

**CONTRIBUTION OF ECONOMIC DIPLOMACY ON PROMOTION OF  
LARGE SCALE MANUFACTURING INDUSTRIES IN ZANZIBAR: THE  
CASE STUDY OF MINISTRY OF TRADE AND INDUSTRIAL  
DEVELOPMENT**

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**2025**

## CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation entitled: **“Contribution of economic diplomacy on promotion of large scale manufacturing industries in Zanzibar; The case study selected Ministry of Trade and Industrial Development”** in partial fulfilment of requirements for the Degree of Master of International Cooperation and development (MAICD).

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**DEDICATION**

I dedicate this work to my lovely Mom, who has given all her strength, to ensure that I and my two younger siblings get an education and grow up in a good manner.

## **ACKNOWLEDGEMENT**

This dissertation is a result of collaboration between me and various people. First of all, I would like to thank the Most Merciful God for blessing me all the time. I am so grateful to my supervisor Dr. Mutasa for his scholarly guidance from the start of this research to the end. I do acknowledge my course Coordinator Mr. Twaha Katabalo for his various guidelines and motivation that he gave me, to ensure the success of my studies. In very special way, in addition I would like to thank and recognize all lecturers of Open University of Tanzania.

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## **ABSTRACT**

This study analyzed the contribution of economic diplomacy on promotion of large-scale manufacturing industries in Zanzibar. Research design adopted is both deductive and inductive and it adopted an explanatory Sequential research design. Data collection techniques used were Semi structured interview and Document Reviews for qualitative data and questionnaires for quantitative data. The total sample size involved was 162 personnel of different cadre including foreign and local investors, ministry officers, and officers of ZIPA, ambassadors and personnel of similar sort. The study revealed that foreign direct investment, free market economy and the Tanzania foreign policy of 2001 have positive and significant influence on promotion of large scale manufacturing industries in Zanzibar. It is recommended by the study to take a balanced approach to effectively promote large-scale manufacturing businesses in Zanzibar by combining strategic investments with economic diplomacy. While strategic investments concentrate on focused funding for vital infrastructure, technology, and skills development, economic diplomacy uses diplomatic contacts to draw in international investments and foster advantageous trade conditions. This integrated strategy is essential for attaining sustainable economic development since it guarantees the long-term viability of industry while also accelerating its growth. According to the study, the best ways to maximize the benefits of economic diplomacy are to improve policy incentives such as tax breaks and subsidies to draw in investors improve regulatory frameworks to simplify procedures and lower administrative barriers, and promote international cooperation to obtain access to new markets, technologies, and knowledge.

**Keywords:**

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## **LIST OF ABBREVIATIONS**

ASP	Afro-Shiraz Party
EAC	East African Community
FDI	Foreign Direct Investment
FP	Foreign Policy
FT	Free Trade
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
IBM	International Business Machines
LSMI	Large Scale Manufacturing Industry
LTPP	Long Term Perspective Plan
MAICD	Master of Arts in International Cooperation and Development
MTID	Ministry of Trade and Industrial Development
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
PPP	Public Private Partnerships
RGoZ	Revolutionary Government of Zanzibar
SADC	Southern African Development Community
SPSS	Software Package for Social Sciences
TANESCO	Tanzania Electric Supply Company
URT	United Republic of Tanzania
US	United State
ZIPA	Zanzibar Investment Promotion Authority
ZSFL	Zanzibar Sugar Factory Limited

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Overview**

This study intend to analyzing the contributions of economic diplomacy on promoting large scale manufacturing industries in Zanzibar and accessing whether diplomats have effective efforts on promoting opportunities of establishing large scale manufacturing industry in the country. This chapter provides background information, statement of the research problem, objectives of the research and it covers the research questions as well as significance of the study.

#### **1.2 Background to the Study**

Economic diplomacy is not a new phenomenon in the world; it became more flourished in Europe since 19<sup>th</sup> century when diplomats' mission decided to directly engage in promoting trade agreements, banks and foreign direct investment (FDI's) with the regard of boosting international trade and mutual relations with other countries (Saleh 2015). The functions of Economic diplomacy works in tandem with a number of factors including Internationalization processes, expansion of market economy, liberalization of national economies and their interaction via trade and international investments (Saleh 2015).

This concept contribute much on numbers of global economic actors, international cooperation, international financial institutions and foreign direct investments which have a serious influence of world politics and economics. However, these factors resulted to expanding dependence of economies of new independent countries on world markets, investments, and technologies forces. The world became more

concentrated on economic diplomacy because of Millennium Summit in September 2000, which includes 189 United Nation member states with ambition agenda of reducing poverty and improving lives. The presence of the Millennium Development Goal's has led to rapid growth of economic diplomacy in the world (United Nations, 2000).

However, economic diplomacy in African countries started many years ago since the colonial era. During the colonial period in Africa, there were barter trade between African and European countries on several items including ivory, minerals, cotton, and cloves. Adi (2018) on history of African Movements narrated that Pan-African movement in the early 20th century is where the idea of regional integration in Africa originated. This movement placed a strong emphasis on solidarity and togetherness between African nations and individuals of African heritage everywhere. Pan-African Congresses, which began to convene in 1900, established the theoretical foundation for African political and economic unification.

After African countries gained independence various regional Organization were established in Africa. For instance East Africa Community (EAC) were established by Tanzania, Kenya and Uganda in 1967, Southern African Development Community (SADC) were established by countries including Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, Zimbabwe where the primary goal is to lessen economic dependency on apartheid South Africa while also promoting regional unity. The Preferential Trade Area for Eastern and Southern Africa (PTA), which had been in effect since 1981, was replaced by the Common Market for Eastern and Southern Africa (COMESA), which was founded in

December 1994.

The nations that formed COMESA include Angola, Burundi, Comoros, Democratic Republic of the Congo (DRC), Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Somalia, Sudan, Tanzania, Uganda, Zambia and Zimbabwe aimed at fostering trade and investment within the area in order to achieve regional economic integration. Economic Community of West African States (ECOWAS) were established by Benin, Burkina Faso, Cape Verde, Ivory Coast, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania (withdrew in 2000), Niger, Nigeria, Senegal, Sierra Leone and Togo aimed at promoting economic integration in West Africa.

One the famous cooperation is the trade and commerce relations between African Countries and India which moving into a new phase where India's tryst with African Nations was the support to their sentiments against colonization and racism. The globalized approaches have opened out new Areas of trade and commerce in the African Continent. Therefore, the Indian Diaspora in East, West, and South Africa have established trade over the past 5 decades in traditional commodities and raw materials. The growth in software, health care, and education in India motivated the African countries to seek Indian participation in energy, housing, and mining Industries. The exports from India in the past decade grew in west, South and East Africa as techno co-operation in energy in North Africa (Dubey, 1990).

Tanzania is one among states, which practice economic diplomacy in order to improve economic status. Tanzania started to practice economic diplomacy since

16<sup>th</sup> century, when it was under colonization period and it is very famous on crops and mining trade exported abroad as raw material. After the Union between Tanganyika and Zanzibar, which form the United Republic of Tanzania in 1964, Tanzanian government established several Strategies and Development Plans to elaborate the problem of poverty that the country experienced from the 1960's to 1990's. At that time, different development programs introduced in order to promote economic development in the country.

Before 2001, Tanzania had no comprehensive written foreign policy so, they use diplomacy and foreign relation as key strategies on promoting economic growth by set a circulars and guidelines including Presidential Circular No. 2 of 1964, Arusha Declaration 1967, and Tanzania Policy on Foreign Affairs of 1967. Hence, the government of Tanzania adopted a new foreign policy of 2001 which emphasized on achievement of economic development by ensuring the promotion and protection of national interests through the execution of sustainable economic diplomacy.

### **1.3 Statement of the Problem**

Zanzibar began to practice economic diplomacy since the rule of Oman's Sultanate in early 19<sup>th</sup> Century. At that time, Zanzibar Island became the center for slave, ivory, cloves, coconuts, and spices trade (Shariff, Abdul, 2016). Before Revolution of Zanzibar in 1964 there were almost 23 industries owned by capitalist who controlled the small-scale industries include the coir, coconut oil, soda and soap. Between 1965/66, the ASP Government converted these industries in to state owned entities, hence the Government Industrial Cooperation formed. The statistics show that, from July, 1964 to June, 1971 the Government Industrial Corporation exported

14,567 tons of Coconut oil, 12,860 tons of Coconut oil cake and 9,428 tons of Coir (The Afro-Shirazi Party Revolution, 1974). This proves that, Zanzibar has a great capacity to produce and export products abroad.

However, under the regime of late first President Sheikh Abeid Amaan Karume, the numbers of industries increased including; Zanzibar Milling Company Limited (ZMCL), YY-TZ Agro- Processing Company Limited (YY-TZ), Basra Textile Mills Limited (Basra) and Zanzibar Sugar Factory Limited (ZSFL) with the aim of boosting economic growth, and welfare of the people. Those industries sold their products within and outside the country like Mombasa, Comoro, Mozambique, Uganda, and India (Msami et al, 2023).

The Zanzibar Industrial Policy of 2018 stipulates that industry sectorial share of GDP was significant dropped from 19.6% to 17.8% in 2017 to 2018 respectively. Responding the issue in 2018, the RGoZ established the Micro, Small and Medium Industrial Development Agency (SMIDA) with the goal of providing guidance, development, coordination, promotion, and all-around assistance to Zanzibar's micro, small, and medium-sized businesses by facilitating their transition from the early stages of formalization to product marketing and beyond to the big industrial category.

Empirically, previous studies typically focus on more general approaches to economic growth or case studies from Tanzania's mainland, left behind the particular dynamics that Zanzibar's manufacturing industry faces in the context of economic diplomacy. For example factors like poor infrastructure, restricted finance

options, and regulatory restrictions are talked about in broad sense without taking into account economic diplomacy (Mwinyi, 2018). On the other hand Msami et al, (2023) narrated the unit cost of producing items in Zanzibar is relatively higher than the same costs from benchmarking countries. For example the unit cost for producing non-woven bag in India is US\$ 0.16 while that of Zanzibar is US\$1.25. He further argued there is a limited supply of sugarcane, the ZSFL only operates for one season annually, using only 70% of its installed capacity of 800 tons of canes per day. The facility has been operating at a loss since the current owners purchased it in 2015 (Msami, et al., 2023).

