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NOTES ON INTERNATIONAL FIRMS IN TANZANIA

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The purpose of this article is mainly to present empirical information about foreign investment in Tanzania, which will be useful to those interested in the Tanzanian political economy. This data, which is mainly presented in Table 2 was partly collected in the course of other research on Tanzania industrial development (Barker, Bhagavan, Mitchke-Collande, & Wield, 1974-75), and later updated and amplified. A knowledge of what foreign investment exists in an underdeveloped country is clearly an important prerequisite to seeing the structure of the political economy. Quantities of capital which are extremely small compared with the investments of U.S. and Western European firms based in those countries, may in the underdeveloped country play an important role in shaping social, economic and political reality.

The text puts the list of firms in context by showing the historical setting in which investment has taken place in Tanzania, and by examining how much of total capital investment is foreign-owned. It looks at international monetary strategy only marginally. It is difficult of course to divorce the investments of firms from the international monetary system as a whole, since for example the policies and activities of agencies such as the World Bank and the International Monetary Fund are crucially important in fashioning the political environment within which international firms can operate (Payer, 1974). The express purpose of the World Bank is to act "as a safe bridge over which capital can move". (The World Bank Group, 1974).

Nonetheless, study of the activities and influence of international firms in specific underdeveloped countries is important, since only thus can we see specific forms of the relationship and understand its effects.

Investment in Tanganyika pre-1945

Tanganyika (German East Africa) was penetrated by explorers, missionaries and traders in the period 1850-1885. The first German firm established itself

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in Zanzibar in 1849 and by 1971 one-quarter of Zanzibar trade was with Germany. Tobacco and sugar plantations were started in the 1880's in Pangani; in the 1890's sugar plantations were set up in the East Usambaras, and sisal planting started a few years later. By 1912 there were 750 European plantations, mostly owned by individual settlers. Industrial development around this time was on a very small scale and concentrated on first-stage processing of primary products for export, and provision of a few consumer goods for the settlers.

The tendency towards a settler economy was blunted by the First World War and then takeover by the British. The fact that the settler community thereafter remained small meant that there was little pressure for, or capacity to promote, industrialisation. In any case British colonial policy was to actively discourage any moves from primary production to industrial processing or import substitution. Furthermore, in the period between the war, Kenya with its larger settler community, became established as the centre for such industry as there was in the British colonies of East Africa. By 1945 the largest foreign investments were in the primary production sector in trading (mainly import-export). Much trading was also centred on Nairobi. All sisal exports for example were controlled through Nairobi by Ralli Brothers. Local capital (owned largely by businessmen of Asian descent) concentrated on petty trading, though as early as 1947 the Indian Chamber of Merchants called for a move into industry and agriculture 'for the greater economic security of the Indian community' (Honey, 1973). These aspirations were however limited by both British colonial interests and the dominance of Kenya. Local capital owned factories producing soft drinks and soap, cotton ginneries and saw-mills, and a few of the bigger businessmen owned plantations, the largest being Karimjee-Jivanjee. Amboni sisal estates were started in 1922, Tanganyika Planting Co., the large sugar-growing farm, dates from a similar time. Import-export firms included Howse and McGeorge, Jos. Hansen und Soehne, and the Hagemeyer Trading Corporation, all of which were owned by European firms operating through Nairobi.

The few industries included machine repair, cigarettes and brewing; the Dar es Salaam branch of what is now Tanzanian Breweries was opened in 1924. Nyanza Salt Mines date from 1927 and Williamson Diamonds Ltd. opened in 1942.

1945-1961 (Independence)

Despite the fact that Kenya remained the real focus for East African economic activity, this was a prosperous period for Tanganyika. Foreign investment rose, reflecting the post-war expansion of European capitalism and the freedom of movement allowed to multinational capital at this time. Post-war shortage of both raw materials and products led to expansion in Tanzania in industry and on other sectors. Trading companies expanded and increased.

The number of manufacturing establishments with more than ten employees, rose from 101 in 1946 to 380 in 1960. A few, such as Robbialac paint, were involved in the production of goods for local use. Others however, such as Tanganyika Packers were export-oriented in that the canned meat and other products were handled as exports for Liebig's Extract of Beef Company, while Metal Box was set up to produce the cans. Plantation agriculture expanded, especially in tea. Sisal production grew, from 111,000 tons in 1945 to 186,000 tons in 1961. The ground-nut scheme of 1947 was doomed to failure, but in any case as Leys points out, Kenya, offering better 'financial, technical, recreational and communications facilities' in fact benefited from a large proportion of the £35 million investment (Leys, 1975).

The largest enterprises were all foreign-owned. One firm tended to have virtual control of each sector of exports; thus Tancot Ltd. handled cotton, Brooke Bond handled Coffee and Mitchell Cotts handled pyrethrum and tea exports. The smaller and medium-sized enterprises involved capital originating in East Africa, largely from the Kenyan settlers and the Asian businessmen. Both these groups expanded their interests in this period, the latter group continuing to try to move from trade into industry.

1961-1967 (Independence to the Arusha Declaration)

After Independence Tanzania began to break some of her bonds with Kenya, and growth was quite rapid in finance, real estate, trading and manufacturing industry. There were big investments by foreign capital in some sectors of industry; thus during this period all the major textile mills were started. Tanganyika Sisal Spinning Co. and other rope manufacturers were initiated, as was British American Tobacco. Some investment was in import substitution, such as Philips (EA) Ltd. assembling radios, Tanzania Oxygen, Hoechst and Fisons and Tiper oil refinery. The cement factory, later nationalised, also

dated from this period. Tiper is one of the few joint ventures in which the government was involved in this period.

