



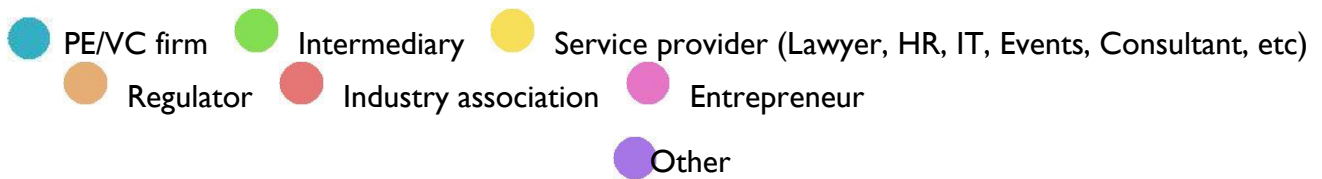
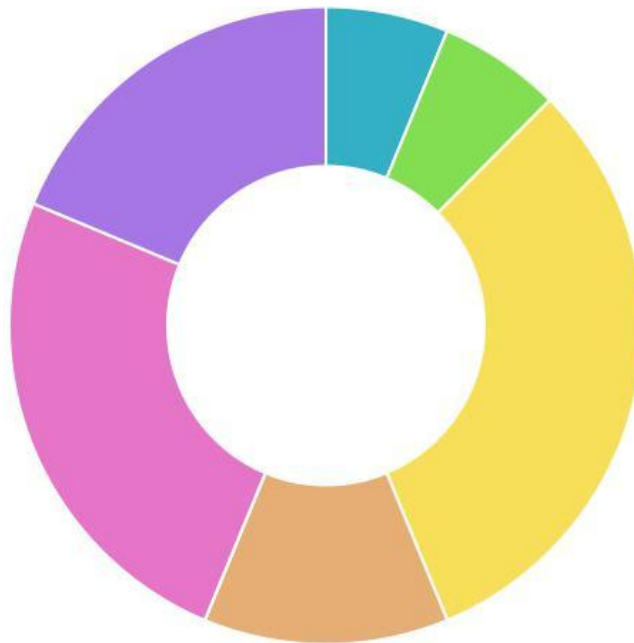
**REPORT OF A QUICK ONLINE SURVEY CONDUCTED TO TEST
THE KNOWLEDGE AND MARKET DEVELOPMENT OF PRIVATE
EQUITY AND VENTURE CAPITAL INDUSTRY IN TANZANIA.**

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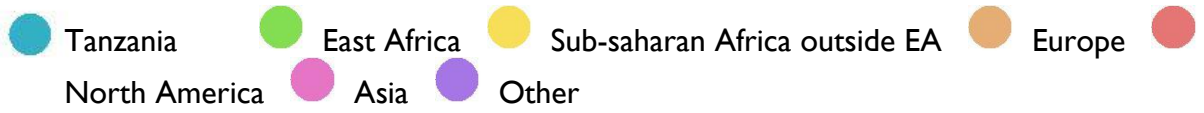
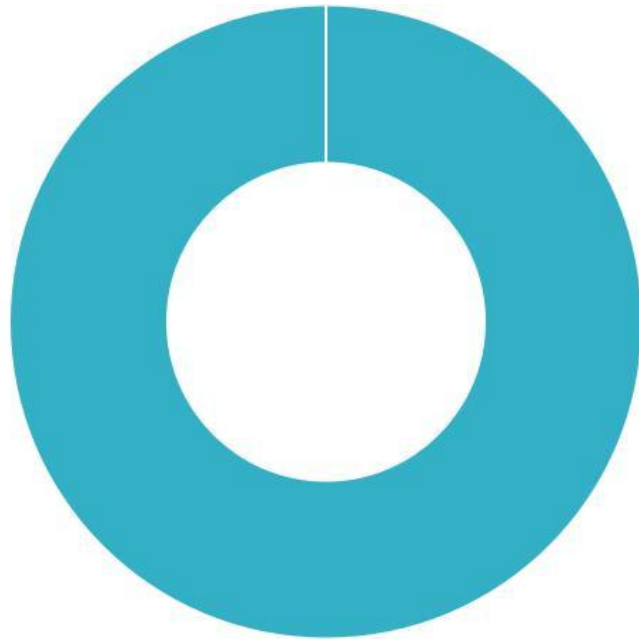
How are you involved in PE/VC space?