Encompassing Zanzibar, Tanzania new foreign policy of 2001 emphasize the strategies toward economic diplomacy by introducing free trade economy, foreign direct investment, maintaining and establishing mutual bilateral and multilateral cooperation and strengthen Regional economic integration (Tanzania New Foreign Policy 2001). The Policies and strategies adopted offers prospects for industrialization though it is unclear how economic diplomacy may be used to capitalize on this shift in order to draw in capital and promote industrial growth. There is opportunity to make use on those policies and strategies draw out uneven trend on contribution to the national income as stipulated in Zanzibar Industrial Policy of 2018. Hence, this study intends to analyze the contribution of economic diplomacy on promotion of large-scale industries in Zanzibar

#### **1.4 Research Objective**

##### **1.4.1 General Objective**

The general objective of this study is to analyze contributions of economic

diplomacy on promoting large Scale manufacturing industries in Zanzibar.

#### **1.4.2 Specific Objectives**

This study guided by the following specific objectives

- a) To examine how the free market economy encourage large-scale manufacturing industries in Zanzibar.
- b) To examine the effectiveness of foreign direct investments in promotion of large - scale manufacturing industries.
- c) To examine the effectiveness of current foreign policy 2001 on promoting large - Scale manufacturing industries in Zanzibar

#### **1.5 Research Questions**

The study will guided by the following key questions:

- a) To what extent does the free market economy strategy encourage large - scale manufacturing industries in Zanzibar?
- b) What are the effectiveness of foreign direct investment in promotion of large - scale manufacturing industries in Zanzibar?
- c) To what extent does current foreign policy contribute on promotion of large scale manufacturing industries in Zanzibar?

#### **1.6 Significance of the Study**

The study intends to reveal the opportunities that economic diplomacy can provide to stimulate the country's economic growth through promotion of large-scale manufacturing industries; thereby the government should establish new approach to enhance contraction of large-scale manufacturing industries.

The findings of this study not only reveal weakness and strength of the economic diplomacy, but also the study enables government to see the needs of putting in place strong strategies toward diplomats which will help them to fulfill their responsibilities on promoting foreign investment opportunities.

In addition, the findings of the study help the government on planning process and establishment of their policy and manifesto, which will enable economic development of the state. On other hand, the findings of the study help policy maker to find effectively recommendation and ways to overcome the challenges facing investment sector on improving large scale manufacturing industries.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter will provide information about the keywords as defined by different scholars of economic diplomacy, theories that will guide the study, empirical literature review, research gap and conceptual framework.

#### **2.2.1 Diplomacy**

Okoth (2012) depict diplomacy as a tool for foreign policies where different states use for managing their relationship from one another including signing international treaties in accordance to international laws. On the other hand, Saleh (2015) defined as the process where a state uses its potential resources in the formation and implementation of its foreign policy for the aim of achieving its national interests in relation with other states. We concluded that diplomacy is a means where representatives of the state communicate goals and strategies with other state(s) from there it results to cooperation between the states where alliances, treaties and other international manifestation are formed.

#### **2.2.2 Economic Diplomacy**

Marjan (2021) defines Economic diplomacy “as bilateral, multilateral, or regional interactions of economic interests predominately by diplomats, in order to protect national interest and maximize the welfare of the population in home country. Therefore, Prof. Marjan argued further that Economic diplomacy is the essential part of modern diplomacy. Together with business people, diplomats aspire to seek new business and investment opportunities in foreign markets, protect the interests of

their domestic economies abroad, and attract inward foreign direct investments. Moreover, this is all about using foreign policy in order to strengthens the country's economy and make it prosper. Therefore using a nation's diplomatic network to further economic interests overseas is known as economic diplomacy. This entails encouraging exports, drawing in foreign direct investment (FDI), and advancing global economic cooperation. Improving a nation's standing and competitiveness in the global economy requires economic diplomacy.

### **2.2.3 Large-scale Manufacturing Industry**

Vinturella, et al., (2013) refer large-scale industries as those industries that are having huge infrastructure, raw material, high work force requirements, and large capital requirements. The growth of the economy is very much dependent on these industries. Such industries work towards bringing in foreign reserves, generating employment opportunities, and paving the way for economic growth. Furthermore, Vinturella et al., (2013) they identified large scale industries as those industries which have a vast infrastructure and employee base along with heavy power-driven machinery and huge capital investment. To manage and operate these industries effectively, complex management is required.

## **2.3 Theoretical Literature Review**

### **2.3.1 The eclectic paradigm**

The eclectic paradigm is an economic and business strategy for analyzing the determinants of FDI and scrutinizes the desirable condition to make a foreign direct investment (FDI) within the context of economic diplomacy. It is rooted from British

economist J.H Dunning's internalization theory during 1970s. The eclectic paradigm model adheres to the OLI framework. The framework has three tiers called ownership, location, and internalization (Dunning 1977).

**Ownership advantage:** Any special investments or assets that a corporation may possess that its competitors in a particular overseas market do not. i.e In other words, ownership advantage occurs when a firm has a competitive edge over comparable companies in a foreign country. For example, through diplomatic channels, RGoZ might stress the region's talented labor pool, natural resources, and strategic location as appealing considerations for investment in large-scale industrial businesses.

**Location:** Ability of the country to make a conducive environment for FDI. On other hand it includes geographical advantage for example the access to ocean compared to land locked country. Other advantages includes availability of low-cost labor and raw materials, lower taxes and other tariffs, access to regional markets, infrastructure quality, and political stability. Simply it focus on finding a location related justification rather than spending more capita on domestic investment. Here a company may find a conducive environment that offers a unique set of resources or that resources are obtained at lowe cost.

**Internalization Advantage:** In Companies' management teams must examine the internalization benefit before deciding whether investment path or approach is most suited to their objectives. They must typically decide if it is more cost effective to do the value chain activity locally with their own team or to outsource it to a foreign location. Here, through the practice economic diplomacy RGoZ should facilitate

establishment of effective operating structures and resolve disputes between investors and host.

In conclusion, Economic diplomacy is crucial to attracting and retaining international investment by using Zanzibar's ownership, location, and internalization advantages. By aligning diplomatic efforts with multinational firms' interests and resolving their concerns, Zanzibar can foster FDI inflows and generate long-term economic development in the area. The theory was adopted into this study to oversee the effectiveness of foreign direct investments in promotion of large-scale manufacturing industries.

### **2.3.2 Constructivism theory**

Jackson et al., (2015) pointed out that after the end of cold war this theory was introduced in international relations due to failure of traditional theories such as realism where those traditional theories did not observe the agency of individuals. Onuf (1989) argued that our actions determine our relationship and interactions, that is to say we make our own social world. Generally, constructivism aims on agency and structure where the two should influence each other. Wendt (1992) argued that Actors who are states have capability to change or shape the existing structure that is relationship between those actors including shared ideas and beliefs among both states; he argued further constructivism focus on ideas of norms, development of structures and how actors do relate to those structures, how identity influence ones behavior and actions. The theory gives major advantage that, it is dynamic since it focuses on non-material aspects of social interaction. This study adopt this theory to explain the effectiveness of current foreign policy of 2001 on promoting large scale

manufacturing industries in Zanzibar.

### **2.3.3 Comparative Advantage theory**

David Ricardo (1817) on his book “Principles of Political Economy and Taxation”, argue that all countries will always benefit from cooperation and participation in free trade. Comparative advantage refers to a country’s ability to produce goods and provide services at a lower opportunity cost than other countries. Comparative advantage shares many of the characteristics of globalization, the theory that worldwide openness in trade will improve the standard of living in all countries. The theory also depicts that trade always will be beneficial to both countries through a country enjoys an absolute advantage in the production of goods.

To sum up, we adopted the Ricardo's theory of comparative advantage since it highlights the advantages of free market economy, which is an essential component of economic diplomacy. Countries can increase economic efficiency and mutual prosperity through international commerce and collaboration by utilizing their comparative advantages.

## **2.4 Empirical Literature Review**

### **2.4.1 Free Market Economy**

Free market is an economic system in which the prices of goods and services are determined by supply and demand expressed by sellers and buyers. Such markets, as modeled, operate without the intervention of government or any other external authority. Marie Lise E.H Van Veenstra (2010) explained how free market economy promotes the industrial sector by increasing the exportation of goods abroad. She

stated that, free market economy encourage manufacturing industries by increasing level of production, expansion of market and level of cooperative goods and services. Guda (2012) found that, the number of small and medium enterprises has facing many challenges include the low level of science and technology, inadequate financial and capital, high level of competition, business experience, management skills, tax exemptions, inadequate channel to distribute products and poor support from local and government client.

Several studies highlight the importance of a free market economy in creating a favorable environment for large-scale manufacturing industries. For example, Smith et al. (2018) argue that RGoZ's move to a more liberalized economic system has offered prospects for the growth of industrial sectors. They contend that less government intervention has allowed market forces to drive investment and innovation, resulting in industrial development. Patel et al. (2019) warn that while a free market economy creates opportunity, it also exposes home industries to fierce competition and vulnerabilities, needing strategic economic diplomacy initiatives to effectively traverse global markets.

#### **2.4.2 Effectiveness of Foreign Direct Investment**

Numerous empirical researches have found a favorable relationship between FDI inflows and manufacturing industry growth. For example, Blomström and Kokko (2003) investigated on the influence of foreign direct investment on industrial growth in several countries, emphasizing the importance of FDI in knowledge transfer, increasing productivity, and promoting exports in the manufacturing sector. Majocchi (2007) argue that trade market and financial liberalization has impact on

Foreign Direct Investment.

The Study shows market size, availability of labor force, quality infrastructure and advanced technology are important determinants of foreign direct investment. According to Asiedu (2006), Foreign Direct Investment in any country is highly influenced by several factors including availability of natural resources, market size, political stability and government policy on investment. According to a study published by the United Nations Conference on Trade and Development (UNCTAD, 2020), FDI inflows in Tanzania have helped to expand industrial activity, notably in textiles, agro-processing, and automobile assembly.

