

INSIDER VIEW

Tanzania

TUESDAY, APRIL 16, 2002

A model of African development

TANZANIA'S SOUND FINANCIAL POLICIES AND LONG-TERM ECONOMIC GROWTH HAVE ENSURED THE COUNTRY IS HELD IN HIGH ESTEEM BY INVESTORS THE WORLD OVER. WITH A MAJOR

PROGRAM OF PRIVATIZATION UNDERWAY AND INVESTMENT-FRIENDLY BANKING REFORMS IN THE PIPELINE, TANZANIA IS SET TO BUILD ON ITS ENCOURAGING GDP GROWTH OF RECENT YEARS

ALTHOUGH TANZANIA is famed for two of the continent's most evocative sights—the snow-capped peak of Mount Kilimanjaro and the vast plains of the Serengeti National Park—it is for an entirely different reason that the East African republic is now aiming to catch the attention of the outside world.

Tanzania is in the midst of an ambitious program aimed at stimulating its economy and bringing about a much-needed improvement in the standard of living of its 32 million inhabitants. It is hoped that the successful implementation of the program will act as a model for the rest of Africa to follow.

President Benjamin Mkapa's government, which has been in power since the country's first multi-party elections in 1995, has won praise from the IMF for its efforts to restructure the economy and make Tanzania a more attractive destination for foreign investment.

According to the IMF, the republic is one of just five African countries which are expected to continue attracting investment and long-term economic growth because of sound macro-economic and structural policies.



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The Mkapa administration has notched some significant successes since its re-election in October 2000. Inflation has fallen to a 25-year low of 5%, real economic growth is averaging close to 5% a year, while the current account deficit in the balance of payments is being brought under control.

The government has also introduced a raft of reforms designed to dismantle previous economic controls and to improve the investment climate. Measures such as the redrafting of tax codes, the introduction of a floating exchange rate, the licensing of foreign banks and the creation of an investment center to cut red tape have all

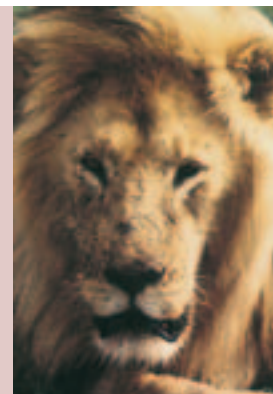
been pushed through in recent years.

In order to encourage more active participation by the private sector, the government has divested itself of close to 90% of the 400 or so state-owned enterprises and some of the largest and most important enterprises in the sectors of water, electricity and

transportation are next up to be privatized.

The administration received a major boost with the news last November that the IMF and the World Bank offered the country \$3 billion in debt relief, a move which will almost half the coun-

Continued on page 2



SERENA HOTELS

FACTS & FIGURES

POPULATION
36,232,074
(July 2001 est.)

AREA
18,810 square miles.
Slightly larger than twice the size of California

CURRENCY
Tanzania Shillings (TZS)

EXCHANGE
1 US\$ = 941.954 TZS
(February 2002 est.)

CAPITAL
Dar es Salaam. The administrative capital is Dodoma

GDP
\$25.1 billion (2000 est.)
purchasing power parity

GDP GROWTH
5.2% (2000 est.)

RESOURCES
Natural resources include: hydropower, tin, phosphates, iron ore, gold, natural gas

President urges 'self development through self reliance'

BENJAMIN MKAPA was elected President of Tanzania in the country's first multi-party election in 1995 on a platform of economic reform and a pledge to tackle corruption. Re-elected as head of state by an overwhelming majority in October 2000, he outlines the challenges facing his government in its second term in office.

How would you describe the investment climate in present day Tanzania?

Here is a nation that is at peace with itself and at peace with its neighbors. It has a government that is well-founded democratically and one that has created a positive environment for investment, a government that is seeking to actively involve the population in the development of the country.



BENJAMIN WILLIAM MKAPA President of Tanzania

What are the government's priorities at the moment?

I think that continuing our reform package, tackling corruption and having the courage of our convictions would be a fair description of our priorities. Our reforms are now well underway and are firmly rooted. We are also looking to receiving more in terms of investment from abroad particularly in agricultural processing where we lack the capital and knowledge of the market.

What has been the government's biggest achievement to date?