PE/VC firm	Intermediary	Service provider (Lawyer, HR, IT, Events, Consultant, etc)	Regulator	Industry Association	Entrepreneur	Other
(6%)	(6%)	(31%)	(13%)	(0%)	(25%)	(19%)



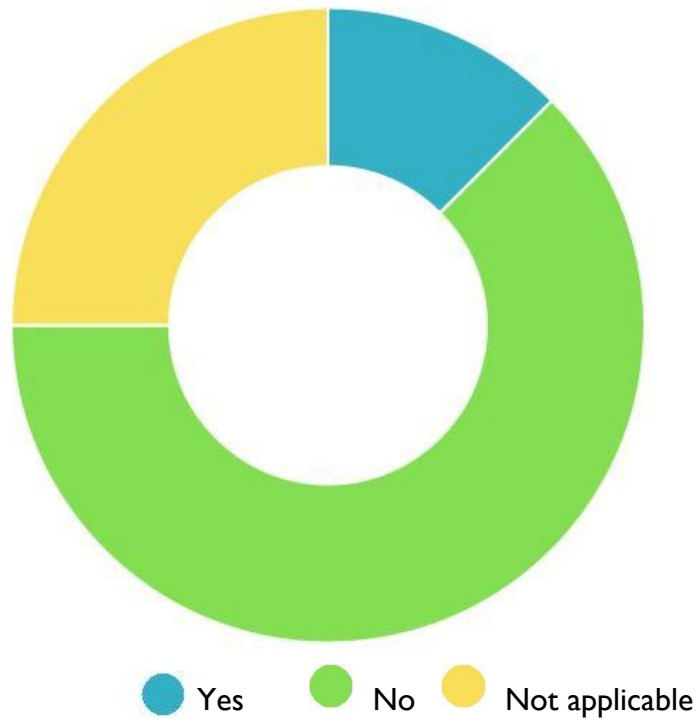
Where are your offices based?

Tanzania	East Africa	Sub-saharan Africa Outside EA	Europe	North America	Asia	Other
(100%)	(0%)	(0%)	(0%)	(0%)	(0%)	(0%)



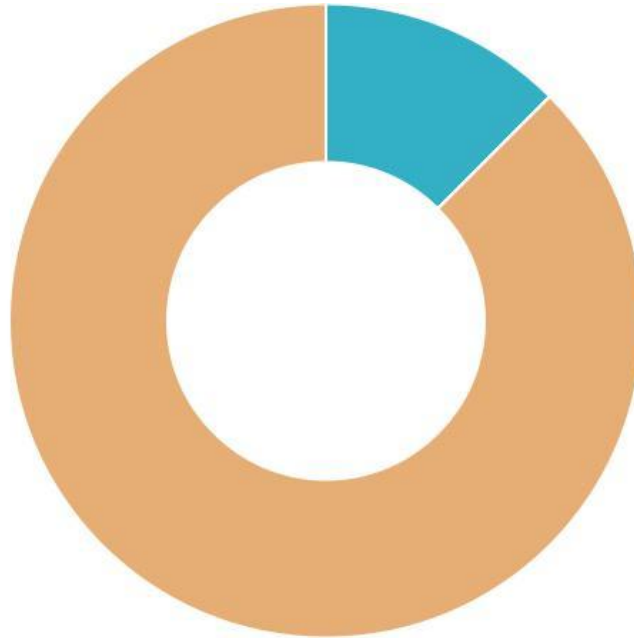
Have you made any investment in Tanzania (for PE/VC)

Yes	No	Not applicable
(13%)	(63%)	(25%)



If yes, how many investments?

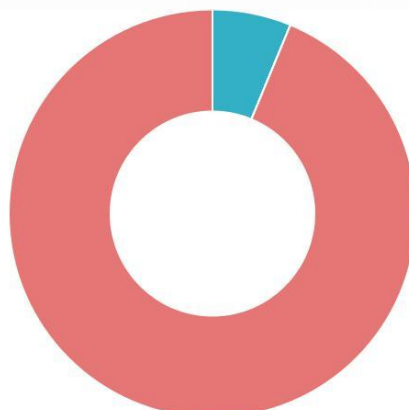
1-5	6-10	More than 10	Not applicable
(13%)	(0%)	(0%)	(88%)



● 1-5 ● 6-10 ● More than 10 ● Not applicable

If yes, how much have you invested in total to date?