Similarly, Zanzibar is considered to be among the main investment destination in the African continent due to peace and political stability of the country, strategic geographic location, accessibility of the markets, enrich of natural resources as arable land, tourist attractions and attractive Free Economic Zone for Investment Opportunities including the industrial sector which are incentives & guarantees. These findings highlight the necessity of leveraging FDI via economic diplomacy activities to stimulate the expansion of large-scale manufacturing businesses.

#### **2.4.3 Effectiveness of Tanzania foreign policy of 2001**

The Ministry of Foreign Affairs is charged with the responsibility of consulting other organs of the government and other key stakeholders in the formation and implementation of foreign policy. Tanzania adopted the new foreign policy of 2001 which emphasizes the main objectives which are based on promotion and protection of national interest in social, political, cultural and economic affairs through

sustainable economic diplomacy. Okoth (2012) argued that the successful execution of economic diplomacy in any state depends on the commitment of the Ministry of Foreign Affairs and the government as a whole towards the engagement in economic diplomacy for betterment of the national interests of that particular country. He further argued Tanzania's participation in international forums and trade missions has enhanced its visibility and attractiveness to foreign investors which is mostly facilitated by the setup of the policy.

Msellem, et al, (2018) argued policies and agreements have improved market access making it easy for local manufacturers to sell their products, enhancing their competitiveness. For example, the Trade and Investment Framework Agreement (TIFA) between Tanzania and the United States of America facilitated the entry of products from Zanzibar into the US market, boosting manufacturing activities. They argued further implementation of foreign policy to any country will determine the effectiveness of foreign direct investment in the industrial sector.

Mentioned literature reviews conclude on improvement of infrastructures, country's industrial policy to be reviewed, providence of government support to local entrepreneurs, reliable market, friendly infrastructure, reduction of taxes, involved in international exhibitions and reliable investment environment so as to promote large scale manufacturing industries through economic diplomacy.

## **2.5 Research Gap**

The literature reviews highlighting mostly researchers have been conducted researches on economic growth through trade market and investment sectors.

Limited empirical data exists on how economic diplomacy activities affect Zanzibar's industrial sectors. However, there are numbers of gaps remain where this study intend to fill. Van Bergeijk (2009) emphasizes the usefulness of varied analytical methods where in this study mixed methods will be used. Furthermore Saleh (2015) narrated that most studies concentrated on the influence of economic diplomacy on industrial growth are cross-sectional, resulting in insufficient longitudinal data. Since different studies focused on short-term outcomes of economic diplomacy initiatives and small scale industries without considering the long-term impact and sustainability on the development of large-scale manufacturing industries, this study intended to cover longitudinal data.

Most of the available research aggregates data at the national level i.e. Tanzania, ignoring Zanzibar's particular economic and industrial setting for instance Msellel et al (2018) where they studied export trade versus economic growth. Many studies on economic diplomacy and industrial growth overlook Zanzibar's semi-autonomous status and distinct political, social, and economic backdrop. This includes the RGoZ's unique regulatory framework, governance issues, and historical reasons that impact industrial sector growth differently from mainland Tanzania.

There is limited study on how Zanzibar's engagement in regional economic communities e.g., East African Community on promoting its industrial growth through economic diplomacy. The majority of researches focus on mainland relationships, creating a vacuum in our understanding of the regional dynamics particularly that impact Zanzibar. Current literature frequently views the industrial sector as a single entity. More in-depth research is needed to investigate how

economic diplomacy influences various industries within Zanzibar's industrial sector, such as manufacturing, tourism, and fishing. Non-state actors, including the private sector and non-governmental groups, play a significant role in economic diplomacy and industrial development, but their impact is understudied. Their contributions and connections with state-led diplomatic initiatives in Zanzibar are unclear.

Economic diplomacy models fail to address the unique constraints and prospects of tiny island economies, such as Zanzibar. There is a need to adapt and develop ideas that account for the unique geopolitical and economic circumstances of tiny island republics. There is a gap in combining ideas of economic development with those of economic diplomacy. To understand how economic diplomacy might be used to promote industrial growth in Zanzibar, a theoretical framework combining ideas from both areas is required.

Generally, this study considers the diverse regional and cultural dynamics that influence the effectiveness of economic diplomacy in promoting large-scale manufacturing industries. Factors such as regional trade blocs, cultural differences in negotiation styles, and historical relationships between countries impact the success of economic diplomacy initiatives. From above point of view, this study has going to fill the gap of both cultural, geographically and scope by concentrating particularly in Zanzibar and context of industry will be Large Scale manufacturing industry.

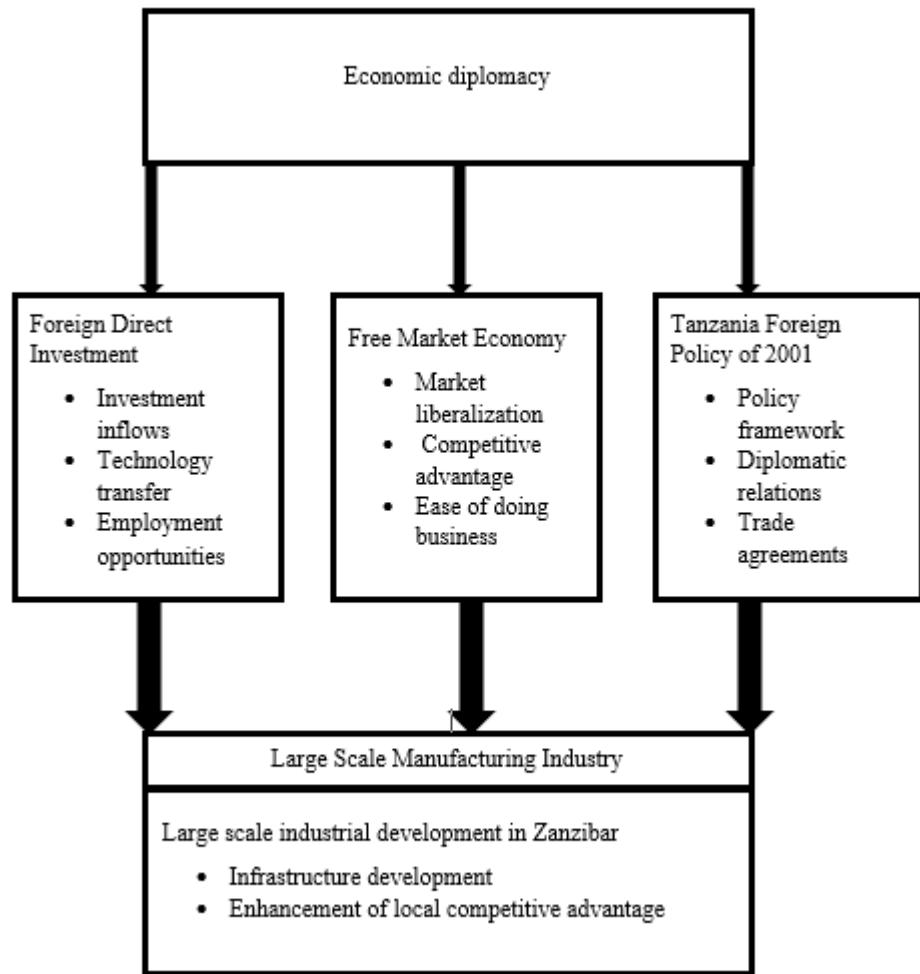
## **2.6 Conceptual Framework**

The main issue is determining how economic diplomacy can effectively promote large-scale manufacturing industries in Zanzibar. Economic diplomacy entails

strategies and activities that a country uses to manage its international economic relationships, aiming to enhance economic growth and industrial development. Understanding this relationship can help policymakers leverage diplomatic efforts to attract investment, liberalize the market, and refine foreign policies though Economic Diplomacy is wider concept and not only bound to those factors.

Mugenda (2008) referred conceptual framework as the graphical representation of phenomenon depicting relationship between variables of the study. On other hand, Ronoh(2018) argued that conceptual framework is a diagrammatically representing the relationship between dependent and independent variables. As for this study, it is hypothesized that a free market economy, foreign policies, and increased foreign direct investment positively correlate with the development of large-scale manufacturing industries in Zanzibar. These variables may interact in complex ways, with the presence of one factor amplifying or moderating the effects of others.

Independent variables(free market economy, foreign policy of 2001 and Foreign Direct Investment) were measured through number of trade agreements, frequency of economic missions, partnerships with international organizations, and investments secured through diplomatic efforts while dependent variable were measured through improvement and sustainability of large-scale manufacturing firms, increase in manufacturing output, job creation in the manufacturing sector, and rise in manufactured goods exports.



**Figure 2.1: Conceptual Framework**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter concern two interrelated parts which are research design and data collection methods. Therefore, this chapter explains the research design, area of the study, target population, sample size and sampling techniques and data collection methods. Finally the validity and reliability of the methods used in data collection were drawn.

#### **3.2 Research Paradigm**

This study used the philosophy of pragmatism in which we intended to prioritize practicality and problem solving. This paradigm values the use of methods and theories that are most effective in achieving research objectives. It allows the integration of qualitative and quantitative methods hence lead to stronger interpretations and the potential for positive social change.

#### **3.3 Research Approach**

As for this study, we used both approaches deductive and inductive. Advantage of using the combined approach is to exploits advantageous criteria that appeared for both approaches. The combined approach helps to capture both quantitative data and qualitative data. Furthermore we will have a close understanding of the research context together with causal relationships between the variables.

#### **3.4 Research Design**

Saunder et al (2007) summarized that a research design shows a clear picture of

processes from enquiry establishment to reporting results, furthermore they argued according enquiries a study may have both descriptive and explanatory features. This study adopted explanatory sequential design, it emphasizes on quantitative phase followed by qualitative phase. The purpose of the qualitative results in second phase is to compliment what have been found on quantitative phase. The design include processes such as establishing an approach to inquiry, collecting data, analyzing quantitative data, analyzing qualitative data, and integrating and reporting the results.

