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## How EAC can profit from key trade pact

The East African Community (EAC) stands to benefit from the recently unveiled African free trade area if it consolidates its internal market, according to the East African Business Council (EABC). "Failure to remove trade impediments means that our bloc will remain weakened," EABC executive director Lillian Awinja said yesterday. She told *The Citizen* that the African Continental Free Trade Area (AfCFTA) unveiled in Kigali last week could pull some EAC states into the new pact at the expense of their trade relations. "This means the benefits going elsewhere...to the rest of African market instead of our internal market," she said on the sidelines of a regional workshop on trade between EAC and the outside world. AfCFTA was launched by leaders of the African Union (AU) member states in Kigali on March 21, and the continental body hopes that it will be the world's largest single market with a cumulative GDP of \$3.4 trillion. The milestone agreement is seen as a key part of AU's long-term development plan, Agenda 2063, which mils for easing of trade and travel across the continent. The pact came in the wake of advanced talks on a tripartite trade area comprising the EAC, Common Market for Eastern and Southern Africa (Comesa) and South African Development Community (Sade), constituting more than 60 per cent of Africa's GDP and half of the continent's population of 1.2 billion. "*The Citizen, National News Pg.2*"

## Foreign investors purchase more TBL, Vodacom shares

Local investors are continuing to release their TBL and Vodacom Tanzania shares, which allowed an entrance of foreign investors. The Dar es Salaam Stock Exchange (DSE) daily market reports show that during the first two days of this week, shares valued Sh350 million were floated by local investors of which the largest number were gabbbed by foreign investors. The reports shows that out of the total turnover amounted nearly Sh350 million recorded during the first two days of the week, Sh329 million were injected by foreign investors. Analysts say TBL has been a target for foreign investors for a long time and Vodacom will experience the same trend in future, as telecom is among of the sector targeted by equity investors. Companies which floated the highest value of the share during the period were Tanzania Breweries Limited (TBL) with Sh174 million followed by Vodacom with Sh157 million. Share prices for both companies improved this week as TBL sold shares at a price of Sh15,000 from Sh14,000 last week, while Vodacom shares traded at the highest price of Sh800 earlier this week from 750 last week. "*The Citizen, businesszone Pg.21*"

## Economists alarmed by rise in number of dependants

Economists are alarmed by Tanzania's high age dependency ratio, saying it will strain the government budget. In a bid to cope with the situation, they warn that a few taxpayers will be overtaxed to have funds to undertake crucial government programmes. The dependency ratio is a measure showing the number of dependants, aged zero to 14 and over the age of 65, to the total population, aged 15 to 64. The experts' warning comes hard on the heels of a National Bureau of Statistics report that projects a 92 per cent age dependency ratio this year. Moreover, the population is forecast to hit 54.2 million. "Pressures on government finances could lead to higher tax rates on a declining working population, creating disincentives to work and reducing disposable income," Repoa Strategic Research director Abel Kinyondo told *The Citizen* last week. "In a globalised world with no restrictions on capital flows, where nations compete for investment and where multinational firms can and move money around at the ton of a button, tax burden m1 threaten investors." According to Dr Kinyondo, if an economy experiences a faster rise in population and dependency ratio, it could affect its international competitiveness. With a smaller pool of workers and greater tax burden, productivity may be lower, lead to a decline in competitiveness, he explained. "*The Citizen, Business Week Pg.13*"

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