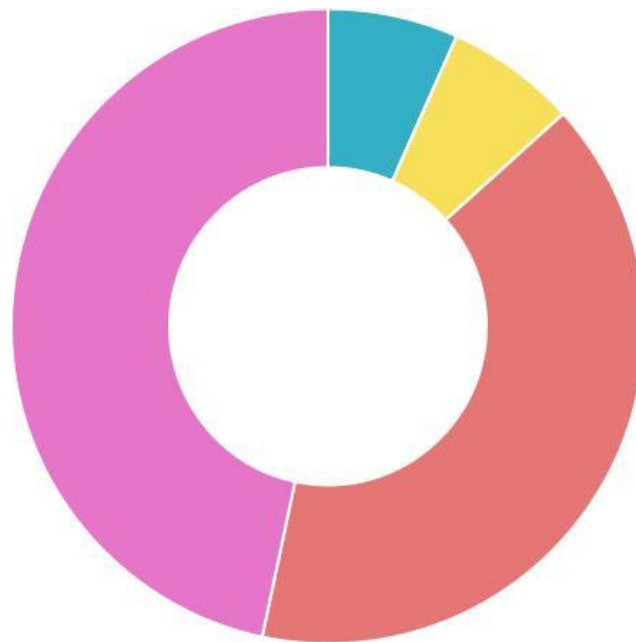
USD 1M - USD 5m	USD 6- USD 10m	USD 11M- USD 25M	More than USD 25m	Not applicable
(6%)	(0%)	(0%)	(0%)	(94%)



● USD 1M - USD 5m ● USD 6- USD 10m ● USD 11M- USD 25M
 ● More than USD 25m ● Not applicable

If not, why (For PE/VC)

No Good Deals	Deals are good but too small	Too risky	Not favorable Business environment	I dont know where to source deals	Not Applicable
(7%)	(0%)	(7%)	(0%)	(40%)	(47%)



- No good deals
- Deals are good but too small
- Too risky
- Not favorable business environment
- I dont know where to source deals
- Not applicable

If you were to invest in Tanzania, what factors would you look at?

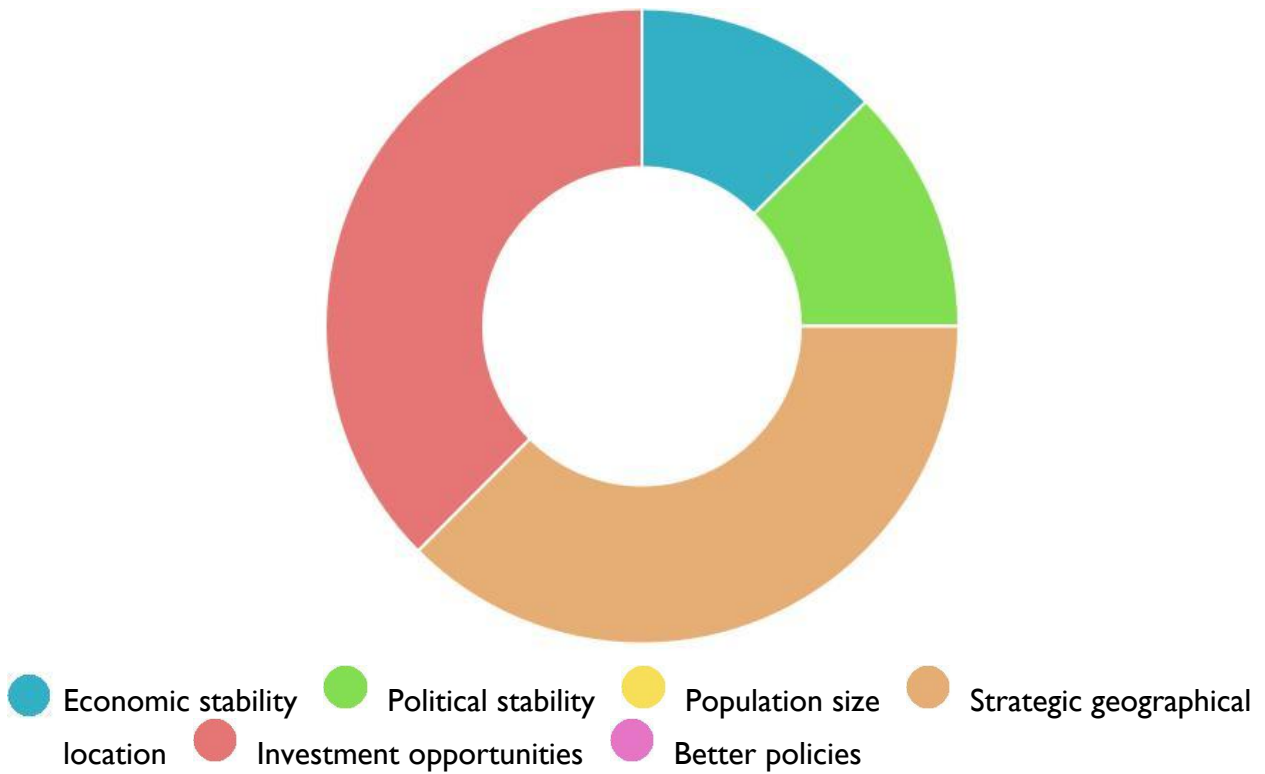
Political stability	Macroeconomic performance	Depth of the stock market	Entrepreneurship culture	Taxation	Investor protection	Deal opportunities	Potentials for exit
(6%)	(19%)	(19%)	(6%)	(0%)	(13%)	(19%)	(19%)