### **3.5 Area of the Study**

This study was conducted at Ministry of Trade and Industrial Development Zanzibar, the area chosen as a base center because they are responsible on promotion and developing industrial sectors though due to different need other personnel were followed on the basis of their location and availability.

### **3.6 Target Population**

Mugenda and Mugenda (1999) referred target population as the entire group of individuals or objects with common observable characteristics upon the results of the study were obtained. This study encompassed different stakeholders most especially respondents from Ministry of Trade and Industrial Development, Zanzibar Investment and Promotion Authority, Department of Foreign Affairs and East Africa Cooperation - Zanzibar, foreign investors, presenters from private sectors and others in related field.

### **3.7 Sample Size and Sampling Techniques**

Bailey (1994) defined a sample as a part of representative from a population from which one is interested to study and it bears the same characteristics as a whole.

Furthermore he defined Sample size as the number of respondents selected for intervention from a research population. Kothari (2004) defined sampling process of choosing some part of a population from which a researcher obtains information through examination of that part only. It can be a probability or non-probability sampling. On the other hand, Saunders et al., (2007) portrayed four factors to consider when selecting sampling technique, which are time constraints to survey your population, budget constraint, practicability to survey your population and time of response.

### **3.7.1 Sample Size for Quantitative Data Collection**

There are several statistical methods that produces sample size for a different research studies, as for this study since the target population is unknown (involves various stakeholders of economic diplomacy related field) then, it adopt the following statistical formula to develop sample size:-

$$n = (Z^2 * sd * (1 - sd)) / e^2$$

Where, n = sample size, Z = confidence level of 95% turned to Z score of 1.96, sd = standard deviation and e = Margin error of calculation.

Now, with the margin error of 0.08 (8%), standard deviation of 0.5 and Z score of 1.96, sample size is:-

$$n = (1.96^2 * 0.5 (1-0.08)) / 0.08^2$$

$$n = 150$$

Thus, the sample size of this study was (150) respondents for quantitative data collection, this samples size is optimum because it led to efficiency, representative, reliability and flexibility.

**Table 4.1: Sample Distribution For Quantitative Data**

Type of respondent	Number of respondent	Questionnaire distribution (%)	Sampling technique
Local investors	15	10	
Foreign investors	5	3.33	
ZIPA	20	13.33	
Ministry officer	50	33.33	
Ambassadors	10	6.67	Randomly distributed
SMIDA	30	20	
ZMCL	10	6.67	
ZSFL	5	3.33	
YY – TZ Agro – processing Company	5	3.33	
<b>TOTAL</b>	<b>150</b>	<b>100</b>	

**Source:** Research data, (2024).

### 3.7.2 Sample for Qualitative Data Collection

Sandelowski (1995) concluded that there are no computations or power analyses that can be done in collecting qualitative data to determine a priori the minimum number rather than allowing data collection to reach its saturation. Sarfo et al (2021) argued theoretically reaching to saturation is relative to space and time and can be determined by number of participant in target population and not necessarily amount of information. Ritchie et al. (2014) advise an upper limit of 50 for interview studies because the quality of data collection and analysis may suffer from larger sizes. So, since defining a sample in qualitative study is not a game of number. The study opted to select 20 participants for gathering qualitative data.

**Table 4.2: Sample Distribution for Qualitative Data**

Type of respondent	Number of respondent	Percentage involvement	Sampling technique
Foreign investors	2	10	Purposively sampling
Local investors	3	15	
SMIDA	3	15	
YY-TZ Agro – processing Company	1	5	
ZIPA	4	20	
Ministry officer	4	20	
ZMCL	1	5	
ZSFL	1	5	
ambassador	1	5	
<b>Total</b>	<b>20</b>	<b>100</b>	

**Source:** Research data, (2024).

According to Kothari (2004), an optimum sample is one that fulfills the requirements of efficiency, representativeness, reliability, and flexibility. Therefore the study incorporate a total number of 170 participants whereas for sampling technique it adopted simple random sampling approach giving all respondents equal chance of being selected to the sample for questionnaires while participants in the semi-structured interviews were chosen specifically to guarantee representation of essential components relevant to the study issues. This method guarantees that the qualitative data gathered is comprehensive and reflective of the varied viewpoints of the target group. The sample frame for the qualitative interviews comprises people with a variety of backgrounds, experiences, and responsibilities linked to the research issue, ensuring a thorough grasp of the phenomena being studied.

### **3.8 Methods of Data Collection**

Morris (1990) defined procedure for data collection as set of rules that a researcher should abide to for gathering pieces of information from a target population. Kothari (2004) argued that there are two types of data in social science studies that are; primary and secondary data. A researcher should collect data after defining research problem and write a research design. As for this study, both primary and secondary data were collected.

#### **3.8.1 Questionnaires**

Kothari (2004), A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms. Each respondent is supposed to answer the questions on their own after reading and understanding the each question. Saunders, et al., (2007) questionnaires differ on the basis of how are being

administered. A questionnaire can be defined as an instrument of a series of questions about the topic of the study. It is a highly structure method of data collection tool. It is a format containing a list questions sequentially ordered to obtain information relevant to the objective of the study. In this study 150 questionnaires distributed through mailing to respondents or delivered by hand to respondents and being later collected since it is most easy and reliable methods. This method is relatively cheap thus creates openness and readiness in answering questions.

### **3.8.2 Semi - Structured Interview**

Saunders et al., (2007) argued that Semi - Structured Interview allows the researcher to collect open-ended data, to explore participant thoughts, feelings and beliefs about a particular topic and to delve deeply into personal and sometimes sensitive issues. The tool combines elements of both structured and unstructured interview, it supports in depth exploration of topics by allowing respondents to elaborate on their thoughts, experiences and perspectives on their own words through which strike the balance between the structures needed to ensure the key topics are covered and the flexibility required allowing for organic conversation and discovery. 20 respondents were reached through this method in which we intended to capture a deeper understanding of complex phenomenon, explore diverse perspectives and richness of experiences.

### **3.8.3 Document Reviews**

Yin (1994) argued that document reviews corroborate and augment evidence from other sources. This method involves the systematic examination and analysis of

existing documents to gather information relevant to research question. We adopted this tool for collecting secondary data since it allows the researchers to leverage existing information to address the problem by providing valuable insights and enriching the findings in simple language by compliment other sources of information.

### **3.9 Data Processing and Analysis**

Kothari (2004) defined data processing as editing, recoding, classification and tabulation of collected data, so that they are responsive to analysis i.e translating data set to valuable form for analysis whereas, analyzing data stated as the calculation of certain indices along with searching for patterns of relationship that exist among the data groups. This study used SPSS and MS Excel tool to process and analyze quantitative collected data. The tool was used to create descriptive statistics, such as frequencies and percentages. The data was presented as tables and charts. Furthermore, statistical measurements such as means, standard deviations, minimum and maximum variable values will be employed to give extensive descriptive analysis, assisting in the summarization of the data as well as understanding its distribution and variability. As for qualitative data, Content analyses were systematically used to find patterns and themes by coding and categorize semi-structured interview data.

The study intends to establish well-founded findings about the variables impacting large-scale manufacturing businesses by providing significant statistical insights for decision-making and strategy.

### **3.10 Validity and Reliability**

Kirk and Miller (1986) defined Validity as the situation where a scale developed as indicators of some observable criterion. The scales validity can be investigated by seeing how good an indicator it is, by comparing the finding with the observable criterion. Kothari (2004) argue that, the measurement tools of research should pass through the test of validity, reliability, and practicality. Grove et al., (2013) Piloting a measuring instrument also provides an opportunity to establish the reliability and validity instrument. In this study, we carried out a pilot study to thoroughly test the tools on a small, representative population. This allowed us to assess the tools' validity and reliability, uncover faults in their design, and make necessary changes. The pilot study confirmed that the redesigned tools are effective and appropriate for reliable data collection.

### **3.11 Ethical issues**

Saunders et al., (2007) Ethical issues in social science studies refers to the standards of behavior that guide researchers' conduct in relation to the rights of those who become the subject of research, or affected by it. All information including respondents' personal details and sensitive data of this study are confidential. Issues such as asking embarrassing questions, forcing any reveal of confidential information, or referring respondents by their actual names were avoided.

## CHAPTER FOUR

### FINDINGS, RESULTS AND DISCUSSION

#### **4.1 Introduction**

In this chapter we present findings gathered through questionnaires, Semi structured interview and Secondary Documentation. Relatively to research objectives, the findings have been analyzed and discussed.

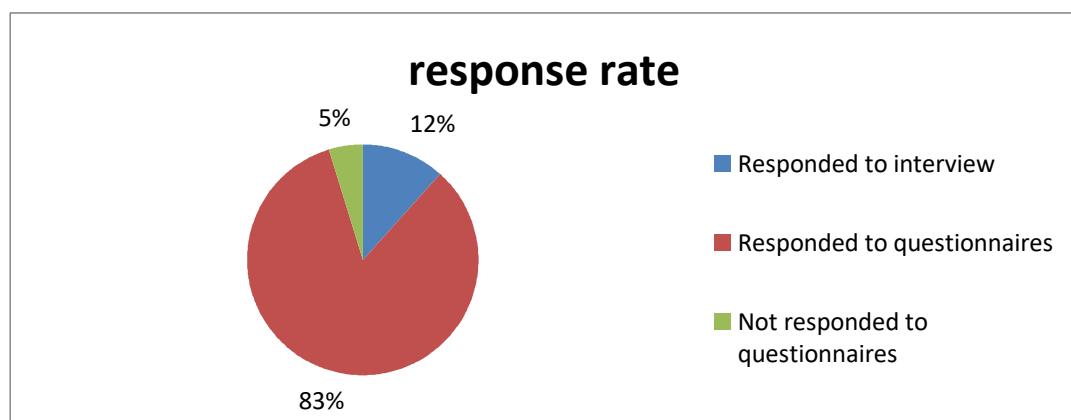
#### **4.2 General Findings**

Questionnaires were distributed to 150 various stakeholders of Ministry of Trade and Industrial Development, Zanzibar Investment Promotion Authority and Department of Foreign Affair and East Africa Cooperation, in which only 142 were completed and returned. Furthermore, 20 respondents were qualitatively interviewed where they made the total number of 162 respondents who contributed fully to the study.

