

**SPEECH BY HONOURABLE MIZENGO P. PINDA (MP), PRIME
MINISTER OF THE UNITED REPUBLIC OF TANZANIA AT THE
OPENING OF REPOA'S 20TH ANNUAL RESEARCH WORKSHOP
DAR ES SALAAM, 25TH MARCH 2015**

Professor Yadon Kohi, Chairman of the Board of Directors of
REPOA;

Honourable Ministers, Deputy Ministers, Members of Parliament
and Regional Commissioners;

Excellences, Ambassadors and Members of the Diplomatic Corps
Present;

Your Excellency representative of development partners for
REPOA;

Professor Samuel Wangwe, Executive Director of REPOA;

Prof. Anthony Venables from the Oxford Centre for the Analysis of
Resource Rich Countries

Prof. Ragnar Torvik from the Norwegian University of Science and
Technology

Distinguished Guests;

Ladies and Gentlemen;

Introduction

I am greatly honoured to have this opportunity to participate at **REPOA's 20th Annual Research Workshop**. I understand that previously you invited His Excellency, Dr. Jakaya Mrisho Kikwete, ^{the} President of the United Republic of Tanzania as guest of Honour to Officiate opening ceremony of this Workshop, but due to other equally important engagements he is unable to do so. However, I am here to represent him. President wishes this workshop fruitfull [✓]discussion.

Ladies and Gentlemen,

[✓] This workshop which comes every year is an important events where a broad spectrum of stakeholders discuss research findings and debate how these findings inform our national development policies and their outcomes. I am also very pleased that Research on Poverty Alleviation (REPOA), as a Tanzanian based Think-

Tank, has taken a very proactive role in promoting evidence-based dialogue, and has sustained its work for twenty years. Let me tack this opportunity to congratulate you for the achievements up to this stage. ✓

I also note the presence of participants from outside Tanzania, which include the two keynote speakers from the leading academic and research institutions. ^{let me} take this opportunity to welcome all those from outside Tanzania. I invite you to share your experiences on this subject, and thereafter to take the time to enjoy the various natural attractions Tanzania has to offer, along the natural ✓hospitality of its people.

Ladies and Gentlemen,

The theme for this workshop, “**Harnessing Natural Resources for Socioeconomic Transformation**” is very timely and appropriate. ^{important topic.} I am also very pleased that REPOA responded to work on this

thematic area which His Excellency Dr. Jakaya Mrisho Kikwete, the President of the United Republic of Tanzania challenged you to do when opening the 19th Annual Research Workshop. I have taken note of the presence at this workshop where he have a diverse also stakeholders of development, representing politicians, policy makers, research and academia, civil society organizations, development partners, and the private sector.

Tanzania Development Agenda

Mr. Chairman and Distinguished Participants;

Tanzania's development aspirations are well spelled out in our National Development Vision 2025, which targets to transform Tanzania as a middle income country with a dynamic and competitive economy by 2025. We have made some progress in the transformation process, as some changes are now very obvious. For example, the share of agriculture in the real economy has continued to decline, from more the 30 percent in the 1990s to

21 percent in 2013. Industry, which comprises mining, manufacturing, power and construction, has increased from below 18 percent to 22 percent in 2013. Services, which include communications, transport, trade and administration has continued to expand, reaching 50.5 percent in 2013.

Ladies and Gentlemen,

Our sources of foreign exchange have also changed very dramatically, reducing the dependency on the traditional export commodities that prevailed for over four decades of independency. Today, 90 percent of foreign exchange comes from the non-traditional exports. Of non-traditional sources, the leading ones are tourism, (25 percent), Gold (21 percent) Manufacturing (20 percent) and Transit Trade (10 percent). These developments led to think harder on how we can sustain momentum for structural transformation, in particular by reducing dependency on exports of raw commodities and promoting natural resource based

✓ industrialization. Very luckily, our country is endowed with vast and diverse forms of natural resources, including wildlife, agricultural land, forestry, minerals, and recently, large deposits of natural gas.

Gas Discoveries and Development

Mr. Chairman and Distinguished Participants,

✓ Recent expansion of exploration work in Tanzania has resulted into significant discoveries, at present approximated at 53 Trillion Cubic Feet (TCF) of gas in place. These discoveries have generated increased employment in the sector, Foreign Direct Investment (FDIs) and revenue flows to the government as well as to the private sector. But this is just the beginning.

✓ While the first discovery was made in 1974 in Songo Songo and subsequently in Mnazi Bay in 1982, the bulky of these resources were discovered in the deep sea between 2010 and 2014.

✓ Discussions on the best options of utilizing and developing these resources between the Government and the International Oil Companies are on-going. Such decisions, mobilization and implementation will take time, but preparations are very important. That is why ^{the} ~~my~~ Government ^{of T2} has continued to put in place policies, laws and regulations that will govern various activities in the oil and gas value chain. These include the Natural Gas Policy adopted in 2013, the Natural Gas Utilization Master Plan and Natural Gas Act, ✓ both in advanced stage of preparation.

Petroleum Act

Mr. Chairman,

✓ The Petroleum (Exploration and Production) Act of 1980 is also under review to allow it take into account new developments, which include technological advancements and changes in global industry practice. We are also in the advanced stage of preparing Local Content Policy, which will serve to ensure that Tanzanians

participate adequately in all value chains of the oil and gas industry. We are also restructuring our national oil company, TPDC, to allow it to compete more effectively as a commercial oil company, and reviewing our institutional arrangements so that we have clear separation of roles of policy making, regulating, and commercial activities. These reform, policies, and legislations are necessary for ensuring optimal utilization of natural resources.

Importance of Research and Development,

Mr. Chairman and Distinguished Participants

Effective development of policies, legislations, and reforms requires evidence, which can only be produced through credible research. Research can also serve to provide evidence on outcomes of various policies and interventions, whether positive or negative, so that corrective measures are undertaken as appropriate. REPOA, *therefore* a Tanzanian Think Tank is good position to play this role, as this

workshop today demonstrates. My Government is very pleased with the efforts that REPOA and other national research organizations are doing to impart knowledge, and continuous and stronger linkage between knowledge generation and policy development. I also urge the research results are disseminated as widely as possible to the Tanzanian community, in order to raise awareness and help in managing expectations.

It is also necessary that Tanzanians understand how to participate in the sector, directly or indirectly, and the difference between participation and benefits. While participation depends on the relevance of skills and technology, capital availability, and the extent of local content development in the oil and gas subsector, benefits must accrue to all Tanzanians, as our Natural Gas Policy clearly state.

Challenges

Mr. Chairman and Distinguished Participants;

While we anticipate significant socio-economic transformation and inclusive development, leveraged by our natural gas and other natural resources, there are challenges that we must confront. The exploitation of these resources requires massive amounts of capital ^{as well as} and technology that we do not have in the country. There are some specialised skills needs that we are yet to develop, although we have accelerated our training programmes.

There rapid evolution in technology and the global demand and supply conditions are changing day by day, which increase uncertainty on the future value of our resources. Recent declines in gold and oil prices also are good examples of such uncertainties. However, we must still engage proactively in development these resources and deal with risks and uncertainties.

In doing so, we must engage with international capital sources, technology and skills, with international oil companies, and also with foreign governments. However, we must do so consciously and strategically, ensuring maximum transfer of skills and ^{as well as} technology, accumulation of capital, and development of our own private sector. This means that we must design better and more proactive ways of engaging with these important partners.

Ladies and Gentlemen,

It is my hope that this workshop will also bring up innovative ideas on how this process can be made to work. Our private sector must also be prepared to build the skill base and adapt best business practice and ethics that will allow them to compete effectively. The Government will play its role in creating and maintaining the right incentives and the business environment to promote fair competition, while supporting our nascent private to grow into a

dynamic and vibrant sector that we need to create jobs and accumulate wealth.

Conclusion

excl **Mr. Chairman and Distinguished Participants;**

I believe that I have highlighted the importance of leveraging on our natural resources to accelerate structural and socio transformation that is key to ensuring inclusive development. For this to happen, we need cooperation and proactive engagement of all key stakeholders. We also need the support of the Tanzanian community in general. What we need right at the beginning is to change our attitudes and mind-sets by orienting them towards development. It is the discipline we need to converge towards common vision of fast and significant transformation for inclusive development. We must be prepared to sacrifice behaviours and norms that we like, but deter us from progress. We must step up

our moral values to create conscious sense of accountability to ourselves, our communities, and our future generation.

I urge all of you present here today to deliberate critically, and to come with solid forward-looking deliberations on how this country can avoid the natural resource curse, avoid the mistakes of others, and leverage on our vast natural resources to leap-frog to the next level of development as aspired in the National Development Vision 2015. We need to learn from our own history of managing natural resource, we need to have alternative paths ^{which ok} ~~did~~ other countries pursue and we must know how each stakeholder do and what not to do to achieve the desired development goals.

Mr. Chairman and Distinguished Participants;

In closing, I wish to recognize again the important work that REPOA is doing to generate new knowledge and informing public debate. I understand that today REPOA is marking its 20th

Anniversary since it became operational in 1995. I congratulate you for your outstanding achievement and urge you to continue with the good work you are doing.

I would like to assure REPOA ^{the} ~~my~~ government's ^{of Tanzania} continued support in different ways to make it one of the best Think Tanks in Africa, as you were recently ranked as the 18th best Think Tank in Africa, and among the top three in East Africa. I extend my heartfelt appreciation on behalf of the Government of Tanzania to the Governments of the countries providing financial support to REPOA since its establishment.

I also thank the Think Tank Initiative administered by the International Development Research Centre (IDRC) of Canada for their support. Your continued support is the evidence of the trust you have on the credibility of REPOA, and this gives us assurance of continued access to high quality policy research, capacity