Kenyan settler capital also expanded in finance, trading and motor repairs. Many East African businessmen were quick to seize the opportunities presented by the new government investment incentives, to move from commerce into industry. During this time the Madhvani (Uganda based) group invested in breweries (they started the Arusha branch of what is now Tanzania Breweries), sugar, glass and soap manufacturies, and milling. Karimjee Jivanjee joined the move into sisal spinning with their investment in T.I.C., while the Chandaria family, based in Kenya, invested in a large project Aluminium Africa Ltd., which catered for the whole East African market. Private African capital was almost non-existent.

1967 - Present

This is the period of state intervention. Following the nationalisations which took place immediately after the Arusha Declaration, the state has held control of decisions about investment in the Tanzanian economy, and has taken over majority shareholdings in more of the pre-existing companies. The major investments since 1967, such as the fertilizer plant, tyre factory and steel rolling mills have all been set up on the basis of state capital in partnership with multinational capital (Barker et al, 1974-5). The norm is for the multinational partner to supply the technical and management expertise, which is of course in accordance with the most modern capitalist technique of controlling means of production without necessarily owning them, and has been explored in some detail by Shivji (Shivji, 1974). It is interesting however, that some of the largest foreign companies, such as Tanganyika Planting Co. and Amboni Estates Ltd., have not been nationalised and retain 100% ownership of their enterprises in Tanzania.

About half of all foreign investment is by now in enterprises owned jointly with the state. There is still clearly a role for the totally foreign private company. Firms in our list such as Associated Battery Manufacturers, Henkel Chemicals, Pearl and Dean Insurance Co., Saddolin's Paint, Tetrapack, Amboni Plastics (and about a dozen more), have all been set up post-Arusha Declaration. These are typically rather small investment in terms of capital as compared with the joint ventures. Hemraj Bharmal (T) Ltd. re-

presents the only recent investment of capital of Kenyan origin. A number of the post 1967 investments (Kilima Bottles, Pattex Knitwear, Perma-Sharp and Tangwood) were set up primarily on the basis of the capital of small local enterprises in partnership with TDFL.¹

Magnitude of Foreign Capital Investment in Tanzania

There are 5,200 registered companies in Tanzania (a high, but unknown proportion of which are dormant). Table 2. lists 140 wholly private companies which are in operation, and 94 firms in which private capital and state capital is involved jointly. There must be more firms in which Kenyan capital is involved, but these were the most difficult to detect.

In order to obtain some idea of the importance of foreign investment in the Tanzanian economy, we looked at the equity capital investment figures for over 300 of the biggest companies registered (Table 1.)

Table 1.: Ownership of equity capital of Tanzania's largest firms, 1974.

	<u>Source of capital.</u>	
	M.Sh.	% Total
Local capital invested in wholly private enterprises	69	4
Foreign private capital invested in wholly private enterprises	410	25
Foreign private capital invested in enterprises in which the state also has a holding	373	23
State capital invested in enterprises in which foreign private capital also has a holding	379	23
State capital invested in 100% state-owned enterprises	420	25

Total capital formation in industry by 1972 was a little less than 2,000 million shillings, of which companies with government share investments of one sort or another constituted 800 million shillings.² Hveem (1975) quotes the stock of foreign (private) direct investments in Africa in 1972 as \$65 million, a figure which is much less than (only about two-thirds of) the 783 million shillings we have confirmed for the 300 odd biggest companies.

We can therefore conclude that the companies included in our calculation represent a substantial proportion of investment in Tanzania. Of course, the method of counting only equity investment means that our total is reduced by capital which is actually tied up in loans. Since much more loan capital will

have been obtained for new projects with joint state interest, this would tend to diminish the foreign investment fraction. On the other hand older companies have lower equity capital investment for similar assets than the newer companies with state involvement. We have assumed that these cancel each other out.

We can conclude that foreign capital represents somewhere near one half of all investment in Tanzania.

Table 2: Tanzanian firms which are wholly owned by private foreign capital

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Achelis Motorex (T) Ltd.	Joh. Achelis & Soehne	F.R.G.	100
Achelis (T) Ltd.	Joh. Achelis & Soehne	F.R.G.	100
Afcot Ltd.	Lonrho Ltd. (3)	U.K.	100
African Commodities (Tanzania) Ltd. (d)	Bowater Corporation	U.K.	
African Mercantile Co. Overseas Ltd.	Inchcape & Co. Ltd.	U.K.	
Afriventures (T) Ltd.	Olin Corporation	U.S.A.	50
Ambangulu Tea Estates Ltd.	Mitchell Cotts Group Ltd.	U.K.	
Amboni Estates Ltd.	Schoeller Ltd., Zurich (4)	Switzerland	
Argonaut Investment Ltd.	Assam Investment Ltd.	U.K.	
Assam Consolidated Tea Estates	Yule Catto & Co. Ltd.	U.K.	
Associated Battery Manufacturers (T) Ltd.	1) Inchcape & Co. Ltd. 2) Lucas Industries Ltd.	U.K. U.K.	
Blackwood Hodge (T) Ltd.	John Blackwood Hodge & Co. Ltd.	U.K.	100
The Boots Company (T) Ltd.	The Boots Company Ltd.	U.K.	100
Brooke Bond Liebig (T) Ltd.	Brooke Bond Liebig Ltd.	U.K.	100
Brooke Bond Oxo (T) Ltd.	Brooke Bond Liebig Ltd.	U.K.	100
Bruce (Tanzania) Ltd.	Lonrho Ltd.	U.K.	100
Burns & Blane (T) Ltd.	Lonrho Ltd.	U.K.	100
Burroughs Wellcome (T) Ltd. (d)	The Wellcome Foundation Ltd.	U.K.	100
Caltex Oil (T) Ltd.	Caltex Petroleum Corp.	U.S.A.	100
R.S. Campbell & Co. (T) Ltd.	C.T. Bouring & Co. Ltd.	U.K.	100

