Mr. Jang Bum Shin, President of Korea International Cooperation Agency, (KOICA)

His Excellency. Mr. Young Jun Kim, Ambassador of Korea in Tanzania,

Members of the Korean Delegation,

Distinguished Guests,

Ladies and Gentlemen

1. It gives me great pleasure to welcome you Mr. Jang Bum Shin, President of KOICA and your delegation to Tanzania. The people and Government of Tanzania highly value the bilateral relations between our two countries. Your visit therefore provides an important opportunity for further strengthening these relations. The Government of Tanzania feel very privileged for the decision you made to visit and share our experiences in the various areas of our development agenda, it is my hope that you will enjoy your stay and feel very much at home.
2. **Mr. President**, first of all, I wish to express my Government’s sincere appreciation of your Government’s considerate decision to establish the Office of KOICA in Dar Es Salaam-Tanzania, which is a Development Agency responsible for providing Korea Overseas Development Aid (ODA) in form of grants on behalf of the Korean Government. Furthermore, I wish to take this opportunity to congratulate through you the Government of the Republic of Korea for Mr. Ban Ki-moon who was elected recently as the UN Secretary General. We wish him and his family a very healthy and successful assignment at this High Office of the UN.

3. **Mr. President**, as you may be aware, bilateral cooperation between our two countries of Tanzania and Korea started way back in 1987 when the Economic Development Cooperation Fund (EDCF) was established. The General Agreement between the Government of the Republic of Korea and the Government of the United Republic of Tanzania signed on 1\textsuperscript{st} August 2005, concerning loans from EDCF and Grants from KOICA strengthened further our cooperation. Since then, Tanzania has been receiving EDCF funds for the establishment of four new Regional Vocational Training Centres in the country.

Further, through KOICA, financial assistance in form of grants benefited the projects for Development of Ground Water in Dodoma and Shinyanga regions.
4. On behalf of the people and Government of the United Republic of Tanzania, I would like to take this opportunity to thank your Government and the people of Korea for the support that has been provided to Tanzania. This support would contribute to increasing the number of students at vocational training centres and achieve the goal set to provide clean water to communities.

5. **Mr. President**, I would also like to use this occasion to **brief you about recent Macroeconomic Performance in Tanzania**. The Government attaches great importance to maintenance of macroeconomic stability as a necessary condition for economic growth and for fighting poverty.

6. Tanzania’s sustained economic reforms have generated strong macroeconomic performance over the past ten years despite a number of exogenous shocks including adverse weather conditions, inadequate and unreliable power generation and increase in world market oil prices.

The economy performed well in year 2005, with real GDP growth of 6.8 percent compared with 5.7 percent in 2004, while annual average inflation has remained at around 5 percent over the period.

Domestic revenue performance has benefited from the ongoing tax and customs administration reforms implemented by the Tanzania Revenue Authority (TRA). Despite the power load shedding caused by drought and expensive thermal electricity from IPTL, domestic revenue has increased at an average rate of 17 percent per annum in the past three years.
7. Furthermore in spite of additional costs associated with government’s budget transfers to TANESCO, (the power utility) procurement and distribution of food aid, and higher than anticipated pension outlays, Government expenditure remained on track.

8. **Mr. President**, The National Strategy for Growth and Reduction of Poverty (NSGRP) –commonly known in Kiswahili acronym as MKUKUTA, is a second National framework for putting the focus on poverty reduction high on the country’s agenda. The MKUKUTA is informed by the aspirations of Tanzania’s Development Vision (Vision 2025) for high and shared growth, high quality livelihood, peace, stability and unity, good governance, high quality education and international competitiveness. It is committed to Millennium Development Goals (MDGs), as internationally agreed targets for reducing poverty, hunger, diseases, illiteracy, environmental degradation and discrimination against women by 2015, it strives to widen the space for country ownership and effective participation of civil society, private sector development and fruitful local and external partnership in development and commitment to regional and other international initiatives for social and economic development.

9. The National Strategy for Growth and Reduction of Poverty (NSGRP) **requires increased commitment and resources from domestic stakeholders, development partners, and private sector investment**. To increase the effectiveness of aid, Tanzania will pursue the principles laid down by the Joint Assistance Strategy for Tanzania (JAST) for harmonization and alignment of aid modalities.
10. **Way-forward;**

Mr. President, the Government wishes to encourage KOICA to provide assistance in the following Priority Areas:

(i) **Agro – Processing:**
Support to agro-processing including food processing, leather and textile to bring value addition. Agriculture in Tanzania is dominated by primary production with negligible value addition especially at farm level. Agro – processing would increase rural incomes by adding values to products. Processing also increases the shelf life of products thus offering more marketing opportunities as the commodities may be stored for a longer period. Agro – processing also, offers alternative employment opportunities thereby contributing to poverty alleviation.

A large variety of fruits and vegetables are produced in Tanzania; of the 2.75 million tons of fruits and vegetables produced annually only 4% is processed. Cashew nuts is one of the major cash crops grown in Tanzania with annual average production of 120,000 tons. Only about 10% of the cashew nut is processed in the country. There is a need to rehabilitate the old plants or establishing medium scale processing plants.
(ii) **Export Processing Zones (EPZs)**

The major problem facing the EPZ programme in Tanzania is lack of EPZ developed physical infrastructure (factory buildings, water supply, electricity and telecommunication systems etc). The Government has earmarked various sites for EPZ infrastructural development. However, development of these sites has not been possible due to lack of funds. Therefore, the Government of Tanzania requests the Government of the Republic of Korea to explore a possibility of providing financial support to the Government of Tanzania for developing EPZ infrastructure. Also, joint partnership with local companies is encouraged.

Sectors for EPZ investment include, among others, textile and garments; leather goods; lapidary; agro-processing; wood products; electrical appliances; and information and communication technology (ICT).

11. **As a follow up to the Visit to Korea last year by the President of The United Republic of Tanzania**, the Government would appreciate further support by the Government of Korea through KOICA in the following priority areas:

(i) **Infrastructure** – TENENT Infrastructure Project whose objective is to improve the quality of ICT, research environment of Tanzania education system, and other sectors, and establish highly qualified human resource base in the country. In addition, the project will further improve capacity in bridging the digital divide gap between Tanzania and other (regionally and internationally), as well as between urban areas and rural areas in Tanzania.
(ii) **Manufacturing** – in establishing Samsung industries so as to create employment opportunities for Tanzania and the neighbouring countries in the East Africa Community and the Southern Africa Development Community regions.

(iii) **Energy and Minerals** – investment in extraction of coal mine in Mchuchuma, copper in Mpanda, Nickle and cobalt in the Lake Victoria Zone.

14. **Mr. President,** I have taken long time to share with you the current economic developments in Tanzania, because Korea is an important development partner for Tanzania. I now wish to conclude, by expressing once again our sincere gratitudes to you for the visit to our country and for giving us the opportunity to be your host today. I believe your visit will further strengthen our bilateral relations, for the benefit of the peoples of Korea and Tanzania.

*I Thank You Very Much for Your Attention.*  
*Asante sana.*