepwater ports (Dar es Salaam, Tanga and Mtwara) --- *see below*

## ...and offers critical enabling infrastructure across the country



Sea ports



### Dar es Salaam Port

15.4M tons dry cargo | 6.6M tons bulk liquid



### Tanga Port

1.2M tons per annum



### Mtwara Port

1M tons per annum in conventional cargo



Railway



### Standard Gauge Railway

\$10bn project | 2,561km | Freight capacity: 10,000 tonnes (500 lorry loads) | Expected completion by 2026

Note: ports and railways are not drawn to scale, included for illustrative purposes

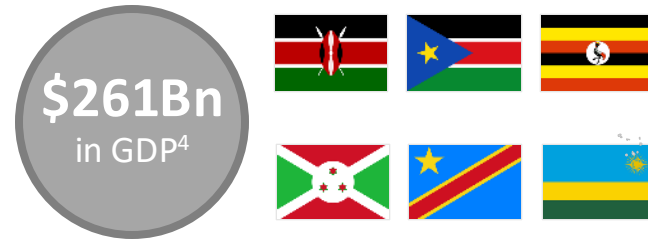


Access to sizable market

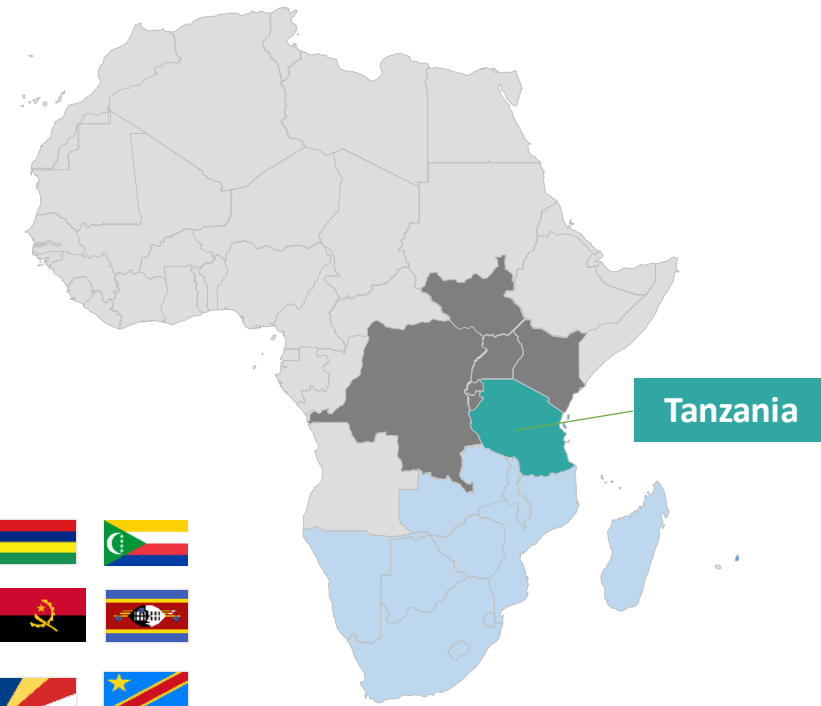
# Access to sizable market (AGOA, AfCFTA, EAC, SADC)

Tanzania is a part of the EAC and SADC FTAs<sup>1</sup>, representing a total of US\$ 823Bn in GDP and population of 500 million people. Also, it has access to the market of over 1.3 billion people under AfCFTA. It is AGOA eligible country.

## EAC free trade agreement<sup>2</sup>



## SADC free trade agreement<sup>3</sup>



1. Free Trade Agreements 2. Members: Burundi, Rep. Dem. Congo, Kenya, Rwanda, South Sudan, Uganda 3. Members: Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, South Africa, Eswatini, Tanzania, Zambia Zimbabwe, Malawi and Seychelles. 4. Current prices, USD  
Source: IMF

# Access to sizable market.....



## Existing Markets

### Existing Products

#### Market Penetration

- Cotton fibers – China, Indonesia and Viet Nam
- Home textiles – Mozambique, Burkina Faso, Kenya, DR Congo
- Mosquito nets – Regional through AfCFTA, EAC and SADC

### New Products

#### Product Development

- USA – woven and knitted fabric
- China - cotton yarn, woven and knitted fabric
- Kenya – spun yarn, woven fabric
- Indonesia – woven and knitted fabric

## New Markets

#### Market Development

- Cotton fiber – conversion from lint
- Home textiles – United States and EU
- Organic cotton – United States and EU
- Mosquito nets – India and South East Asia
- Cotton seeds and cotton oil – Tanzania as well as EAC, COMESA and SADC markets

#### Product Diversification

- Apparel – USA, EU, SADC, COMESA, AfCFTA
- Yarn and fabrics – SADC and COMESA markets
- Agronets – Tanzanian smallholder farmers and those in EAC, COMESA and SADC markets
- Medical bandages (muslin, gauze), sanitary towels, cotton wool and boll - Tanzania as well as EAC, COMESA and SADC markets



Attractive return on investment

# Attractive investment incentives



## Key Investment Incentives

### Automatic immigration

**quota:** 10 expatriates during project implementation; additional based on project size and other factors

**Unconditional (free repatriation) transferability of funds** through any authorized bank in freely convertible currency of net profits, repayment of foreign loans, etc.