Table 2: Continued

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Holland Africa Line Agency (Tanzania) Ltd.	SM Nederlandsche Scheepvaart Unie NV	Holland	100
Holman Brothers (T) Ltd.	International Compressed Air Co. Ltd.	U.K.	100
Holman & Wilson Tanganyika Insurances Ltd.	Shipping Industrial Holdings Ltd.	U.K.	100
International Computers (T) Ltd.	International Computers Holdings Ltd.	U.K.	100
International Gems Tanzania Ltd.	International Minerals & Chemicals Corp.	U.S.A.	100
Izal (Tanganyika) Ltd.	Sterling Drug Inc.	U.S.A.	100
James Warren & Co. (T) Ltd.	James Warren & Co. Ltd.	U.K.	100
J.W. Kearsley	Powell-Duffryn Ltd.	U.K.	100
Kingolbrew	Lonrho Ltd.	U.K.	100
Leyland Albion (T) Ltd.	British Leyland International Ltd.	U.K.	100
Leyland Paints (T) Ltd.	British & Commonwealth Shipping Co. Ltd.	U.K.	100
Lombard Banking Tanganyika Ltd.	National Westminster Bank Ltd.	U.K.	100
Lombard Tanganyika Ltd.	National Westminster Bank Ltd.	U.K.	100
Longman Tanzania Ltd.	S. Pearson & Son Ltd.	U.K.	100
Lugongo Estates Ltd.	N.V. Rubber Cultuur Mij 'Amsterdam'	Holland	100
Mansoor Daya Chemicals Ltd.	Arthur Guinness Sons & Co. Ltd.	U.K.	33
Maramba Estates Ltd.	1) Commonwealth Development corporation 2) Holland Tanganyika Compagnie NV 3) Beheern Exploitatiemij, Vavasieur Nederland (BEM) N.V.	U.K. Holland Holland	
The Maritime Co. of East Africa (Tanzania) Ltd.	Ellerman Lines Ltd.	U.K.	100
Maritime Forwarders (T) Ltd.	Ellerman Lines Ltd.	U.K.	
The Maritime Shipping & Trading Co. Ltd.	Slater Walker Ltd.	U.K.	100
Marshalls (T) Ltd.	Marshalls Universal Ltd.	U.K.	100

Table 2: Continued

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Matsushita Electric Co. (E.A.) Ltd.	Matsushita Electrical Co.	Japan	100
Metalock (E.A.) Ltd.	Lonrho Ltd.	U.K.	100
Mica Mining (T) Ltd.	General Electric Co.	U.K.	100
Michelin Tanzania Ltd.	Cie Generale des Ets Michelin	France	100
J.H. Minet & Co. (T) Ltd.	Minet Holding Ltd.	U.K.	100
Mitchell Cotts & Co. (T) Ltd.	Mitchell Cotts Group Ltd.	U.K.	100
Mobil Oil Tanzania Ltd.	Mobil Oil Corp.	U.S.A.	100
J.L. Morison Son & Jones Ltd.	Arthur Guinness Son & Co. Ltd.	U.K.	100
Motor Mart (T) Ltd.	Lonrho Ltd.	U.K.	100
The Motor Service (T) Ltd	Lonrho Ltd.	U.K.	100
Mufindi Tea Co. Ltd.	1) Lonrho Ltd. 2) Yule Catto & Co. Ltd.	U.K. U.K.	
National Tours Ltd.	Lonrho Ltd.	U.K.	100
Naumann Gepp (T) Ltd.	Bowater Corporation	U.K.	100
Neon & General Signs Ltd.	Lonrho Ltd.	U.K.	100
N rconsult	Norconsult AS	Norway	100
Pearl & Dean (T) Ltd.	Lion International Ltd.	U.K.	100
Ralli Brothers (T) Ltd.	Bowater Corporation	U.K.	100
Ralli Estates Ltd.	Charco Fund Ltd.	U.K.	100
Ralucot (T) Ltd.	Bowater Corporation	U.K.	100
Rank Xerox (T) Ltd (d)	Xerox Corporation	U.S.A.	100
Reckitt & Colman Industries (T) Ltd.	Reckitt & Colman Ltd.	U.K.	100
Rentokil Laboratories	Rentokil Group Ltd.	U.K.	100
Robbialac Paints Ltd.	1) Forbwerke Hoechst AG 2) Wigglesworth & Co. Ltd.	F.R.G. U.K.	80 20
Sadolins Paints (T) Ltd.	Sadolin og Holmblad A/S	Denmark	100
Savings & Loan (T) Ltd.	Pearl Assurance Co. Ltd.	U.K.	100
Simba Plastics	1) Private businessmen 2) T.D.F.L.	F.R.G.	60 26
Simpson & Whitelaw (T) Ltd.	Mitchell Cotts Group Ltd.	U.K.	100
Sisal Kamba Spinning Co. Ltd.	P. Baumhuter O.H.G.	F.R.G.	100