What challenges does Tanzania have in attracting PE/VC deals?

Lack of legal and Regulatory framework	Size of the private sector (number of deals)	Taxes	Policy unpredictability	Skills availability	Size of the stock market
(13%)	(25%)	(6%)	(31%)	(19%)	(6%)

What advantages does Tanzania have in attracting PE/VC?

Economic stability	Political stability	Population size	Strategic geographical location	Investment opportunities	Better policies
(13%)	(13%)	(0%)	(38%)	(38%)	(0%)

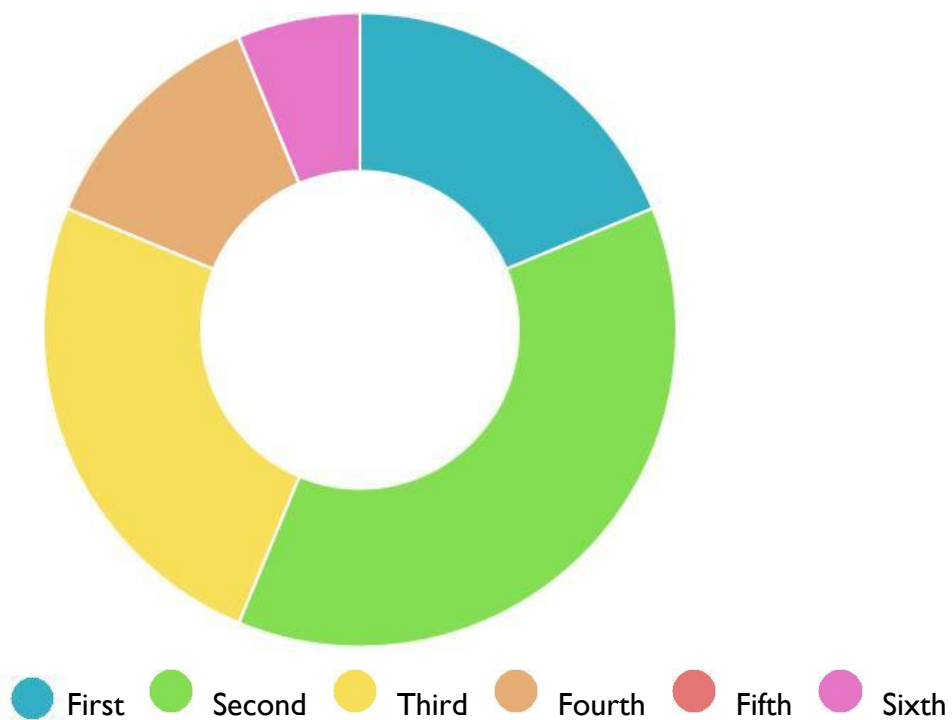


What does your institution do in promoting the growth of VC/PE industry in Tanzania?

Research	Policy formulation	Policy advocacy	Linking VC with entrepreneurs	Technical support to businesses	Organizing PE/VC events	None
(13%)	(6%)	(13%)	(6%)	(38%)	(0%)	(25%)

Based on your judgment, how would you rank Tanzania among EAC member states in PE/VC attractiveness?