**Zero Import Duty** on capital goods and raw materials

**Capital allowance** of 100% in agriculture

**75% Import duty exempted** in deemed capital goods

**5 - 37.5% depreciation allowance**

**Reduced corporate tax:** 20% in textile or leather products

# Investment Opportunities in the T&A Sector

## Cotton

- ✓ Provision of inputs such as high-quality seeds, fertilizers, pesticides, and farm machinery.
- ✓ Investing in large scale farming



## Processing Units

- ✓ Setting up modern ginneries and cottonseed crushing plants for products such as oil, soaps
- ✓ Target Investors: All sizes from Small to Large Scale



## Garments & Textile

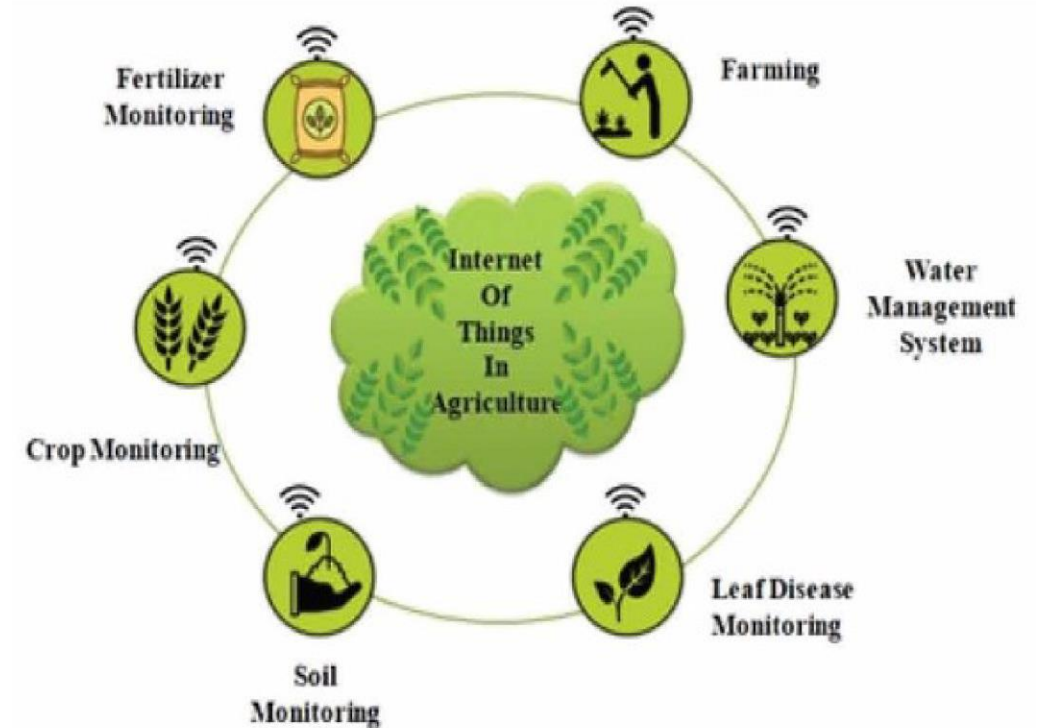
- ✓ Establishing factories to convert lint into yarn, fabrics, and finished apparel
- ✓ Target Investors: All sizes from Small to Large Scale



# Investment Opportunities in T&A Value Chain Support Services

## Smart farming equipment and services

- ✓ Shared digital farm resources via digital booking systems
- ✓ Internet of Things agricultural equipment (auto spreading, water management, disease management, crop yield analysis e.t.c.)
- ✓ Market intelligence databases

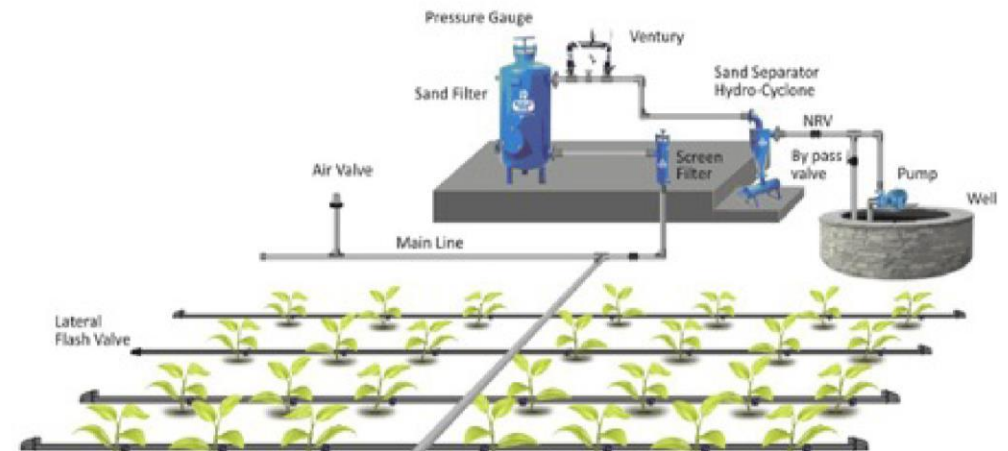


# Investment Opportunities in T&A Value Chain Support Services

## Infrastructure Financial Services

Financial loan packages for cotton farm equipment (tractors, irrigation systems and planting materials)

# Farm Infrastructure



# Strategic Infrastructure Development

1

## Textile Parks and Clusters

Dedicated zones with integrated facilities to support the entire value chain.

2

## State-of-the-Art Infrastructure

Captive power plants, effluent treatment, logistics hubs, and common processing centers.

**Key message:** Investing in Tanzania is not just about lower costs, it's about vertical integration



# Major International Brands Operate in Tanzania



## Key Manufacturers and Suppliers

- Tooku Garments (JD United)
- Sungflag (Tanzania) Ltd
- Read Earth Limited
- Mazava Fabric & Production Ltd
- A to Z Textile Mills Ltd
- 21<sup>st</sup> Century Textile Mills Ltd

## Sourcing Brands & Institutions

- Levis Strauss & Co. (Levis)
- Primax
- The Children's Place
- VF Corporation
- Mantis World
- UNICEF



# Thank You

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