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Tanzanian Ambassador Woos American Investors

DAR ES SALAAM, Tanzania, August 07, 2013 (Tanzania Daily News) - WITH the US government poised to invest billions of dollars in aid to Africa, American companies are in danger of failing to cash in on the new largesse because of fears about the continent's stability, Tanzania's new envoy to the US Liberata Mulamula has cautioned.

Addressing editors and reporters at The Washington Times, Ambassador Mulamula said China, Brazil, Germany and other global competitors are pursuing contracts worth billions of dollars and proposing investments in Tanzania more aggressively than US firms.

She blamed that reaction in part on a monolithic view of Africa by Americans, sometimes fueled by State Department travel warnings that fail to separate peaceful countries like Tanzania from others suffering from civil war and terrorism.

But, President Obama's visit to Tanzania on July 1 as part of his Africa trip brought Tanzania into focus as a peaceful, stable country. "The visit of President Obama put us on the map," she added and said that now she hopes that corporate America will get the message. "American companies have been quite reluctant to engage [in Tanzania]," said Ms Mulamula.

"We have resources, oil and gas. Surprisingly, there is only one American company engaged in gas exploration." The US firm Exxon Mobil Corp., partnering with Norwegian oil group Statoil ASA, has discovered a large deposit of natural gas off the coast of Tanzania.

Tanzania presents other opportunities for investment in sectors that range from telecommunications to tourism and agriculture, Ms Mulamula said. In 2008, Tanzania received \$698 million from the Millennium Challenge Corp., an independent US foreign aid agency that helps lead the fight against global poverty.

The compact aimed to build roads and other infrastructure in the country. No US companies bid for these projects, which eventually were snapped up by Chinese firms. "So [the Chinese] are using American money to build our roads and infrastructure," said the Ambassador.

The corporation's five-year grant ends in September, but Tanzania is eligible to develop proposals for a second grant. The Tanzanian government plans to focus on electrification and building roads in rural areas. "We are hoping and praying that [the money] won't be less," Ms Mulamula said, giving a message for American companies: "There is money from your government. Make use of it."

She said US companies are left behind "not [only] by the Chinese, but by the Brazilians, the British, the South Africans, the Germans, you name it." "American companies have a lot to catch up," she added. On his visit, President Obama announced the Power Africa initiative to

double access to electricity in sub-Saharan Africa. The US will commit over \$7 billion over the next five years to this effort.

"This is big money," said Ms Mulamula, urging US companies to grab the opportunity. She said American companies have been reluctant to avail of opportunities in Tanzania because they were not sensitized. "Also, I think the Americans are not really risk takers," she said. "For many, only now they know that Africa is not one and that when you come to Tanzania.

Tanzania is not Darfur," she said, referring to the conflict-torn western province of Sudan. "They hear a lot about this bad image, which prevents them and they think twice," she added. "They still have this perception that they might invest today, and tomorrow there is nationalization."

Tanzania is one of the world's fastest-growing economies. In conversations with their American counterparts, Tanzanian officials frequently cite the example of the cellphone boom in the country, which US firms missed because of their apprehensions about Africa. "The continent is not still short of conflicts. But don't paint us with the same brush," said Ms Mulamula.

Meanwhile, China, which has a long-standing relationships in Africa, including Tanzania, has steadily increased the size of its footprint on the continent. Chinese President Xi Jinping visited Tanzania in March. "For us, it is a very healthy competition," she said of the efforts by China and the US to woo her country. "When the Chinese came with this new thrust, it caused ripples.

The Chinese, because they have been there, they know the terrain." However, Chinese companies rarely make actual investments. "They are not big investors, yet," she said. Ms Mulamula presented her credentials to Mr Obama on July 18 and met Donald Yamamoto, acting assistant secretary for African affairs, at the State Department.

She said the State Department bore some responsibility for scaring US investors away from her country. "Sometimes you rush to make statements that are really scary travel warnings, the kind of things which other governments don't do, but the American administration is always quick and they don't know what damage they are causing, not only to us but also to American investors," she said.

A State Department official, who spoke on the condition of anonymity, said "travel warnings are part of our commitment to protect US citizens travelling and residing abroad" and include "factual information."

The official said the US applies "a no-double-standard policy to ensure that information about specific, credible and non-countable threats is shared with both the official and non-official US-citizen community." **(This story was originally published by the Tanzania Daily News)**