First	Second	Third	Fourth	Fifth	Sixth
(19%)	(38%)	(25%)	(13%)	(0%)	(6%)



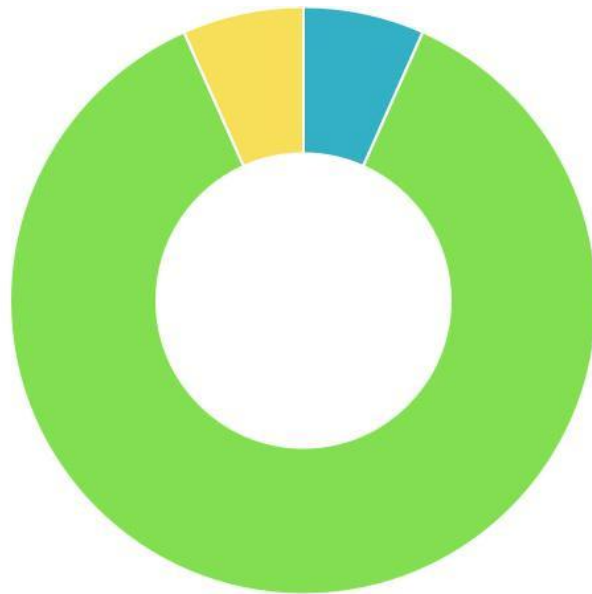
What do you propose for the Government of Tanzania to do to improve the environment for PE/VC industry in Tanzania

Text Responses

1. Good Business Environment and easy formalisation of businesses
 2. Put in place Regulatory framework for VC/PE
 3. Set incubation centers that nurture Start-up/growth oriented SMEs
 4. Create a linkage btn Capital Markets and VC/PE where VC/Angel investors become virtue incubators for companies to list
 5. Amend PPP laws in Tanzania
 6. Recognise VC/PE as one important ingredient for industrialization
 7. Reform the taxation policy to have incentives for beneficiary of VC/PE funding
 8. Revise the Investment Promotion Policy and categorically include Private Equity/Venture Capital
 9. Develop a legal, regulatory and institutional framework for alternative investments in particular Private Equity.
 10. CMSA should be restructured in terms of human capital that have the broad and up-to-date knowledge of Investment Industry. Market development initiative should not be vested with CMSA but rather the private sector. CMSA should remain a Regulator.
- Policy Formulation on Development of PE/VC; Conduct Awareness Programmes on Opportunities in PE/ VC; Advocacy on Linking PE./VC and Capital Markets
11. Funds mobilization/derisking funding for start-ups and sme's
 12. Overhaul the national financial policy
 13. Make the BOT a reserve bank and create a financial service authority that would do the regulation and allow the authority to employ its head based on merit same way we did with maximo (Taifa stars coach)
 14. The CSMA needs to be as independent and stand alone like the TLS and free from government interference
 15. Set up an SME/PE/VC regulator

Have you raised capital from PE/VC before?

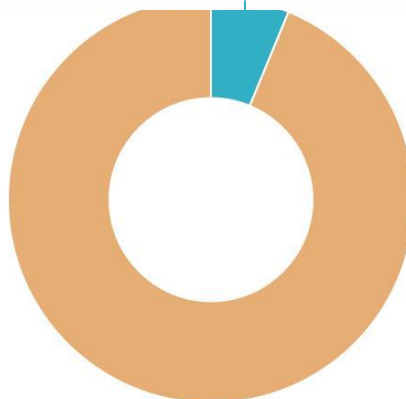
Yes	No	Not applicable
1	13	1
(7%)	(87%)	(7%)



● Yes
 ● No
 ● Not applicable

If yes, how much did you raise?