Table 2: Continued

<u>Tanzanian</u> <u>Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age</u> <u>holding</u>
Stationery Office Supplies Ltd.	Lonrho Ltd.	U.K.	100
Stirling-Astaldi (Coast) Ltd.	Stirling Astaldi Ltd.	London	100
Stone Valley Tea Co. Ltd.	Lonrho Ltd.	U.K.	100
Tancot House	Lonrho Ltd.	U.K.	100
Tanganyika Concessions Ltd.	1) S.A. General de Belgique 2) S.A. Belge de Participations et de Gestion D'Enterprises Electriques, Industrielles et Commerciales	Belgium	
Tanganyika Corundum Corp. Ltd.	International Minerals & Chemicals Corp.	U.S.A.	100
Tanganyika Cotton Co. Ltd.	Lonrho Ltd.	U.K.	100
Tanganyika Motors Ltd.	Marshalls Universal Ltd.	U.K.	100
Tanganyika Sisal Spinning Co. Ltd.	1) P. Baumhuter O.H.G. 2) Deutsche Gesellschaft fur Wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) 3) United Rope Works 4) Vereinigde Touwfabrieken	F.R.G. D.E.G. Holland/ F.R.G./ Belgium Holland	
Tanganyika Standard	Lonrho Ltd.	U.K.	100
Tangasem	L. Clause, S.A.	France	100
Tanzania Motor Corp. Ltd.	Lonrho Ltd.	U.K.	100
Tanzania Orchards Ltd. (d)	Marshalls Universal Ltd.	U.K.	100
Tanzania Oxygen	British Oxygen	U.K.	100
Tanzania Tea Blenders Ltd.	Brooke Bond Liebig Ltd.	U.K.	100
Tanzania Transit Co. Ltd.	Bowater Corporation	U.K.	100
Tanzania Vehicle Finance Ltd.	Lonrho Ltd.	U.K.	100
Tanzania Wattle Co. Ltd.	1) Commonwealth Development Corporation 2) TDFL	U.K.	84 16
Tetrapak (T) Ltd.	Tetrapak International	Sweden	100

Table 2: Continued

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
Total Oil Products (T) Ltd.	Francaise des Petroles, SA, Cie.	France	100
Tukuyu Tea Estates Ltd.	1) Inchcape & Co. Ltd. 2) Mitchell Cotts Group Ltd.	U.K. U.K.	
Tungi Ltd.	1) Agricultural Development Co. Ltd. 2) Wigglesworth Ltd. 3) Fibre Investments Ltd.	Guernsey U.K. Guernsey	63 17 7
Twentsche Overseas Trading (Exp.) Ltd.	Borsumij Wehry	Holland	
Twiga Chemical Industries Ltd.	I.C.I. Ltd.	U.K.	100
United Africa Co. of (T) Ltd.	Unilever	U.K.	100
United Touring Co. Ltd (d)	British Electric Traction Co. Ltd.	U.K.	100
Usambara Spinning Co. Ltd.	1) Lankhorst Touwfabrieken 2) Rubber Cultuur Maatschappij Amsterdam NV	Holland Holland	50 50
Van der Ploeg (T) Ltd.	D. Van Der Ploeg's Elite Zaden NV	Holland	
Wafcot	British & Commonwealth Shipping Co. Ltd.	U.K.	100
Wellcome Tanzania Ltd.,	Wellcome Foundation Ltd.	U.K.	100
Wiggins Teape Tanzania Ltd.	1) British American Tobacco Ltd. 2) Imperial Tobacco Ltd.	U.K. U.K.	
Wildlife Lodges Ltd. (d)	British Electric Traction Co. Ltd.	U.K.	100

Tanzanian firms which are owned by private foreign capital and which are managed under an agreement with a foreign firm

<u>Tanzania Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Phillips Electronics Ltd (T) (6)	Phillips Industries (Eindhoven) Ltd.	Holland	100
Tanganyika Planting Co. Ltd. (7)	A. P. Moller	Denmark	100

Table 2: Continued

Tanzanian firms which are owned by private foreign capital and with foreign expertise provided under an agreement

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Amboni Plastics Ltd.	1) Amboni Estates Ltd.		60
	2) Schoeller International GMBH & Co., KG (Muenchen-Solln)	F.R.G.	15
	3) TDFL		25

Tanzanian firms which are owned by private capital originating in other East African countries

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Cooper Motor Corp. (T) Ltd.	Cooper Motor Corp.	Kenya	
Hemraj Bharmal (T) Ltd.	Individual members of the Shah family	Kenya	
Kioo Ltd.	Muljibhai Madhvani Sons & Co. Ltd.	Uganda	100
Mabati Ltd.	The Chandaria Group (9)	Kenya	100
Moshi Textile Mills	Kenya Knitting & Weaving Mills	Kenya	
Pan African Insurance Co. Ltd.	Pan-Africa Insurance Co.	Kenya	
Paper Products Ltd.	The Chandaria Group	Kenya	

Tanzanian firms owned jointly by foreign private capital and private capital originating in other East African countries

