

Tanzania: Norway - Reliable Development Partner



By Ashery Mkama

DAR ES SALAAM, Tanzania, Sept 23, 2015 (Tanzania Daily News) -- THE official visit to Tanzania last week of more than 50 Norwegian business leaders led by Minister of Trade and Industry, Ms Monica Maeland, has come at a time when bilateral business ties are witnessing strong momentum.

Tanzania has for several decades been one of the most important countries to Norwegian development cooperation. Norway is today heavily involved in climate change issues, strengthening of public revenue management, clean energy, petroleum administration, fiscal matters and research.

"The economic growth in East Africa is creating space for the European country to increase the value of its investment in the region with Tanzania being its priority," said Ms Maeland.

She was speaking at high level meeting on oil and gas which is aimed to make visible the opportunities and contribute to further network development between Norwegian businesses and the East African market.

The seminar on Oil and Gas was entitled: Tanzania Gas development- Status and future perspective. "Norwegian investors are keen to absorb economic potentials available in Tanzania and other East African countries.

The world economy is drifting towards Africa and Asia. "We have to increase investments in this region," she noted. "I am of course glad to say that trade between Norway and Tanzania and all the other member states of the East African Community has already increased substantially the last decade.

"But we think there is an untapped potential for more. And we think that a good way to achieve a good environment for trade and interaction, is through free trade agreements," she added.

While the economy of Europe grows at an average of one per cent annually, that of Tanzania is predicted to grow at a rate of 7.2 per cent this year. East Africa has been performing particularly well during the last decade.

Economic growth has been high and persistent. "Here in Tanzania economic growth has been near 7 per cent for more than a decade. Next year, it is expected to be 7.2 per cent.

"Our traditional trading partners in the US and Europe are lagging behind. In the European Union economic growth is expected to be no more than 1.5 per cent next year," Norwegian minister further said.

"Today, our technological solutions are preferred by fish farmers all over the world, from Vietnam and South Korea, to Brazil and South Africa. And our 30 years of experience has shown us that sustainability is an important prerequisite for continuing to have success in this industry," she added. According to her, the offshore industry is well established in Norway.

"We are major exporters of oil and gas and we use the latest technology. For centuries we have been a maritime nation. Today we produce advanced vessels to an international market," she explained.

Trade relations between Norway and Tanzania have been expanding in recent years with the latter's exports to the European nation rise from 1.6 billion in 2010 to 6.9 billion in 2014, the minister for Foreign Affairs and International Cooperation, Mr Bernard Membe told the participants. Norway's exports to Tanzania rose from 23.3 billion to 73.1 billion in the same period.

Tanzania exports coffee, tea, spices and minerals to Norway while Norway brings in fishing gear and equipment, essential Oil and Gas tools and industrial products. Following discovery of huge gas reserves in Tanzania, currently at over 55Tcf (GIIP), there was a great need of setting up a comprehensive Legal and Regulatory framework for proper management of the resource, says Minister for Energy and Minerals, George Simbachawene.

"The government has therefore embarked on Gas Sector Development Road Map, 2013, Natural Gas Policy, 2013, formulated the Local Content Policy, 2015, formulating the Natural Gas Utilisation Master Plan to develop and utilise natural gas for the best interest of Tanzania," Membe said.

The ministry also embarked on an aggressive capacity building programme to create a critical mass of Tanzanians experts in a shortest possible time to be able to participate and manage the sophisticated and capital intensive oil and gas industry.

"We are grateful to Norway for your significant support on this programme. The Norway supported programme includes scholarships for degree courses (Master and PhDs), strengthening our local universities and Research Institutions to conduct oil and gas curriculum and researches, among others," Mr Simbachawene noted.

The domestic market is foreseen to include power generation (based on the power system Master Plan), Gas industries such as fertilisers, methanol, (GTL), Di Methyl Ether (DME),

methanol to gasoline (MTG) and compressed Natural Gas (CNG) for urban distribution and transportation.

The Norwegian Ambassador to Tanzania Ms Hanne Marie Karstad said her country was committed to supporting Tanzania's target of attaining a middle income status through increased economic partnership between investors from the two countries.

"We believe that our economic partnership should be centered on private sector development. Our priority sectors include aquaculture and energy sectors especially the petroleum sub-sectors," said Ambassador Karstad.

Petroleum Act, 2015 which governs operations in the entire oil and gas value chain from upstream to downstream and includes some main features like, establishing of an Oil and Gas Advisory Bureau (OGAB), creation of a petroleum Upstream Regulatory Authority (PURA), among others. **(END)**