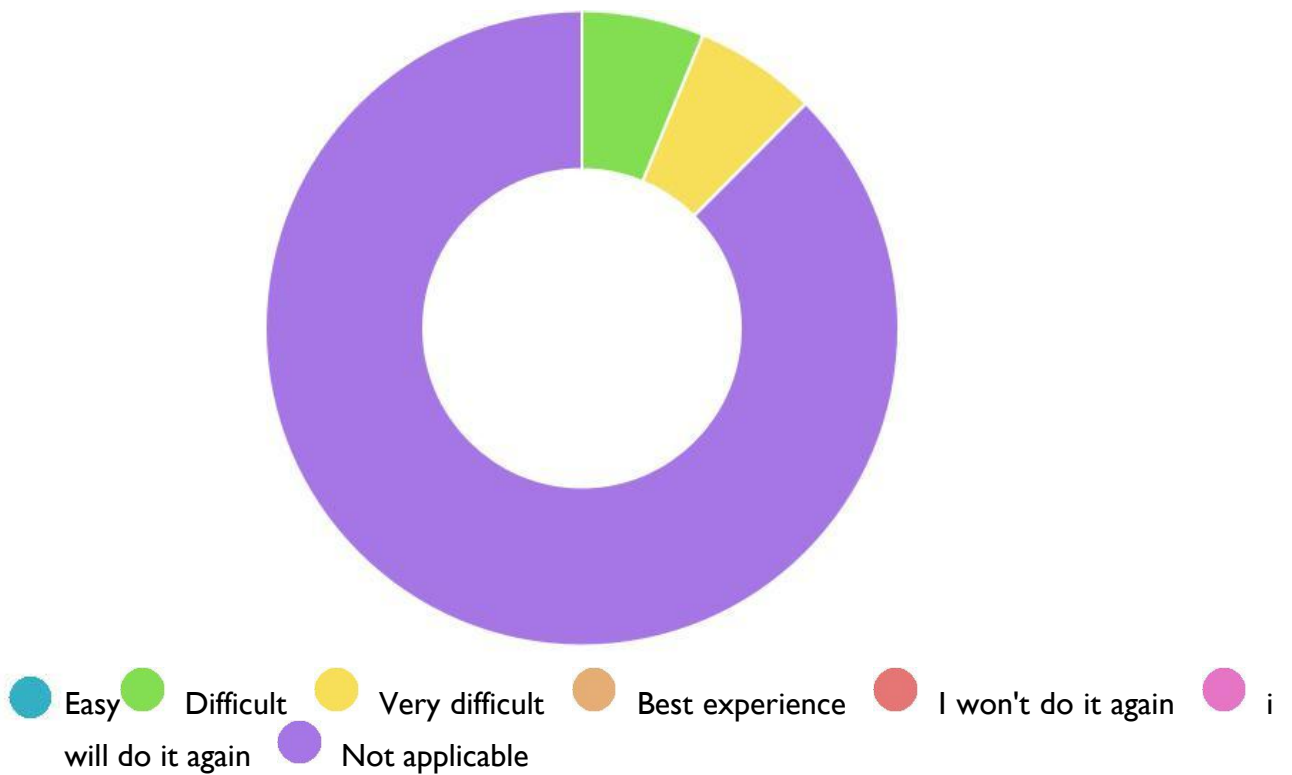
Less tha USD 1m	USD 1M - 5M	More than USD 5m	Not applicable
1	0	0	13
(6%)	(0%)	(0%)	(94%)



● Less tha USD 1m
 ● USD 1M - 5M
 ● More than USD 5m
 ● Not applicable

How would you explain the experience?

Easy	Difficult	Very difficult	Best experience	I won't do it again	i will do it again	Not applicable
(0%)	(6%)	(6%)	(0%)	(0%)	(0%)	(88%)



In which sector does your business/institution operate?

Text Responses

1. Financial Sector Development
2. Agriculture
3. Infrastructure
4. Financial consulting
5. Trading
6. Information Technology
7. Insurance and Lending
8. Mining
9. Business advisory
10. ICT
11. Risk management
12. Transport
13. Financial services

Mention main issues that hinder SMEs from raising capital from PE/VC

Text Responses

1. High level of informality
2. Lack of knowledge on ways to source cheap funding for start up businesses
3. Many business promoters lack commitment and focus for growth
4. Lack of Business, Management and Entrepreneurship Skills
5. Lack of integrity and ethics
6. Lack of Innovation and Creativity
7. Poor record keeping
8. Poor Corporate Governance Structure
9. Fear for Dilution of Founder Shareholders
10. Lack of awareness of PE/VC opportunities
11. Small size and informality of TZ SMEs
12. Lack of Transparency
13. High deal size threshold wanted by PE/VC"s. Needs in Tanzania as low as \$500,0000.
14. Family ownership culture of SMEs in Tanzania
15. Lack of awareness how yo obtain capital.
16. Lack of business experience to build confidence to PE/VC.
17. Poor professional businessplan write up.

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