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Riddoch Motors Ltd.	1) Lonrho Ltd.	U.K.	
	2) Standard Bank Nominees (Central Africa) (Private) Ltd.	U.K.	
	3) John L. Riddoch (businessman)	Kenya	
	4) Pan Africa Insurance Co. Ltd.	Kenya	
	5) Standard Bank Nominees (E.A.) Ltd.	Kenya	

Table 2: Continued

<u>Tanzania Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Tanzania Litho Ltd.	1) National Printers & Publishers Ltd.	Kenya	75
	2) TDFL		25

Tanzanian firms owned jointly by foreign private capital and local private capital

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Kilima Bottlers Ltd.	1) Karmali Juma & Sons Ltd.	Tanzania	81
	2) TDFL		19
Mount Carmel Rubber	1) Karmali Juma & Sons Ltd.	Tanzania	83
	2) TDFL		17
Mwanza Fishnet Manufacturers Ltd.	1) Karmali Juma & Sons Ltd.	Tanzania	35
	2) TDFL		29
	3) Hirata Spinning Co. Ltd.		36
Pattex Knitwear Manufacturers (T) Ltd.	1) Private individuals (4)	Tanzania	66
	2) TDFL		34
Perma-Sharp (T) Ltd.	1) Private individuals (2)	Tanzania	53
	2) Private individual (1)		7
	3) TDFL		40
Tangwood	1) Private individuals (2)	Tanzania	80
	2) TDFL		20
Tanzania Enamelware Factory	1) Private individuals (4)	Tanzania	50
	2) Private individuals (2)		40
	3) TDFL		10

Tanzanian firms owned jointly by private foreign capital, private capital originating in other East African countries, and private local capital

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Primus (E.A.) Ltd.	1) Optimus	Sweden	
	2) Chandaria group	Kenya	
	3) Karimjee Iwanjee family group	Tanzania	

Table 2: Continued

Tanzanian firms owned jointly by private local capital, private foreign capital and private capital originating in other East African countries, managed under an agreement with a foreign firm.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Kibo Match Corporation	1) TDFL		47
	2) Mwananchi Ltd.	Tanzania	38
	3) National Investments Ltd.	Kenya	8
	4) Chandaria Group	Kenya	6
	5) The Universal Transport Corp.	Kenya	1

Tanzanian firms which are jointly owned by state and foreign capital:

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
AGIP (Tanzania) Ltd.	1) AGIP Spa	Italy	50
	2) Treasury Registrar	Tanzania	50
BAT (T) Ltd.	1) National Development Corporation (NDC) Ltd.	Tanzania	60
	2) BAT (UK) Ltd.	U.K.	40
Beach Sands Mining Co.	1) Stamico Ltd.	Tanzania	75
	2) Geomini	Rumania	25
Buhemba Mines Ltd. (10)	1) Stamico Ltd.	Tanzania	50
	2) Willcroft & Co. Ltd.	Bermuda	50
Dindira Tea Estates	1) Bowater Group	U.K.	50
	2) NDC Ltd.	Tanzania	50
Kahama Mine Ltd. (10)	1) Stamico Ltd.	Tanzania	50
	2) Willcroft & Co. Ltd.	Bermuda	50
Kwamtili Estate	1) K. Zwartsenberg	Holland	51
	2) NAFCO	Tanzania	45
Lime Products Development	1) NAFCO	Tanzania	74
	2) Cadbury-Schweppes Ltd.	U.K.	26
Metal Box (T) Ltd.	1) Metal Box Ltd.	U.K.	50
	2) NDC	Tanzania	50
Mtwara Cashew Co. Ltd.	1) Cashew Co. Ltd.	Japan	50

Table 2: Continued

Tanzanian firms which are jointly owned by state and foreign capital.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
	2) CATA	Tanzania	50
Mwananchi Ocean Products (1970) Ltd.	1) NAFCO	Tanzania	50
	2) Taiko Suisan Kabshiki Kaisem	Japan	50
Darbrew Ltd.	1) Dar Development Corp.	Tanzania	67
	2) Heinrich's Syndicate (owned by Lonrho)	U.K.	33
Mwananchi Tractor and Vehicle Assembly Ltd.	1) Tanzanian Motor Corp. (Lonrho)	U.K.	47
	2) NDC	Tanzania	23
	3) Cooperative Union of Tanzania	Tanzania	23
	4) Barclays DCO	U.K.	8
Mwanza Textiles	1) Texco	Tanzania	40
	2) Nyanza Cooperative Union	Tanzania	40
	3) Armental Holding Registered Trust	France	20
New Alamasi Ltd.	1) Stamico Ltd.	Tanzania	50
	2) Willcroft & Co. Ltd.	Bermuda	50
Nyanza Salt Mines Co. Ltd.	1) Stamico Ltd.	Tanzania	81
	2) Bridge of Balgie Ltd.	U.K.	19
Ruaha Bottling Co. Ltd.	Tanganyika Finance Development Co. Ltd.		100
Shell and BP Tanzania Ltd.	1) Treasury Registrar	Tanzania	50
	2) BP-Shell	U.K./Holland	50
Tanganyika Development Finance Co. Ltd. (1)	1) NDC	Tanzania	25
	2) CDC	U.K.	25
	3) DEG	F.R.G.	25
	4) NOFC	Holland	25
Tanganyika Packers Ltd.	1) NAFCO	Tanzania	51
	2) Brooke Bond Liebig	U.K.	49
Tanzania and Italy Petroleum Refining Co. Ltd.	1) Ente Nazionale Idro-carboni	Italy	50

