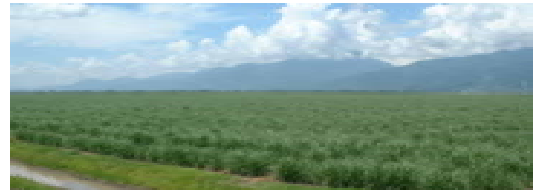




TANZANIA INVESTMENT OPPORTUNITY

SUGAR



Develop modern sugar operations drawing on Tanzania's natural advantages for sugarcane cultivation, and supply the large domestic and regional sugar markets

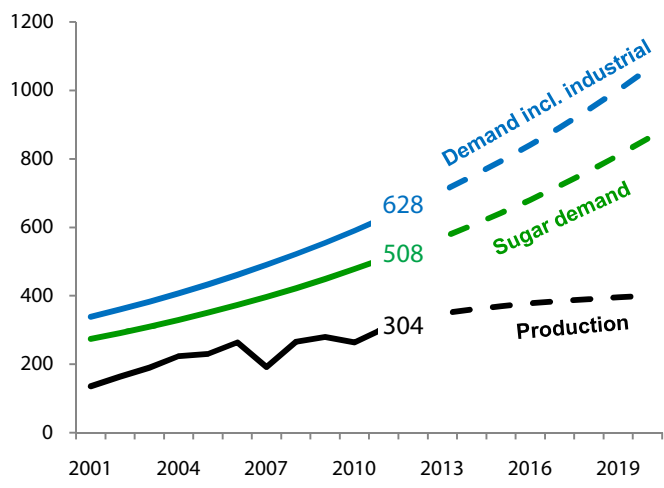
SITUATION

- All 4 existing sugar estates and mills have been rehabilitated by local and international investors and production has increased very fast since privatization in the early 2000's, growing from 135,000 tons in 2001 to 300,000 tons sugar in 2011
- As current estates reach peak production and expansion potential, the government has put a high priority on attracting investors to develop new greenfield sugar projects
- Attesting of the attractiveness of the sector in Tanzania, global sugar industry players already present in Tanzania, Illovo and Tereos, are eager to explore these new opportunities

MARKET OPPORTUNITY

- With rapidly growing population and rising incomes, the Tanzanian sugar market growth is estimated at 6% p.a.
- The current sugar supply gap is approximately 300,000 tons, expected to increase sharply as current estates are limited in their expansion
- An additional 400,000 tons sugar supply gap is observed in the EAC common market region, progressing at >10% p.a., presenting a significant import substitution opportunity within a common market protected by a 30% external tariff
- Booming global ethanol market favouring African producers and the local power market offer strong market opportunities for other sugarcane products and by-products

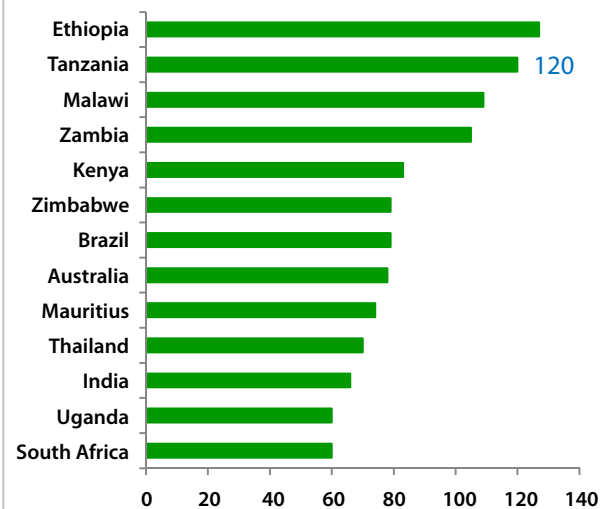
300,000 tons sugar deficit in Tanzania (1000 tons)



TANZANIA'S ADVANTAGE

- With ideal soils and climate for sugar cane production, Tanzania boasts among the highest average cane yields in the World, at 120 tons/ha
- With ample rainfall and generous rivers fed by the high hinterland plateaus, Tanzania has among the best irrigation potential in the sub-region
- Soil and topography in target sugar zones are ideal for industrial sugarcane cultivation, and the government is preparing new sites for greenfield sugar projects
- Under the Southern Agricultural Growth Corridor of Tanzania (SAGCOT), numerous donors (World Bank, USAID, DFID, etc.) are investing in infrastructure and institutional capacity that will benefit investors
- Tanzania is one of the most stable and peaceful stable countries in Africa, with a vibrant democracy, no internal conflicts and very rapid GDP growth
- Bilateral and multilateral agreements are in place to protect investors

Average sugarcane yields, 2010 (t/ha)



We invite you to visit Tanzania to see the opportunity yourself



Juliet Rugeiyamu-Kairuki
 Executive Director | Tanzania Investment Centre
 P.O. Box 938 Dar es Salaam
 email: information@tic.co.tz
 website: www.tic.co.tz