Because we were once a public sector driven economy, there was a sizable degree of "dependence syndrome" where everyone thought the govern-

ment would do everything. What our reforms have done is to inspire the population to put our national philosophy of 'self development through self reliance' into practice in the management of their own lives. We have said that the responsibility of government is to build the infrastructure, but a great deal of development can be achieved through self-reliance and community initiatives.

What are the greatest challenges facing your government?

We must develop the human resources we have through education. In our poverty eradication program, which has been endorsed by the IMF and World Bank, a great deal of emphasis has been placed on education

so that the people can have the tools with which to implement self development. Apart from that we have a very serious threat in the form of the HIV/AIDS epidemic and the fight against it is very high on my agenda.

What do you hope to have achieved by the time you leave your presidency?

I would really like to think that I will have contributed to the consolidation of a sense of nationhood, of political pluralism and of democratic governance through the rule of law. I would also like to ensure that sustainability is achieved so that economic growth can give the people real hope in the system we have established.

Continued from page 1

try's external debt. In response the government has earmarked the money freed-up by debt relief for anti-poverty programs in education, health and infrastructure.

Obstacles still remain, however, if ordinary Tanzanians are to feel the benefit of economic reforms. In order to achieve higher growth figures needed to alleviate poverty, further foreign investment must be attracted. Some 80% of Tanzania's overwhelmingly rural

population are employed in agriculture, while the sector accounts for some 60% of the country's GDP. As a result the development of the related agrobusiness sector is seen by many experts as the key to future growth. "We want to enliven the environment for private sector products in order to develop and introduce new and appropriate technology which can improve the productivity of livestock and land," says Minister for Water and Livestock Edward Lowassa.

Tourism, mineral exploitation and manufacturing are other areas that Prime Minister Frederick Tiuwaye Sumaye sees as viable and attractive opportunities for potential investors, especially given the country's advantageous geographic position. "This country is well placed strategically," he explains. "We have a long ocean coastline and a lot of land-locked countries behind us so there is huge potential here," says Mr. Sumaye.

Another of Tanzania's attractions is its enviable track record of political stability and the role it plays in promoting peace in what has often been a troubled region. Tanzania enjoys good relations with the U.S. and the government believes that stronger economic ties between the two countries will be of vital importance in helping it to achieve its aim of sustainable growth. As Minister of Foreign Affairs Jakaya M. Kilwete confirms, "the relationship between Tanzania and the U.S. is now better than ever."



FREDERICK TIUWAYE SUMAYE
Prime Minister



JAKAYA M. KILWETE
Minister of Foreign Affairs and International Cooperation

Business-friendly climate lures investors

PRUDENCE HAS PAID DIVIDENDS IN TANZANIA AS LOW INFLATION COUPLED WITH AN AMBITIOUS RESTRUCTURING OF THE BANKING SECTOR HAVE PROVIDED THE FOUNDATIONS FOR SUSTAINABLE GROWTH

OVER THE past six years Tanzania has established an impressive record of economic progress which has brought it widespread praise from many quarters including influential institutions such as the World Bank and the IMF. Both organizations see Tanzania's path towards fiscal rectitude and structural reform as providing a model that can be mirrored in other countries across the continent.

Last November an IMF report highlighted the economic achieve-

ments of the government in carrying out a variety of structural reforms including improvements in governance and financial management, an increase in transparency, and the control of corruption which have led to the creation of a more favorable business climate.

Much of the credit for these achievements must go to the republic's central bank, the Bank of Tanzania, which has worked hand-in-hand with the government in implementing policies aimed at

achieving sustainable rates of growth in the national economy.

Supported by a prudent fiscal policy, the Bank of Tanzania has been able to lower the annual rate of inflation to a 25-year low of 5.1% by September, from 30% in 1995. At the same time the country has seen growth rates increase from 2.5% in 1994/5 to 5.5% in 2001, with rates averaging 4.4% over the past six years. The current account deficit of the balance of payments declined from 12% of GDP in 1999 to less than 10% in 2000 and gross foreign exchange reserves have been growing.

Minister of Finance Basil Mramba outlines the steps taken by the government. "Tanzania has for the past ten years or so been moving steadily towards a market-based economy. That has meant restructuring businesses so that state enterprises have been privatized. It has meant restructuring the banking sector and adopting macro-economic policies which are business friendly and market oriented so that we can encourage economic growth."

The Governor of the Bank of Tanzania, Daudi T.S. Ballali, has been at the forefront of the government's drive to control inflation.