Table 2: Continued

Tanzanian firms which are jointly owned by state and foreign capital.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
	2) Treasury Registrar	Tanzania	50
Tanita Co.	1) CATA	Tanzania	85
	2) Oltremare Spa	Italy	8
	3) C. Martelli	Italy	7
Tanzania Diamond Cutting Co.	1) Stamico Ltd.	Tanzania	75
	2) N. Zollman	Belgium	25
Tanzania Distilleries Ltd.	1) NDC	Tanzania	44
	2) Tanzania Development Finance Co. Ltd. (TDFL)	Tanzania	29
	3) Duncan, Gilbey and Matheson	U.K.	12
	4) Grand Metropolitan Ltd.	U.K.	10
Tanzania Hides and Skins	1) State Trading Corp. (STC)	Tanzania	70
	2) Booth Int. Holdings	U.K.	30
Tanzania Publishing House Limited	1) NDC	Tanzania	60
	2) Macmillan	U.K.	40
Tanzania Seed Co.	1) NAFCO	Tanzania	
	2) CDC	U.K.	
Tembo Chipboards Ltd.	1) Twico	Tanzania	77
	2) Grewal Sawmill Ltd.	U.K.	23
Williamson Diamonds Ltd.	1) Stamico Ltd.	Tanzania	50
	2) Willcroft & Co. Ltd.	Bermuda	50

Tanzanian firms which are jointly owned by state and foreign capital and where a management agreement operates.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
General Tyre (E.A.) Ltd. (11)	1) NDC	Tanzania	74
	2) General Tyre & Rubber Co.	U.S.A.	26
Kilimanjaro Textile Corp. (12)	1) Texco	Tanzania	58

Table 2: Continued

Tanzanian firms which are jointly owned by state and foreign capital and where a management agreement operates.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
	2) IPS (T) Ltd. (14)	Tanzania	22
	3) DEG	F.R.G.	9
	4) TDFL	Tanzania	5
	5) CDC	U.K.	3
	6) IPS (Gen) Ltd.	Switz.	2
	7) Barclays Bank DCO	U.K.	1
Tanzania Fertiliser Co.	1) NDC	Tanzania	60
	2) Kloeckner-Humbolt-Deutz AG	F.R.G.	40
Tanzania Tanneries Co. (15)	1) NDC	Tanzania	75
	2) Ehrnberg & Sons Laderfabrick	Sweden	25

Tanzanian firms which are jointly owned by state and foreign capital and which have foreign expertise agreements.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
Steel Rolling Mills Ltd. (16)	1) NDC	Tanzania	80
	2) Danieli & Co. Spa.	Italy	20

Tanzanian firms which are jointly owned by state and foreign capital originating in other East African countries.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
Aluminium Africa Ltd.	1) NDC	Tanzania	
	2) Chandaria Group	Kenya	
Blanket Manufacturers Ltd.	1) Texco	Tanzania	30
	2) Hemraj Bharmal Ltd.	Kenya	20
	3) Maruki & Co.	Kenya	35
Mtibwa Sugar Estates	1) EMCO Ltd. (Madh-vani Group)	Uganda	45
	2) NAFCO	Tanzania	45

Table 2: Continued

Tanzanian firms which are jointly owned by state and foreign capital originating in other East African countries.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
	3) TIB	Tanzania	10
Tabora Msitu Products Ltd.	1) Twico	Tanzania	75
	2) Timber Holdings Ltd.	Kenya	25
Tanganyika Creameries Ltd.	1) Kenya Coop. Creameries Ltd.	Kenya	67
	2) NDC	Tanzania	33
Wire Industries Ltd.	1) Chandaria Group	Kenya	88
	2) TDFL	Tanzania	12

Tanzanian firms which are wholly owned by the state and which have management agreements with foreign companies.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
Kibo Paper Products (17)	1) NDC	Tanzania	76
	2) National Milling Corp.	Tanzania	14
	3) Workers Dev. Corp.	Tanzania	10
Tanganyika Instant Coffee Company (18)	1) NDC	Tanzania	90
	2) BUCOOP	Tanzania	10
Tanzania Shoe Co. Ltd. (19)	1) NDC	Tanzania	100

Tanzanian firms which are jointly owned by state, foreign and private local capital.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>% age holding</u>
Mafia Coconuts Ltd.	1) NAFCO	Tanzania	36
	2) TDFL	Tanzania	36
	3) H.J. Stanley & Sons Ltd.	U.K.	22
	4) Coastal Industries Ltd.	Tanzania	7

Table 2: Continued

Tanzanian firms which are jointly owned by state, foreign capital including a part originating in other East African countries, private local capital and in which a management agreement operates.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Bahari Beach Hotel (20)	1) Tanzania Tourist Corp.	Tanzania	29
	2) IPS	T/Switz/ Kenya	29
	3) TDFL		43

Tanzanian firms which are jointly owned by state and foreign capital including a part originating in other East African countries, and in which a management agreement exists.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Tanzania Breweries Ltd. (21)	1) Allied Breweries	U.K.	6
	2) Imperial Tobacco Co.	U.K.	4
	3) NDC	Tanzania	55
	4) Various	Kenya, U.K.	35

Tanzanian firms which are jointly owned by state and foreign capital including a part originating in East Africa and by private local capital.