**Table 4.3: Study Response Rate**

	Frequency	Percentage
Responded to interview	20	11.8%
Responded to questionnaires	142	83.5%
Not responded to questionnaires	8	4.7 %
Total	170	100%

**Source:** Research data, (2024).



**Figure 4.1: Study Response Rate**

**Source:** Research data, (2024).

The study's data can be displayed as a pie chart with three sectors. The first sector (11.8%) includes stakeholders who took part in qualitative interviews. The second and largest sector (83.5%) represents individuals who completed and returned questionnaires. The lowest sector, at 4.7%, represents non-responses. This figure shows that the majority of data came from completed questionnaires, augmented by interviews, with a small number of non-responses, providing a clear visual of the response distribution.

#### **4.2.1 Demographic Information of Respondents**

From 4.2 to 4.7 below represent the respondents' demographic data. These distributions help to identify the quality of human capital hence enhancing the applicability of our findings.

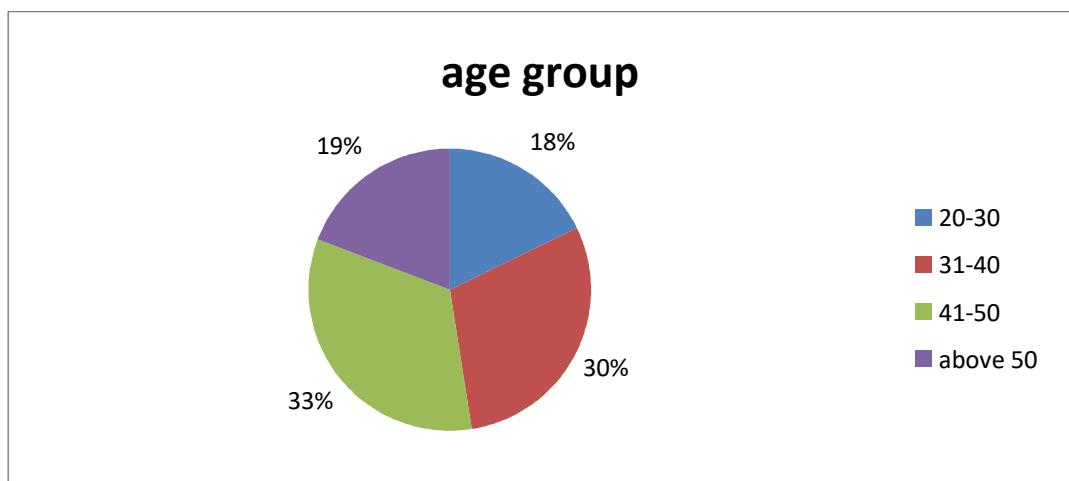
##### **4.2.1.1 Age group**

Consider Table 4.4 and figure 4.2 which shows the majority of the respondents were aged between 31 – 40 and 41 – 50 as they represent 29.6% and 33.3% of the entire respondents respectively. Compared to others these age groups are likely to have extensive professional experience and stability, which can impact their responses with a well-established perspective and consistent approach. Their life stage and professional development may influence their ideas and priorities, providing a more nuanced grasp of the issue. According to Overholt et al. (1991), age is taken into account when assessing a person's maturity, experience, and level of knowledge in a variety of areas.

**Table 4.4: Age group distribution**

Age group	Frequency	Percent	Cumulative Percent
Valid	20-30	29	17.9
	31-40	48	29.6
	41-50	54	33.3
	above 50	31	19.2
	Total	162	100.0

**Source:** Research data, (2024).

**Figure 4.3: Age Group Distribution of Respondents**

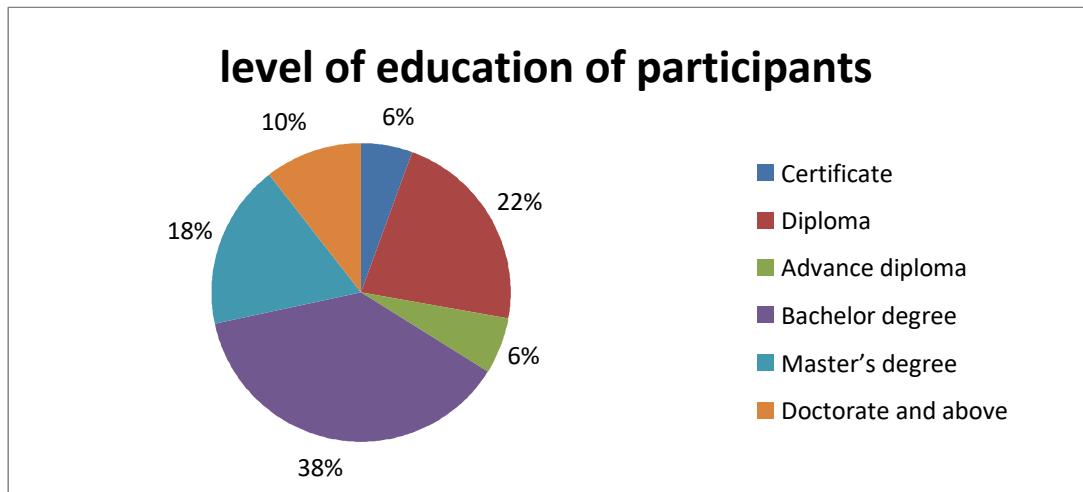
#### 4.2.1.3 Education Level of Participants

Table 4.5 and figure 4.3 below shows, 5.5% were certificate holders, 22.2 % were diploma holders, 6.2% were advance diploma holders, 37.7% were bachelor degree holder, 17.9% were master's degree holder, 10.5% were doctorate and above. This distribution indicates that our findings are most likely informed with a high level of knowledge and academic performance, which may increase the depth and trustworthiness of their comments. Furthermore, the range of educational levels allows for an investigation of how different educational backgrounds may influence attitudes and responses. Hence this visual representation highlights the educational diversity within the study's sample.

**Table 4.5: Level of education of participants**

Education Level of participants		Frequency	Percent	Cumulative Percent
Valid	Certificate	9	5.5	5.6
	Diploma	36	22.2	27.8
	Advance diploma	10	6.2	34.0
	Bachelor degree	61	37.7	71.6
	Master's degree	29	17.9	89.6
	Doctorate and above	17	10.5	100.0
	Total	162	100.0	

Source: Research data, (2024).

**Figure 4.4: Level of Education of Participants**

#### 4.2.1.4 Marital Status

Table 4.6 shows the marital status of respondents where 8% were single, 75.9% were married and 16.1 % are widow/widower. The data reveals that the majority of respondents are in stable marriage relationships, which may influence their opinions. The high percentage of married people may represent particular life stage that influences their opinions on this study. Furthermore, the presence of widowed people brings a distinct set of experiences and perhaps unique insights.

**Table 4.6: marital Status of Participant**

<b>Marital status of participant</b>		<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid	single	13	8.0	8
	married	123	75.9	83.9
	widow/widower	26	16.1	100.0
	Total	162	100.0	

**Source:** Research data, (2024).

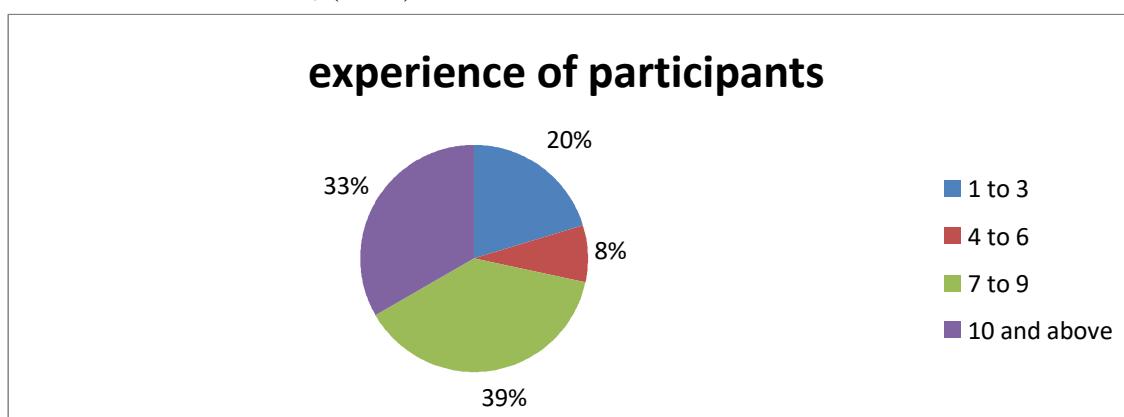
#### 4.2.1.5: Experience of Participants

Table 4.7 shows that 20.4%, 8%, 38.3% and 33.3% of the respondents have below 4, 4-6, 7-9 and above 10 years of experience in industrial sector respectively. As it is seen in distribution bellow, the majority of participants are in the "7-9 years" group, followed by those with "10 years and above" experience. This split helped researchers to understand the sample's makeup in terms of experience, which can aid in interpreting the findings in light of the participants' various degrees of industrial competence.

**Table 4.7: Years of Experience of Participant in Industrial**

		<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Valid	1-3	33	20.4	20.4
	4-6	13	8.0	28.4
	7-9	62	38.3	66.7
	10 and above	54	33.3	100.0
	Total	162	100.0	

**Source:** Research data, (2024).

**Figure 4.5: Experience of Participants**

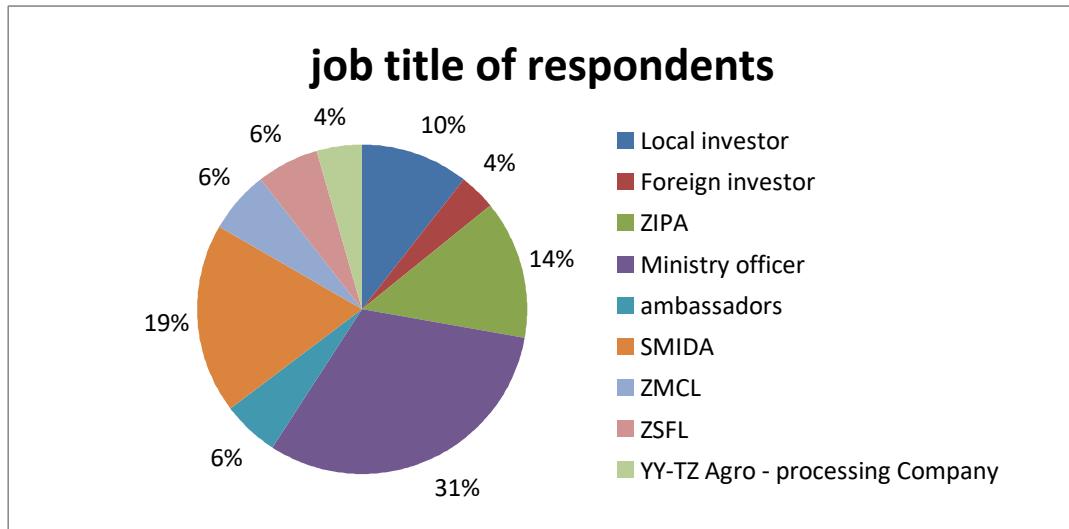
#### 4.2.1.6 Job Title of the Respondents

Table 4.8 and figure 4.5 show that 31.48% of respondents were ministry personnel, which is not surprising given their significant influence over investment and policy decisions. The substantial contributions from SMIDA (18.52%) and ZIPA (13.58%) highlight the advancement of SME development and investment promotion. Only 3.70% of foreign investors expressed strong interest, compared to 10.49% of local investors. Diverse responsibilities were highlighted by ambassadors (5.56%), ZMCL and ZSFL (each 6.17%), and YY - TZ Agro-Processing Company (4.32%) to complete the sample. This mix of roles implies that the responses may reflect a variety of perspectives from those directly involved in governance, investment, and policymaking, enriching the research with a thorough understanding of multiple viewpoints and potential biases associated with various fields of expertise.

**Table 4.8: Job Title of Respondent**

		Frequency	Percent	Cumulative Percent
Valid	Local investors	17	10.49	10.49
	Foreign investors	6	3.70	14.19
	ZIPA	22	13.58	27.77
	Ministry officer	51	31.48	59.26
	Ambassadors	9	5.56	64.81
	SMIDA	30	18.52	83.33
	ZMCL	10	6.17	89.50
	ZSFL	10	6.17	95.68
	YY - TZ Agro - processing Company	7	4.32	100.00
	Total	162	100.0	

**Source:** Research data, (2024).



**Figure 4.6: Job Title of Respondents**

#### 4.2.2 Descriptive Statistics

##### 4.2.2.1 Free Market Economy

The table contains descriptive information on respondents' perceptions of the impact of various economic conditions on large-scale manufacturing firms in Zanzibar. 142 respondents offered feedback on each of the five assertions, with no missing comments. The statement, "The free market economy has increased opportunities for large-scale manufacturing industries in Zanzibar," earned a mean score of 4.25 and a standard deviation of 0.432. This indicates a substantial consensus among respondents, with the majority agreeing or strongly agreeing that the free market economy has created more opportunities.

The responses ranged from 4 to 5, indicating continuous agreement. The second statement, "Competition from international markets has stimulated growth in local large-scale manufacturing industries," received a mean score of 4.27 with a standard deviation of 0.521. Although there was a little more variation than in the previous

statement, the replies, which varied from 3 to 5, indicate a significant agreement that global competition has spurred growth. The third statement, "The deregulation of markets has positively impacted the development of large-scale manufacturing sectors" had a mean score of 3.90 and a standard deviation of 0.523. The answers, which varied from 2 to 5, show a general consensus with some variation, indicating different opinions regarding the degree of the beneficial effect.

The fourth statement "The free market economy has led to greater investment in large-scale manufacturing industries in Zanzibar" and it obtained a mean score of 4.11 with a standard deviation of 0.520. The responses, which varied from 2 to 5, indicate that although there is broad consensus, there is also some disagreement. Finally, in the last statement had the highest mean score of 4.41 and the largest standard deviation of 0.654, The responses, which varied from 2 to 5, show that although most respondents think free trade policies have been beneficial, there is a great deal of variation in their opinions.

Generally the descriptive statistics shown in the table indicate that the free market economy has a generally good impact on Zanzibar's large-scale industrial industries. Most statements had high means (ranging from 4.11 to 4.41), indicating widespread agreement that the free market economy has created opportunities, encouraged growth through international competition, attracted more investment, and established a favorable climate through free trade. The mean for the impact of market deregulation is 3.9, with a standard deviation of 0.523, indicating a good view with relatively little mixture in opinions. This implies that, while all parts of the free market economy are viewed favorably, the impact of deregulation is also viewed

positively, though far fewer times than other characteristics.

**Table 4.9: Descriptive Statistics**

Statistics		The free market economy has increased opportunities for large-scale manufacturing industries in Zanzibar.	Competition from international markets has stimulated growth in local large-scale manufacturing industries	The deregulation of markets has positively impacted the development of large-scale manufacturing sectors.	The free market economy has led to greater investment in large-scale manufacturing industries in Zanzibar.	Policies promoting free trade have created a favorable environment for the expansion of large-scale manufacturing.
N	Valid	142	142	142	142	142
	Missing	0	0	0	0	0
Mean		4.25	4.27	3.90	4.11	4.41
Std. Deviation		.432	.521	.523	.520	.654
Minimum		4	3	2	2	2
Maximum		5	5	5	5	5

**Source:** Research data, (2024).

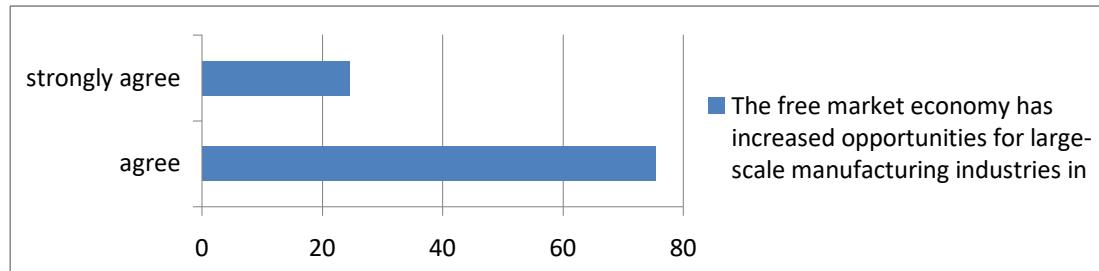
#### **4.2.2.1.1: The Free Market Economy Has Increased Opportunities for Large-Scale Manufacturing Industries in Zanzibar**

Table 4.10 and figure 4.6 shows that 35 respondents (24.6%) strongly agreed and 107 respondents (75.4%) agreed on proposition. There is broad support for the economic diplomacy that encourage a free market environment, as seen by the unanimous agreement (100%) that the free market economy has significantly improved opportunities for large-scale manufacturing industries in Zanzibar.

**Table 4.10: The Free Market Economy Has Increased Opportunities for Large-Scale Manufacturing Industries in Zanzibar**

		Frequency	Percent	Cumulative Percent
Valid	agree	107	75.4	75.4
	strongly agree	35	24.6	100.0
	Total	142	100.0	

**Source:** Research data, (2024).



**Figure 4.7: The Free Market Economy has Increased Opportunities for Large-Scale Manufacturing Industries in Zanzibar**

In the support of above, one respondent from MTID said that,

*‘We have seen a significant increase in foreign investment and access to modern technologies. This has allowed firms to grow their operations, increase productivity, and compete more successfully in both domestic and foreign markets.’*

World Bank (2019) on the study entitled, ‘doing businesses’ demonstrates how free market principles have improved the economic climate in undeveloped nations including Zanzibar. According to the research, these rules have boosted foreign investment and given local firms more chances to expand their markets. Benard et al,(2007) on their study of free market policies and industrial growth they acknowledge opportunities brought by free market economy which enhanced competition and increased investments in turn lead to significant industrial growth. The study included data from multiple developing countries.

#### **4.2.2.1.2 Competition from International Markets has Stimulated Growth in Local Large-Scale Manufacturing Industries**

According to the frequency distribution in table 4.11 and Figure 4.7, 44 respondents (31.0%) strongly agreed, and 93 respondents (65.5%) agreed. Moreover, 5 (3.5%) of the respondents expressed no opinion. The cumulative percentages indicate that

69.0% of respondents agreed or strongly agreed with the statement, and that the remaining 31.0% also strongly agreed, for an overall agreement rate of 100%. This suggests that respondents strongly believe that the rise of local large-scale manufacturing industries in Zanzibar has been aided by international competition.

One of respondent from ZMCL said that,

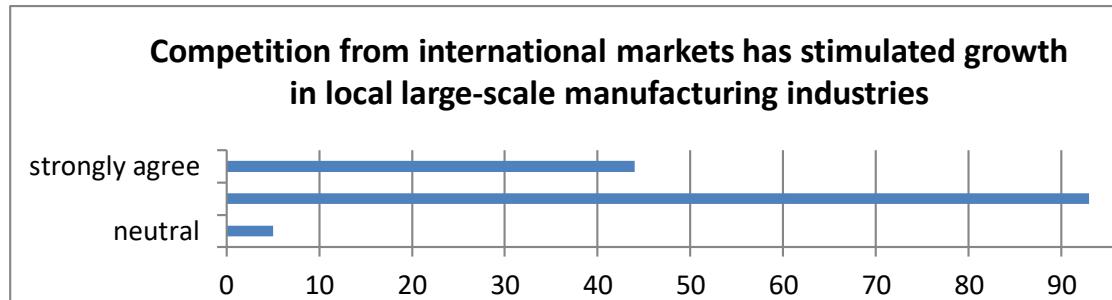
*“Being under pressure from competition, manufacturers have been forced to increase productivity, adopt new technology, and raise quality standards. This has resulted in increased innovations and industry growth.”*

This finding goes in line with the study of Benard et al, (2007) where they claimed that competitions raise innovation rates and enhances product quality. The study looks at a number of nations and shows that manufacturing expansion and competition are positively correlated. World Bank (2017) emphasizes how businesses in developing nations have been compelled to embrace new technology and increase efficiency as a result of being exposed to international competition. It offers case studies from different parts of the world, demonstrating the advantages that local manufacturing businesses have had from joining global value chains.

**Table 4.11: Competition from International Markets Has Stimulated Growth In Local Large-Scale Manufacturing Industries**

		Frequency	Percent	Cumulative Percent
Valid	neutral	5	3.5	3.5
	agree	93	65.5	69.0
	strongly agree	44	31.0	100.0
	Total	142	100.0	

**Source:** Research data, (2024).



**Figure 4.8: Competition from International Markets has Stimulated Growth in Local Large-Scale Manufacturing Industries**

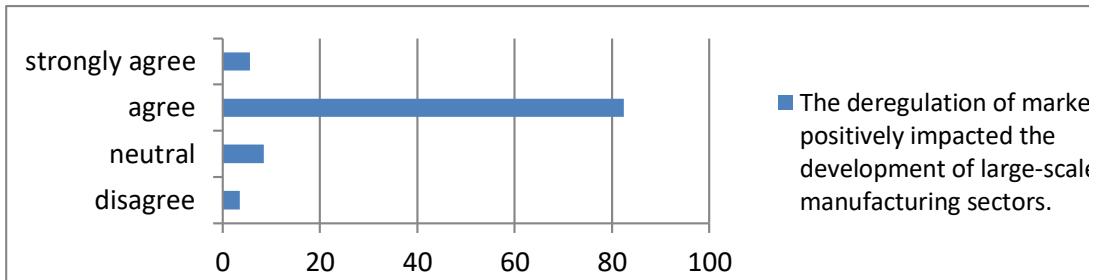
Source: Research data, (2024).

#### **4.2.2.1.3 The Deregulation of Markets Has Positively Impacted the Development of Large-Scale Manufacturing Sectors**

Table 4.12 and Figure 4.8 shows that, there is a little more variation in respondents' opinions, even if the majority of them concur that market deregulation has had a good effect. 117 respondents (82.4%) agreed, and 8 respondents (5.6%) strongly agreed, according to the frequency distribution. Five respondents (3.5%) disagreed, while a smaller percentage, 12, respondents (8.5%), were neutral. Based on the total percentages, 94.4% of participants expressed agreement or strong agreement, while a small minority held neutral or disagreeing opinions. Despite some differing views, the data shows a solid general consensus that market deregulation has aided in the growth of Zanzibar's large-scale manufacturing sectors.

**Table 4.12: The Deregulation of Markets Has Positively Impacted the Development of Large-Scale Manufacturing Sectors**

The deregulation of markets has positively impacted the development of large-scale manufacturing sectors		Frequency	Percent	Cumulative Percent
Valid	disagree	5	3.5	3.5
	neutral	12	8.5	12.0
	agree	117	82.4	94.4
	strongly agree	8	5.6	100.0
	Total	142	100.0	



**Figure 4.9: The Deregulation of Markets Has Positively Impacted the Development of Large-Scale Manufacturing Sectors**

**Source:** Research data, (2024).

One of the Consulate respondents from said that,

*“Large-scale manufacturing has generally benefited from deregulation. It has lowered entrance barriers, enabling more open and effective commercial operations. Better access to resources and markets has spurred growth and innovation among businesses, but some have struggled to stay up with heightened competition and a lack of governmental support.”*

On the light of the above, other studies for example in the Journal of Development Economics (Vol. 124, 2017), an article titled “Market Deregulation and Industrial Growth” provides empirical evidence that market deregulation boosts manufacturing growth by increasing competitive pressures and improving access to capital and technologies. Stankov (2018) acknowledge that deregulation leads to greater innovation in businesses nearing the technological frontier compared to those further behind. This suggests that countries near the technological frontier would profit more from deregulation.

#### **4.2.2.1.4 The Free Market Economy Has Led to Greater Investment in Large-Scale Manufacturing Industries in Zanzibar**

According to the frequency distribution of Table 4.13 and Figure 4.9 below, 27 respondents (19.0%) strongly agreed, whereas 105 respondents (73.9%) agreed.

Only one person (0.7%) disagreed, with the remaining 9 respondents (6.3%) being neutral. Cumulatively 81.0% of respondents indicated they agreed or strongly agreed, with a small minority expressing a neutral stance or disagreement. Despite differing perspectives, this evidence supports a strong general impression that the free market economy has greatly boosted investment in large-scale manufacturing sectors in Zanzibar.

Respondent from SMIDA said that,

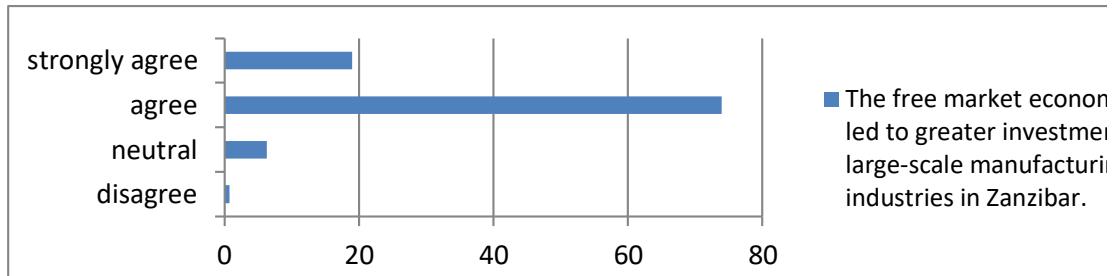
*“It has ensured a stable economic framework by removing trade barriers, lowered tariffs, and simplified regulations to create a climate that is favorable to investors. This has prompted significant investments from domestic and foreign businesses, propelling the expansion of the industry.”*

The results goes in line with the study by Utouh (2024) Large-scale manufacturing in Tanzania has expanded as a result of trade liberalization, which has opened up new markets and drawn investment.

**Table 4.13: The Free Market Economy Has Led to Greater Investment in Large-Scale Manufacturing Industries in Zanzibar**

The free market economy has led to greater investment in large-scale manufacturing industries in Zanzibar					
		Frequency	Percent	Valid	Cumulative
				Percent	Percent
Valid	disagree	1	0.7	.7	.7
	neutral	9	6.3	6.3	7.0
	agree	105	73.9	73.9	81.0
	strongly agree	27	19.0	19.0	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.10: The Free Market Economy Has Led To Greater Investment in Large-Scale Manufacturing Industries in Zanzibar**

Source: Research data, (2024).

#### **4.2.2.1.5 Policies Promoting Free Trade Have Created a Favorable Environment for the Expansion of Large-Scale Manufacturing**

According to the frequency distribution in table 4.14 and figure 4.10 below, 68 respondents (47.9%) strongly agreed and 67 respondents (47.2%) agreed. Just 3 respondents (2.1%) disagreed, with a smaller fraction, 4 respondents (2.8%), being neutral. It cumulatively shows 95.1% of respondents indicated they agreed or strongly agreed, with a tiny minority expressing neutrality or disagreement. This data supports the widely held belief that Zanzibar's large-scale manufacturing firms have grown successfully because of free trade policies that have successfully produced a favorable environment.

One of respondent from ZIPA said that,

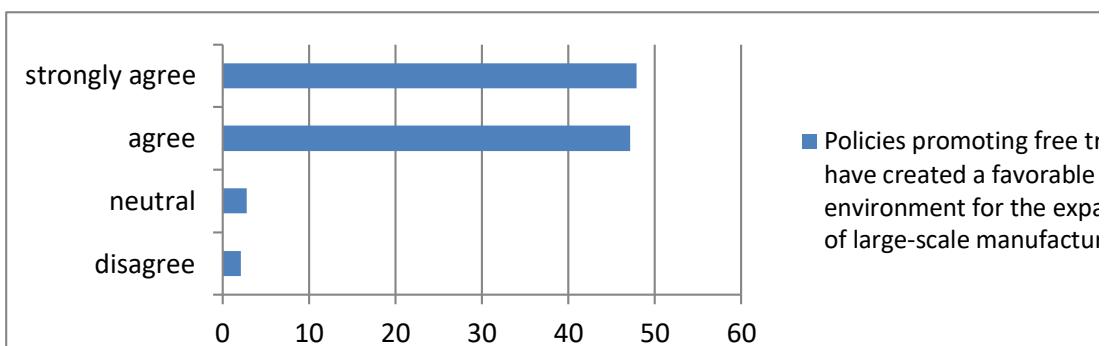
*“Free trade policies such as ZIP of 2009 made it easier for manufacturers to enter global markets and benefit. This has led to increased production capacities, and overall growth in the sector”*

Werlch et al, (2003) also narrated favorable environment for industrial expansion is observed for nation that adopts free trade policies, where they bring about international investment by fostering a more open and predictable business climate.

**Table 4.14: Policies Promoting Free Trade Have Created a Favorable Environment for the Expansion of Large-Scale Manufacturing**

Policies promoting free trade have created a favorable environment for the expansion of large-scale manufacturing.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	2.1	2.1	2.1
	neutral	4	2.8	2.8	4.9
	agree	67	47.2	47.2	52.1
	strongly agree	68	47.9	47.9	100.0
	Total	142	100.0	100.0	

Source: Research data, (2024).



**Figure 4.11: Policies Promoting Free Trade Have Created a Favorable Environment for the Expansion of Large-Scale Manufacturing**

#### 4.2.2.2: Effectiveness of Foreign Direct Investment

**Table 4.15: Descriptive Statistics for Foreign Direct Investment**

Statistics					
Foreign direct investments have significantly contributed to the growth of large-scale manufacturing industries in Zanzibar.	The presence of foreign investors has led to improved technological capabilities in local manufacturing industries.	Foreign investments have created more job opportunities in the large-scale manufacturing sector.	Foreign direct investments have facilitated better infrastructure for large-scale manufacturing in Zanzibar.	Foreign investors have played a key role in introducing new management practices to large-scale manufacturing industries.	
N	142	142	142	142	142
Valid	142	142	142	142	142
Missing	0	0	0	0	0
Mean	4.35	4.35	4.31	4.43	4.49
Std. Deviation	.653	.674	.665	.576	.516
Minimum	2	2	2	2	3
Maximum	5	5	5	5	5

Source: Research data, (2024).