STANDING OUT FROM THE CROWD
Tanzania's attractive range of incentives, abundant natural resources, and favorable labor conditions make it a prime investment target.

With over 20 years of experience working with the IMF, Mr. Ballali had an ideal grounding to enable him to bring about the successful implementation of such policies. He says the bank are single-minded in their determination to achieve their primary objective of maintaining price stability and thus creating an environment that will favor increased private investment.

With macro-economic stability now established, the main focus of government policy has shifted to growth. It is recognized that present growth rates are inadequate to reduce poverty. Growth rates of at least 7% are needed to enable a substantial reduction in the incidence

of poverty. The objective is, therefore, to increase GDP growth to at least 8% over the medium term, with a long-term goal of 10-13%.

Aspiring to such rates would not have been possible without a substantial reduction in Tanzania's external debt. Therefore the recent approval of \$3 billion of debt relief by the IMF and World Bank under the Highly Indebted Poor Countries (HIPC) initiative has been a major boost to the government's plans. "This is the most important economic event in the past quarter century," Governor Ballali said in the Bank of Tanzania's monthly economic survey in January. The money saved through the debt reduction

will be directed towards attacking poverty through improvements in health, education, water and rural communications.

Mr. Ballali believes that Tanzania offers one of the most favorable environments for potential investors in Africa. Its wide range of incentives, abundant natural resources and favorable labor conditions all make Tanzania an attractive destination for foreign direct investment. "We need to raise investment beyond current levels if we are to achieve our targeted growth rates. Investors that come to Tanzania will find a new country fully committed to a market economy," concludes Mr. Ballali.



BASIL MRAMBA
Minister of Finance



DAUDI T.S. BALLALI
Governor of the Bank of Tanzania



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TRA: at the heart of national development

THE TANZANIA REVENUE AUTHORITY (TRA) is the body charged with the responsibility of administering the nation's tax system. Established in 1996, the semi-autonomous TRA has a proven track record of success.

Revenue collection is the core business of the TRA and yields have increased significantly in recent years. Commissioner General Melkizedeck Sanare says that this can partly be explained by the introduction of reforms to rationalize and simplify the existing system and also by the body's commitment to taxpayer education. "Taxpayer education has been an important factor in helping us to collect taxes successfully. People now understand that paying taxes they make an important contribution to national development."

Mr. Sanare explains that without this important groundwork it



MELKIZEDECK E. SANARE
Commissioner General of the Tanzania Revenue Authority

would have been impossible to have gained popular backing for the introduction of VAT in 1998, a measure that has created a wider tax base and generated valuable revenue to support public services.

Another important element of the work of the TRA is its role in helping to create an attractive investment climate for foreign cap-

ital. Working in harmony with the one-stop shop Tanzanian Investment Centre, the TRA has introduced a number of measures designed to encourage outside investment.

In order to encourage investment in strategic sectors such as infrastructure and agriculture, duty on imports of raw materials, capital goods and replacement parts has been removed. Under the VAT regime all exports of goods and services are zero-rated, while there are special deferment terms available for new businesses setting up in the country.

"One of our main aims is to ensure that the tax structure in this country is conducive to investment from both local and foreign sources. We want to make sure they get the best treatment possible," concludes Mr. Sanare.

Tanzania

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Public utilities generate interest

FOREIGN INVESTMENT IN SOON-TO-BE-PRIVATIZED STATE-OWNED COMPANIES IS AT THE ROOT OF TANZANIA'S EFFORTS TO SATISFY DEMAND FOR ELECTRICITY, WATER, AND IMPROVED COMMUNICATIONS

A MAJOR OVERHAUL of the country's existing infrastructure is seen by the Tanzanian government as a vital ingredient in its recipe for future economic development.

Without an improvement in communications, power generation and water supply, the government realizes that it cannot hope for success in its bid to reduce poverty in the country.

Although most of the funds that have been released by the granting of debt relief have been earmarked for education and health, part has also been allocated for use in improving the poor state of rural roads, a basic need in the impoverished rural areas.

However, the government feels that its program of privatization is one of the most effective ways of accelerating the drive towards the creation of a more up-to-date infrastructure that will stimulate the economy. "We have to improve our infrastructure," says Finance Minister Basil Mramba. "Energy is still too expensive, much of the country is still not served by reliable roads, and our airports need to be improved if we are to develop our tourist industry. If we can deal with these problems we will have gone a long way to enhancing the prospects for economic growth and attracting new investors."

Since its inception nearly ten years ago, the government's privatization program has seen some



DAWASA is a prime target for investment, which will be used to update existing plants and improve rural coverage.

330 of the 400 parastatal enterprises transferred to private hands. There is little doubt that the policy has played a vital part in helping to bring about a resurgence in the country's economic fortunes.

One major sector currently undergoing privatization is telecoms. "We are divesting our interest in the Tanzanian Telecommunications company," explains Mark J. Mwandosya, Minister of Communications and Transport. "Our aim is to create an environment to enable a dynamic sector to function successfully and cope

with the challenge of changing technology," says Professor Mwandosya.

But the biggest challenges still remain as enterprises in the key sectors of electricity, water and transportation await their turn. It is hoped that the privatization of the giant state-run Tanzania Electric Supply Company (TANESCO) will be a catalyst for the country's economic revival.

At present power tariffs in Tanzania are some of the highest in Eastern Africa, affecting the competitiveness of local businesses in the regional market. The government is confident that transferring TANESCO to private hands will provide better and less costly services to consumers throughout Tanzania and have a positive knock-on effect on business activity.

Water and sewerage services are also in urgent need of attention as exemplified by the problems faced by the body that runs the operation in the capital city of Dar es Salaam.

DAWASA, the Dar es Salaam Water and Sewerage Authority, is a prime example of a state utility in

dire need of new investment and rehabilitation. The water supply infrastructure has remained the same for over half a century and disruptions to the water supply are frequent as a result of the need to maintain ancient pipelines.

"Privatization will help us generate the funds needed for investment," explains DAWASA Director General Archard Mutalemwa. "We are looking to update existing plants and to expand our cover into rural areas so a lot of investment is required, but the upside is that it will bring about a big improvement to the system."

Minister for Water and Livestock Development Edward Lowassa underlines his colleague's arguments. "We have to ensure the provision of adequate, safe and clean water for domestic, livestock and industrial use. We also have to ensure that our water sources are environmentally, socially and economically sustainable.

"In spite of its problems, DAWASA has been improving in recent years, but now the time has come to bring in a foreign company that has the expertise and financial competence to ensure a more effective water supply."

Both executives admit that the change in organization will not be without its difficulties, but they have little doubt that the move will be a further step in helping to unlock the country's potential. "With external support, technology and a new attitude we can help exploit Tanzania's potential much more rapidly than we would be able with just our own resources," concludes Mr. Mutalemwa.

State-run operation delivers the goods and posts a profit

THE TANZANIA POSTS CORPORATION (TPC) is a leading example of a business that is determined to meet the challenges posed by the rapid changes taking place in the Tanzanian economy.

As one of the few examples of a profit-making state-run company, the TPC is readying itself for future privatization with enthusiasm, as Acting Postmaster General L.B. Minde explains. "After separating from the telecommunications institution in 1994 we went through a period of reorganization and restructuring which helped turn the company into a profit-making operation. We have changed from being a government department into an effective public corporation."

The TPC employs some 1,200 people who provide the full range of modern postal services including overnight mail, an express courier service (EMS), and facilities for financial operations such as international money transfers. With the liberalization of the postal sector and the introduction of new technology the TPC has had to rethink its traditional way of doing business. It is investing substantial sums in purchasing new equipment, updating its delivery vehicles and in training its highly motivated staff. "We are constantly concerned with improving the quality of the service we provide," explains Mr. Minde. "We moni-



L.B. MINDE
Acting Postmaster General of the Tanzania Posts Corporation

tor delivery times for letters, parcels and money transfers. We check on the reliability of our service and look closely at customer satisfaction."

The TPC is also in the process of establishing a range of new services such as Internet cafés and the provision of e-business facilities at post office counters in order to keep pace with the rapidly-changing needs of consumers.

Future plans envisage an expansion of the company's financial services, the provision of a wider range of services designed to meet the needs of the business community and the establishment of new strategic partnerships with other international communications businesses.

At the same time, the TPC is anxious not to lose sight of the important social role it plays in providing a country-wide service that meets the needs of even the most remote settlements.



EDWARD LOWASSA
Minister for Water and Livestock Development



ARCHARD R. MUTALEMWA
Director General of DAWASA

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Banks reform to meet new challenges

TANZANIA'S BANKING AND INSURANCE SECTORS ARE ENTERING A NEW ERA IN WHICH DIVERSITY, IMPROVED CUSTOMER SERVICES, AND GREATER EFFICIENCY ARE THE ORDER OF THE DAY

ONE OF THE areas of the Tanzanian economy that has undergone an almost complete transformation in the last decade is the banking and insurance sector. Only a decade ago, just two commercial banks were present in Tanzania, but since its liberalization in 1993 the financial sector has undergone a major expansion with 18 commercial banks and 11 non-bank financial institutions now operating in the country.

The job of supervising the sector falls to the central bank, the

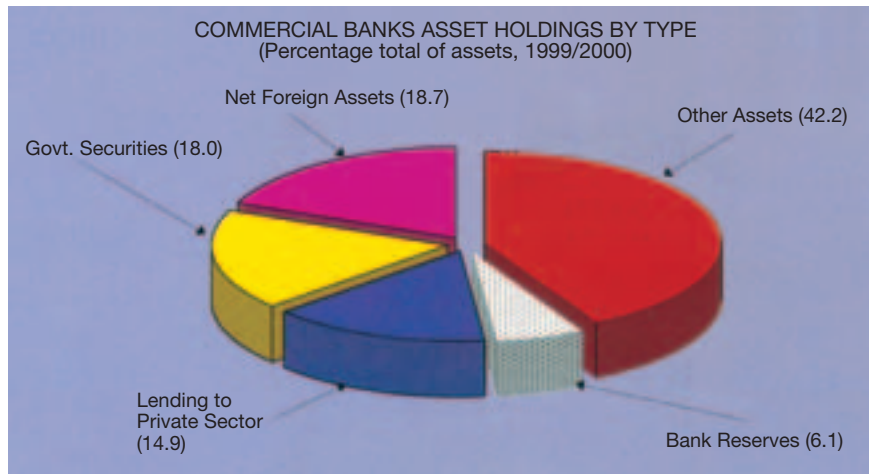
Bank of Tanzania, which is responsible for licensing, supervising and regulating all of the nation's financial institutions as part of its mission to ensure the establishment and smooth operation of a stable and effective financial system.

The central bank has also been at the forefront of measures to encourage the restructuring of existing banks and financial institutions. The Tanzanian Investment Bank (TIB) is one such institution. It has had to undergo significant changes in order to meet the challenges

posed by a more competitive market place and a more demanding business community.

Established back in 1970 as a development finance institution, the TIB originally specialized in the provision of medium and long-term finance, but it has now made a decision to diversify its operations as Managing Director W. A. Mlaki explains.

"With the emerging competition we are in the process of transforming ourselves," he says. "So, apart from our traditional role of



long term financing we are also providing short term loans, trade finance, as well as foreign exchange, stock broking and deposit services."

The TIB now runs a far more flexible operation which provides a wide range of services including anything from personal banking to corporate credit facilities.

According to Mr. Mlaki the healthy state of the financial sector and the stable macro-economic environment in Tanzania are a major attraction for potential investors and will enable the bank to continue to

play an important role in the future development of the country.

"The TIB has contributed significantly to the country's economic growth in the past, and in the future we intend to build on that contribution."

Another financial institution that is undergoing a significant transformation in order to face up to the challenges of the new financial world is the National Insurance Corporation of Tanzania Ltd. (NIC).

Founded in 1963, the NIC enjoyed a monopoly on all insur-

ance services for some 33 years. However, since the liberalization of the market in 1996, NIC has been forced to change its entire outlook and undergo a major restructuring program.

"The NIC was tainted by a negative image of unnecessary bureaucracy, poor customer care, weak marketing and non-settlement of claims," says Managing Director Margaret T.M. Ikongo, who has an insider's experience of over 20 years at the company. "These problems stemmed from

our monopoly position and amounted to the fact that we just weren't doing good business. So that is why we decided to re-launch the company."

A clear agenda aimed at seeing the business become more customer-oriented, competitive and efficient was developed and is now being implemented by the board of directors.

The painful process of staff cuts has seen the workforce halved to around 650 employees, faster and more efficient services have been introduced, and the company now offers a range of new and more affordable products.

The NIC, which controls between 50-60% of the national market, is now targeting new customers for its products and is embarking on an ambitious education program designed to help exploit the largely untapped market of personal insurance.

Mrs. Ikongo is confident that a rejuvenated NIC will be able to face the challenges that lie ahead with a new optimism ready for the planned privatization of the business in 2004. "We are now talking about a complete break from the past leading to a very different future for the company."