<u>Tanzanian Subsidiary</u>	<u>Parent Company</u>	<u>Country</u>	<u>%age holding</u>
Industrial Promotion Services (T) Ltd. (14)	1) NDC	Tanzania	18
	2) The Aga Khan	Switzerland	44
	3) IPS S.A. Ltd.	Switzerland	5
	4) Jubilee Insurance Co. Ltd.	Kenya	1
	5) 182 other investors	Tanzania	32

FOOTNOTES:

1. Tanzania Development Finance Company Ltd. (TDFL) has capital from four sources, operating respectively for the Tanzanian, Federal German, U.K. and Netherlands governments. It was set up to support potentially profitable

business projects in Tanzania, particularly in the industrial, agricultural, housing and tourist sectors. By preference it extends loans rather than investing in equity,, but it has minority shareholdings in over twenty enterprises. It provides finance for both public and private projects, and has provided an investment channel for investors reluctant to participate directly with state institutions. Its assets were 50 million shillings in 1972. TDFL is not considered as part of the state sector in Tanzania, and we have counted it as foreign private capital.

2. Calculated from the returns from individual enterprises for the Industrial Survey, 1972.
3. Lonrho Ltd. has extensive holdings in Tanzania, most of them controlled from Kenya. Lonrho, following the break-up of the Central African Federation, expanded rapidly into independent Africa. By 1967 it had offices in 14 countries. Between 1963 and 1967 the group's assets expanded from £3.5 million to £15 million. Lonrho's first African director was Udi Gecaga, nephew of both Kenya's Foreign Minister Mungai and of Kenyatta (Cronje, Ling and Cronje, 1976). Gecaga is a director of many of the thirty-odd Tanzanian companies controlled by Lonrho. An idea of Lonrho's operations in Tanzania can be obtained from Appendix 1. On the whole the companies are small ones, such as Lonrho was buying up in a number of countries at that time, none individually exciting but together providing a solid base in black Africa for subsequent expansion. Most of Lonrho's subsidiaries in Tanzania are wholly owned.
4. Schoeller Ltd., the owners of Tanzania's largest private sisal estates with about 25% of national production, is linked with the UK firm of Wigglesworth and Co. which has extensive sisal interests and trading interests in fibre and machinery, in Kenya and elsewhere. The network of interests is shown by the interlinking directorships shown below. W. Schoeller is the owner of the Zurich firm, and Dr. Albers, is the chief executive. (See table on page 336)
5. The Commonwealth Development Corporation was set up by the UK government in 1948 to invest and make loans in Commonwealth countries. It has share capital invested in a small number of Tanzanian companies, but larger loans outstanding particularly for the Kilombero Sugar Co. Ltd. and TANESCO, the state electricity supply company.

Related to footnote No. 4.

Directorship held (marked X) in Amboni Estates Ltd. and related companies;

	Amboni Estates	Schoeller	Ag. Dev. Co.	Fibre Inv.	Fibre Trading	Tungi	Wiggles- worth	Amboni Plastics
Schoeller W.	X	X	X	X	X			
Tanner H.	X					X		
Tranter J.H.S.	X			X	X	X		
Neish A.S.P.	X						X	
Aschau C.N.G.	X		X	X			X	
von Castelberg	X			X				
Albers M.H.	X	X	X				X	X
Rutishauser E.	X		X			X		
Umiker H.		X						X

This list is not exhaustive, but shows the close connection between Schoeller and Wigglesworth. All directors of Wigglesworth hold shares in the company, totalling to over 75% of all shares. Appendix 2 shows the company links relating to the Tanzanian interests.

6. Phillips Electronics Ltd. (T) has a management agreement with its parent company, Phillips Industries (Eindhoven) Ltd., Holland.
7. TPC Ltd. has a management agreement with its parent company Tanganyika Planting Company of Denmark, which is owned by A.P. Moller Co., also based in Denmark.
8. The foreign expertise is provided by Schoeller International.
9. The Chandaria group are a Kenyan family firm, who expanded in Kenya and then abroad until they might be called a Kenya based multinational. By 1974, they had 21 companies in Kenya with holdings of over 46 million shillings, concentrated in metal products, matches and later plastics. By 1970 they had factories in eight African countries, all specialising in metal products. By 1974 there were 15 manufacturing plants in Western Europe and seven in Asia. In 1974 the group probably controlled assets of about £40 million world wide. Its interests in Tanzania include the Aluminium rolling mill, Aluminium Africa, Kibo Match Ltd. (which they also manage) and Paper Products Ltd., as well as three or four smaller enterprises.

Chandaria's methods of operation are interesting. They have concentrated on sectors with inputs for which some relatively competitive supplies market exists - steel sheets, aluminium ingots, They have not dealt in foreign trade marks or brand names, and they have successfully opened up factories using labour intensive methods against the advice of multinational enterprises.

We are indebted for much of this information to Robin Murray of the Institute of Development Studies, Sussex, UK.

10. Buhemba and Kahama Mines are both satellite mines of Williamsons Diamonds. The foreign partner in the company, Willcroft & Co. Ltd., is controlled by De Beers, one of the largest holding companies of the South African based Anglo-American group of companies.
11. The management agreement is with General Tyre and Rubber Co. of the USA.
12. The management agreement is with Saigol Brothers of Pakistan, one of the largest Pakistani, industrial groups.
13. The management agreement is with Kloeckner-Humboldt-Deutz AG.

