

## **ANNUAL REPORT 2011/2012**

The Export Processing Zones Authority (EPZA) is happy to present this report which covers the annual performance of the Authority during the financial year 2011/2012. The Tanzanian economic performance during this period under review was generally on a declining trend compared to the performance of 2010/2011. This slowdown in economic growth resulted from power shortages which affected manufacturing and trade sectors. Besides these challenges, EPZA's performance in 2011/2012 was marked by significant achievements by registering twenty (20) EPZ projects which together brought into the country a capital of US\$ 142.2 million, projected annual export revenues of US \$ 83.2 million and 2605 opportunities for direct employment and more than 10,000 indirect employment. The new companies, plus the already registered EPZ companies continued to contribute positively to the Tanzanian economy.

The EPZ program, since 2006 when it was brought under the Authority's supervision has recorded growth in the number of operating enterprises, the number of gazzetted industrial parks, increase export revenues and created more than 16,000 direct jobs. Despite these achievements, the EPZ program continues to face a number of challenges. High cost of operations and production due to unreliable supply of electricity and water made the EPZ operating enterprises uncompetitive in the international markets. Given the status of EPZ/SEZ incentives, ongoing public debates are raising concerns on whether Tax exemptions are a strategy to attract FDIs or are losses in government revenue. This debate is discussed in this report and the Authority has given its views on the matter. EPZA believes year 2012/2013 brings brighter opportunities in terms of attracting investments in EPZ/SEZ.

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