MARGARET T.M. IKONGO
Managing Director of the
National Insurance Corporation
of Tanzania Ltd.

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TANZANIA REVENUE AUTHORITY

HIGHLIGHTS OF THE TANZANIAN TAXATION SYSTEM

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- Attractive corporate and income tax rates
- Significant capital and investment deductions on capital assets under the income tax structure
- All exports are zero rated under the VAT, the standard rate of which is modest

PRINCIPAL TAXES INCLUDE:

Corporate Income Tax	30%
Individual Income Tax	17.5%, 20%, 25%, 30%
Import Duty	0%, 10%, 15%, 25%
Excise Duty on a few items	10%, 30%
VAT standard rate	20%

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Tanzania

7

Converting tourism into the engine of the economy

PROMOTING TANZANIA'S LARGELY UNTAPPED TOURISM SECTOR, WHILE ENSURING THE COUNTRY'S APPEAL AS AN UNSPOILED PARADISE IS NOT LOST TO THE LAND DEVELOPERS, REMAINS A HIGH PRIORITY



KAAYA ELISHILIA D.S.
Managing Director of
the Arusha International
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THE MAJESTIC snow-capped peak of Mount Kilimanjaro and the seemingly endless plains of the Serengeti are undoubtedly two of Africa's most breath-taking sights and both are to be found within the borders of Tanzania.

The Serengeti is, of course, renowned as the home to the greatest wildlife show on earth, with wildebeest, lion, cheetah, and antelope playing the starring roles. The nearby Ngorongoro crater—the jewel in the crown of Tanzania's wildlife sites—provides even more opportunities to witness these magnificent animals at close quarters.

But Tanzania's offer for tourists is not just limited to the chance to see its spectacular wildlife. A coast

lined with miles of pristine white sand beaches lapped by the warm waters of the Indian Ocean and the exotic spice islands of Zanzibar provide major attractions.

Tourism is still a largely untapped resource, but given the country's appeal it has the potential to act as the driving force behind the Tanzanian economy. At present tourism provides some 20% of the country's hard currency earnings and some 15% of its GDP, but the government hopes to double these figures in the first decade of the 21st century.

At the same time it is also keen to avoid the excesses of mass tourism that could end up destroying the natural riches that make the country such an attractive destination in the first place. "Tanzania should safeguard its environment at the same time as developing its tourism. Tourism should not be designed for short term gains, but rather for long term benefits," explains Minister for Natural Resources and Tourism Zakia Hamdani Meghji.

The government is also conscious of the need to make sure that tangible benefits are felt by local communities near the tourist areas. For that reason it insists that a percentage of game park

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Metal manufacturer offers solid investment opportunities

ALUMINIUM AFRICA LIMITED is one of Tanzania's leading industrial enterprises. Present in eleven countries on the continent and over 40 worldwide it specializes in the manufacture of aluminum and steel goods, producing anything from corrugated sheets and steel water pipes to oil drums and aluminum foil.

Founded back in 1960 by the Chandarias, a Kenyan entrepreneurial family, with the aim of developing the country's steel and aluminum industries, Aluminium Africa has grown to become one of the world's largest consumers of the two metals. It now has a workforce of some 500 employees and a worldwide turnover of \$3.5 billion.

Although the Tanzanian government took a majority share in the company in 1973, the Chandarias have re-established control of the company and the government's interest has since been reduced to a 40% holding. Despite its name the company's major interest today is in steel; it no longer manufactures aluminum products for the Tanzanian market because of the high costs and low demands involved.

As Chief Executive Sharad Salgar explains, the company tailors its activities to each country in which it is present. "The core business varies from country to country. For example, in Tanzania it is steel, in Kenya it is bulk steel and aluminum, whereas in Nigeria aluminum is the biggest business."

Mr. Salgar estimates that the company is now working at approximately 60% of its capacity in steel production in Tanzania, but he says an expansion to somewhere close to the 90% mark is envisaged within the next year.

He highlights Tanzania's political stability as the country's major attraction for potential investors and believes that despite the fact that the industrial sector is still very much in its infancy there are significant investment opportunities in mining and agro-business.

Minister of Energy and Minerals E.D. Maokola-Majogo agrees with Mr. Salgar about the opportunities in the mining



E.D. MAOKOLA-MAJOGO Minister of
Energy and Minerals



SHARAD N. SALGAR
Chief Executive of
Aluminium Africa Ltd.

sector. He says that the development of a sustainable mining industry will not only act as a platform for the development of the country's industrial base but will also bring real benefits to the local communities.