14. Industrial Promotion Services (Tanzania) Ltd. is one of a series of companies in Switzerland, Kenya, Uganda, Zaire, Ivory Coast, and Pakistan, founded in 1963 by the Aga Khan. The main objective of the Tanzanian company is 'to promote industrial development by coordinating energy of private entrepreneurs and government development agencies'. The capital of IPS is held by NDC together with the Aga Khan and IPS (Switzerland), and a large number of individuals, mainly from the Ismaeli community. By 1971 the company had interests in 15 companies including Bahari Beach Hotel, Tip Soap & Glycerine, IPS Tanzania (Blankets) Ltd., Kamyn Industries, Kiltex, Rubber Industries, Suitcase Manufacturers and Tanganyika Industrial Corporation. These are small and medium size industrial investments.
15. Ehrnberg & Sons Laderfabrick, Sweden, supply the management.
16. The manager and the mill manager are seconded by the Pakistani government.
17. Kibo Paper Products has a management and technical agreement with M/S Packages Ltd., Pakistan.
18. Tanganyika Instant Coffee Company is managed by Nestle Ltd., the Swiss based Multinational.
19. There is a management agreement with Service Industries Ltd., one of Pakistan's largest shoe manufacturers.
20. A management agreement exists between TDFL and an Italian company, Sociale Viaggi.
21. 45% of the capital of Tanzanian Breweries Ltd. is owned by East African Breweries Ltd., in turn owned by UK and Kenyan capital. East African Breweries conduct the management of TBL on the basis of an agreement.

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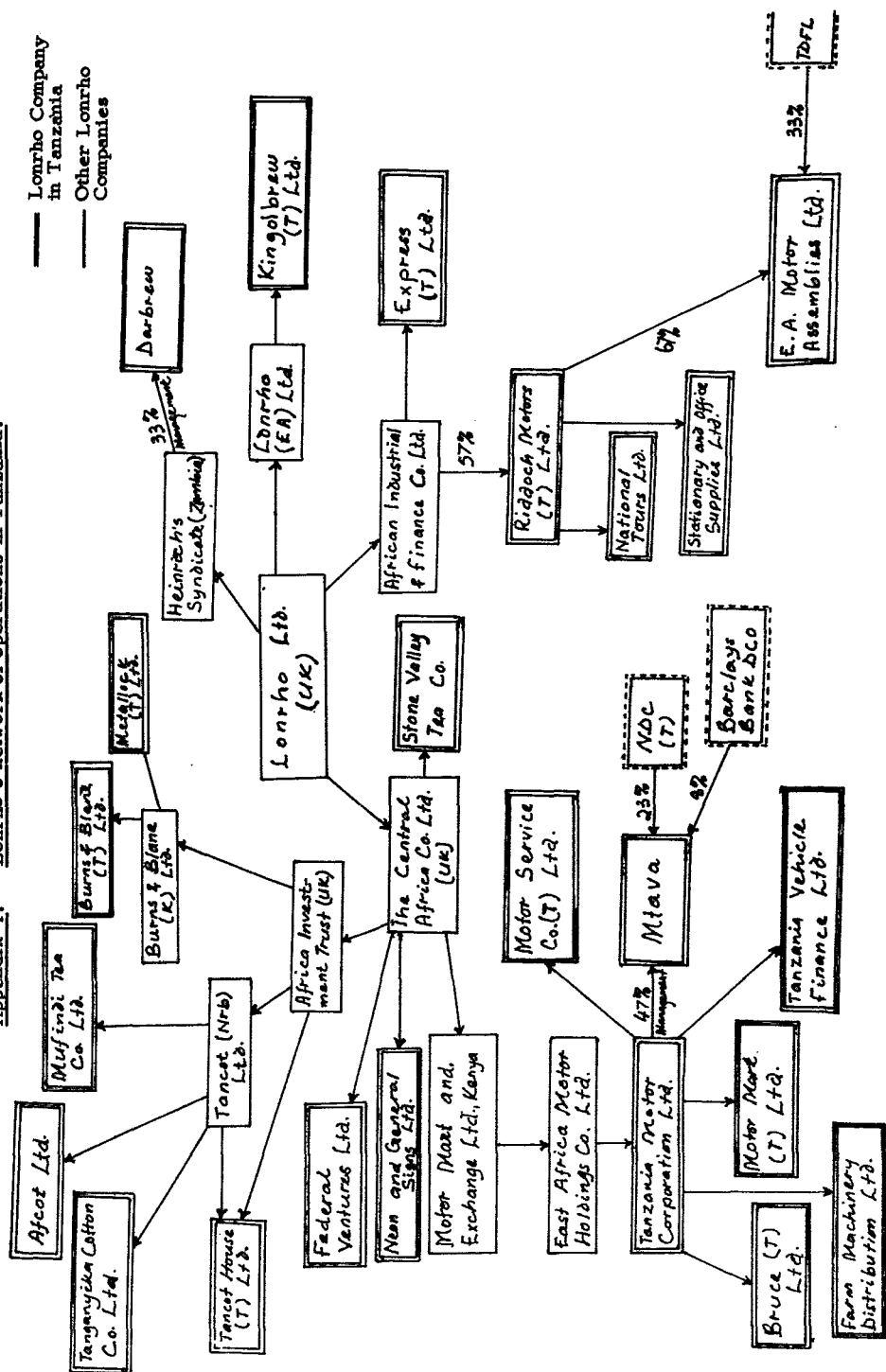
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Appendix I: Lourho's network of operations in Tanzania:



Appendix II: Amboni and Wigglesworth:

