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'Stop downplaying private sector role'

By Lusekelo Philemon, Dodoma

THE Parliamentary Committee on Economic Affairs, Industry and Trade yesterday asked the government to stop downplaying the role of Tanzania's private sector in the country's oil and gas economy.

Luhaga Mpina the chairperson of the committee made the call here when contributing to the debate of the 2014/2015 budget estimates of the Ministry of Industry and Trade.

The MP said there is a

growing tendency by some ministers to say that Tanzanians have no ability to invest in the natural gas economy and instead they should stick to investing in juice making activities.

"This is very wrong

perception...and it is shameful for the government to ignore Tanzanians who in principle are the owners of the gas resource, and instead focus attention on foreign private investors, who come here with their briefcases and are handed our national resources," he said.

Mpina who is also Kisesa MP said there are ministers who poke fun at Tanzanians, describing them as unable to invest in the gas sub-sector as their money is only enough to make juice. They go further to prescribe that participation of Tanzanians — be through Tanzania Petroleum

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Development Corporation (TPDC) and National Development Corporation (NDC).

The MP said: "The government partnered with different companies and sold its shares, a move that has removed participation of local Tanzanians, even the one which was to be through the government."

The parliamentary chairperson said many countries across the globe such as Norway, prepared their people to participate in the gas economy, by ensuring that there were friendly laws that protected business ventures of their people and enabled them to invest in the sub-sector.

"Norwegians put in place laws that ensure all gas supplies are handled by local businessmen and empowered its people to supply the product at international and competitive standards."

Mpina noted cheap dishing out of resources is one of the reasons why Tanzania is among the 49 poorest countries in the world. "This is what put Tanzania, the richest in resources in the east African region, in the same group with the small countries of Malawi and Burkina Faso," he said.

The lawmaker commended the Tanzania Private Sector Foundation

(TPSF), under the chairmanship of Dr Reginald Mengi, in the way it has been fighting for the participation of Tanzanians in national resources.

The Parliamentary committee also asked the government to apologise to Tanzanians for the remarks of some ministers that 'wananchi' have no ability to invest in the country's resources.

"It is the responsibility of the government to empower its people with capital and technology. And it should be remembered that this is one of CCM manifestos for the 2010-2015 election and Five-year development plan (2010/11-2015/16).

Mpina called on the Tanzania National Business Council (TNBC) and TPSF, to accomplish in time the task of analysing how Tanzanians would effectively participate in the gas and oil sector and submit it before the committee for further action.

"It is our hope that the analysis will enable Tanzanians to actively take part in owning, investing and running businesses in the country."

The MP said areas that need local content include minerals, gas, oil, agriculture, tourism, telecommunication, construction, supermarkets, and public procurement.

The Parliamentary committee chairperson disclosed that there are 23

foreign banks, which are not registered in the Dar es Salaam Stock Exchange (DSE), leaving no room for Tanzanians to buy shares in those banks.

Mpina also said that there are supermarkets which have continued to sell imported products like fruits, meat, chicken and vegetables.

"To us, this is wrong and needs to be discouraged as most of the products are available in the country," Mpina said, adding that most of the big tenders are given to foreign companies, and for those offered to locals, payments take too long to be settled.

The legislator said for the past five years, suppliers and engineers haven't been paid about 1.3trn/-.

He said many large investment projects such as coal and iron projects of Mchuchuma-Liganga where the government owns 20 percent, but foreign company SHCL owns 80 percent of shares do not have provision for local content.

He also said in many mining projects Tanzanians are given peanuts while foreign companies are offered large chunks of blocks.

Several times, Minister for Energy and Minerals, Prof Sospeter Muhongo, has been quoted saying Tanzanians only have the ability to make juice and have no ability to invest in the gas economy.