"The vision we have is of a strong, vibrant, well-organized

private sector-led mining industry that is conducted in a safe and environmentally sound manner. We also hope to bring benefits to the local people through community-based developments, such as roads, water projects and hospitals."



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For over 30 years, Tanzania Investment Bank (TIB) has helped business grow in all productive sectors of the economy. TIB has contributed to the success of most ventures in Tanzania.

TIB continues to enable businesses to realize their goals in all sectors countrywide. In addition to term loans and trade finance facilities, TIB now offers a range of personal banking services including:

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revenues are set aside to assist in community development initiatives such as schools and health dispensaries.

The government's philosophy is embodied by the type of low volume but high yield tourism encouraged by Serena Hotels. Established in the mid-1970s Serena has realized its initial aim of becoming East Africa's leading hotel group at the same time as fulfilling its other objective of assisting developing countries to expand their economies.



THE BREATHTAKING DIVERSITY of Tanzania, where spectacular wildlife scenery coexists with endless pristine beaches, has enabled Serena Hotels to become East Africa's leading hotel group.

hours from the Kenyan capital Nairobi and has played host to illustrious guests such as former South African president Nelson Mandela and Bill Clinton.

The AICC has been on the international conference map for some 20 years now, but it has only recently become a profitable enterprise. Plans are afoot to extend the city's accommodation facilities with the construction of a five-star hotel and to further improve its business facilities.

Managing Director Kaaya Elishilia believes that the change in fortunes in the center reflects those that have taken place in Tanzania as a whole.

"We have changed direction completely and our focus is now on the integrated global economy. We are keen to promote private enterprise and investment because Tanzania has huge potential."

'Haven of peace' courts business travelers

DAR ES SALAAM is Tanzania's leading city. Its name—which means 'Haven of Peace' in Swahili—derives from its origins as a quiet fishing village. But since the Sultan of Zanzibar's decision in the mid-19th century to turn it into a leading port and trading center, it has expanded into a vibrant and cosmopolitan city made up of a patchwork of cultures past and present.

The bustling seafront with its colorful bazaars, the tranquil botanical gardens and the palm-fringed white sand beaches of nearby Oyster Bay are all part of the city's multiple attractions and

it is easy to see why moves to transfer the capital to the inland city of Dodoma in the 1970s never quite materialized.

Despite expanding into a thriving metropolis of over 4 million people, Dar es Salaam still retains a warm and friendly atmosphere that makes any traveler feel welcome. Just 10 minutes out from the city center, perched on a precipice overlooking the Indian Ocean is the aptly named Sea Cliff Hotel. With all the creature comforts that one would expect from a luxury hotel, the 86-room Sea Cliff has made a name for itself as one of the city's leading

business and social centers.

Its ocean-front location, magnificent swimming pool, thatched bar and tropical gardens make it the perfect place to unwind, while a casino, bowling alley and fitness center provide plenty of scope for the more active guests. If business calls, the Sea Cliff can also accommodate. With top-class facilities, including an executive floor, six conference rooms, and state-of-the-art communication and audio-visual equipment, it is easy to see why it has become the first choice for business travelers to the Tanzanian capital.

The group, which currently operates thirteen luxury hotels, resorts and safari lodges in Kenya, Tanzania and Zanzibar, maintains a clear development philosophy focusing on the creation of local employment and respect for the environment.

Kiawara Camp is a prime example of Serena's approach. Nestling on hill with commanding views over the Western Serengeti, the unobtrusive tented camp provides luxurious accommodation and superb house cuisine in a setting that allows guests to get close to the park's spectacular wildlife.

But Tanzania's offer to travelers is not just restricted to the safari or beach holiday, the country is also home to a major international conference center. There could be few more spectacular venues to stage an important meeting than the Arusha International Conference Centre (AICC). Located in the shadow of Kilimanjaro and at the gateway to the Serengeti, the center boasts top-notch facilities for workshops, seminars and conferences for anything from 10 to 10,000 people.

It is only 45 minutes drive from an international airport and four

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A refreshing proposal

Potable water and an efficient sewage system are what DAWASA, the Dar es Salaam Water & Sewerage Authority, aims to provide to Tanzania's premier city. With privatization imminent, DAWASA is set to become an example of efficiency for the entire nation. A leader, pure and simple.



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