The Table 4.15 shows the mean distribution on extent to which the respondents rate the scores on the effectiveness of foreign direct investment in promoting of large - scale manufacturing industries in Zanzibar. The descriptive statistics show that foreign direct investment (FDI) has a strong positive impact on Zanzibar's large- scale manufacturing industries. All statements have high mean scores (range from 4.31 to 4.49), indicating widespread agreement among responders. The highest mean (4.49) relates to foreign investors' role in bringing new management methods, showing that this element is highly valued. The fairly small standard deviations (0.516 to 0.674) indicate that there is minimal diversity in answers, maintaining the consensus on the favorable impact of FDI. This data emphasizes the importance of foreign investment in improving technological skills, job creation, infrastructural development, and management practices in Zanzibar's large-scale manufacturing industry.

#### **4.2.2.2.1 Foreign Direct Investments Have Significantly Contributed to the Growth of Large-Scale Manufacturing Industries In Zanzibar**

The table 4.16 and Figure 4.11 below show that Respondents' overwhelming approval for the statement "Foreign direct investments have significantly contributed to the growth of large-scale manufacturing industries in Zanzibar" is evident. A total of 94.0% of respondents have a positive opinion on foreign direct investments, with 71 respondents (50.0%) agreeing and 61 respondents (44.0%) strongly agreeing. Merely 2 respondents (1.4%) disagreed, while just 8 respondents (5.6%) were neutral. According to this distribution, the great majority of respondents think that foreign direct investments are essential to the development of Zanzibar's large-scale

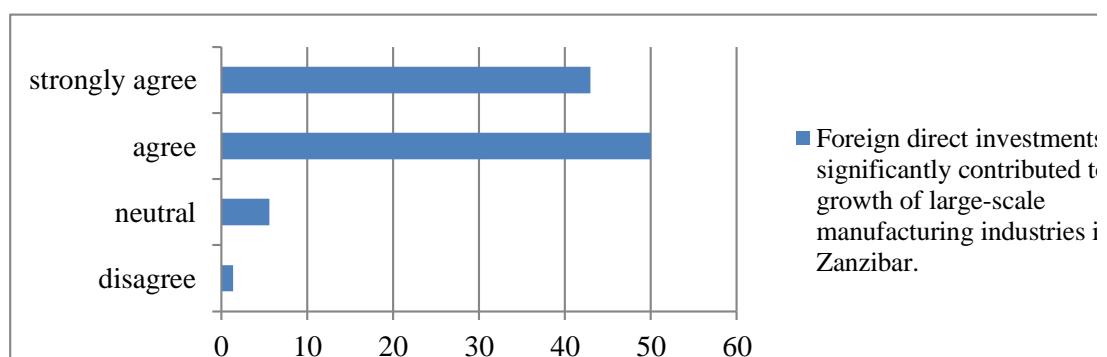
industrial sector. The substantial influence of foreign money on the industrial growth of the region is highlighted by the high degree of agreement.

Zanzibar's manufacturing capacity has risen significantly as a result of FDI-driven infrastructure improvements. This confirms the findings of Asiedu (2002), who found that infrastructure development is a major factor influencing FDI's beneficial effects on economic growth. Improved infrastructure in Zanzibar has made production more efficient and drawn in more capital, creating a positive feedback loop.

**Table 4.16: Foreign Direct Investments Have Significantly Contributed to the Growth of Large-Scale Manufacturing Industries in Zanzibar**

Foreign direct investments have significantly contributed to the growth of large-scale manufacturing industries in Zanzibar.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	2	1.4	1.4	1.4
	neutral	8	5.6	5.6	7.0
	agree	71	50.0	50.0	57.0
	strongly agree	61	43.0	43.0	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.12: Foreign Direct Investments Have Significantly Contributed to the Growth of Large-Scale Manufacturing Industries in Zanzibar**

**Source:** Research data, (2024).

#### **4.2.2.2 The Presence of Foreign Investors Has Led to Improved Technological Capabilities in Local Manufacturing Industries**

In the Table 4.17 and Figure 4.12 there are widespread agreement among respondents to the claim that "the presence of foreign investors has led to improved technological capabilities in local manufacturing industries." A total of 142 respondents provided 90.2% of favorable comments, of which 64 (45.1%) agreed and another 64 (45.1%) strongly agreed. Merely one respondent (0.7%) disagreed, while just 13 respondents (9.2%) stayed neutral. This broad consensus emphasizes how international investors are seen to have a favorable influence on the advancement of technological capabilities in Zanzibar's manufacturing sectors. Most people seem to agree that foreign investments are important for pushing technological developments in the region's manufacturing sector.

Officer from ZSFL said that,

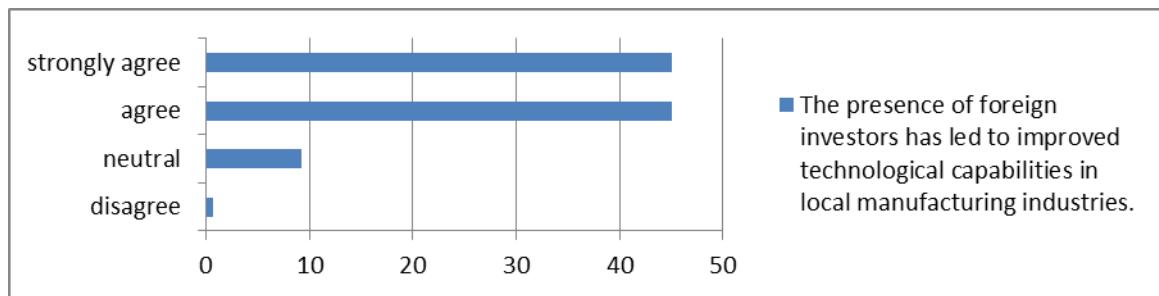
*"Foreign investors bring technologies and expertise, hence helps local firms to modernize their operations, improve productivity, and compete more effectively in both domestic and international markets"*

Enhancing technological capabilities requires the process of technology transfer from foreign investors to local enterprises. International investors support the skill development of local workers by training and sharing expertise, in addition to providing cutting edge equipment. According to Osano (2016), these technology transfer programs assist local businesses in more effectively incorporating cutting-edge technologies into their daily operations.

**Table 4.17: The Presence of Foreign Investors Has Led to Improved Technological Capabilities in Local Manufacturing Industries**

The presence of foreign investors has led to improved technological capabilities in local manufacturing industries					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	1	.7	.7	.7
	neutral	13	9.2	9.2	9.9
	agree	64	45.1	45.1	54.9
	strongly agree	64	45.1	45.1	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.13: The Presence of Foreign Investors Has Led to Improved Technological Capabilities in Local Manufacturing Industries**

**Source:** Research data, (2024).

#### **4.2.2.2.3: Foreign Investments Have Created More Job Opportunities in the Large-Scale Manufacturing Sector**

Table 4.18 and Figure 4.13 show the majority of respondents agreed with the assertion that "Foreign investments have created more job opportunities in the large-scale manufacturing sector". Out of the 142 participants, 56 (39.4%) strongly agreed and 78 (54.9%) agreed with the statement. Merely 4 respondents, or 2.8% of the total, expressed disagreement or remained neutral in each category. This suggests that there is broad agreement that the creation of job opportunities in the industry has been greatly aided by foreign investments.

One respondent from SMIDA said,

*“Manufacturing facilities frequently need a sizable labor force, creating job possibilities for the surrounding areas. This may contribute to improving local economic stability and lowering unemployment.”*

Other respondent from the MTID said the, *“The factories have created numerous jobs, providing employment opportunities for the local people.”*

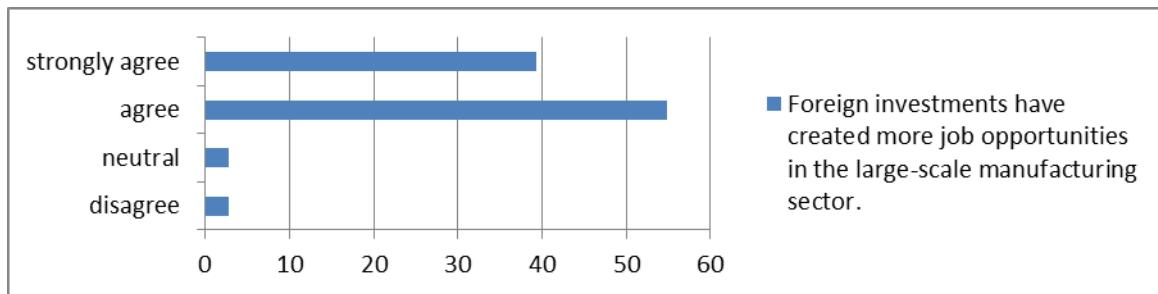
There is much evidence to support the wider economic and social advantages of FDI.

Rashid et al,(2014) claimed Foreign direct investment (FDI), one of the main forces behind job creation, it is essential to creating jobs through new projects and facility expansions where the establishment of new production lines and plants brought about by the presence of foreign investors usually raises the demand for laborers in a variety of manufacturing roles. According to De Gregorio et al, (1998), FDI promotes the development of human capital and generates job possibilities, both of which are factors in economic growth. These benefits are clear in Zanzibar, where FDI has improved overall economic well-being by fostering the creation of jobs and the development of skills.

**Table 4.18: Foreign Investments Have Created More Job Opportunities in the Large-Scale Manufacturing Sector**

Foreign investments have created more job opportunities in the large-scale manufacturing sector					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	4	2.8	2.8	2.8
	neutral	4	2.8	2.8	5.6
	agree	78	54.9	54.9	60.6
	strongly agree	56	39.4	39.4	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.14: Foreign Investments Have Created More Job Opportunities in the Large-Scale Manufacturing Sector**

Source: Research data, (2024).

#### **4.2.2.2.4 Foreign Direct Investments Have Facilitated Better Infrastructure For Large-Scale Manufacturing In Zanzibar**

In the table 4.19 and Figure 4.14 show 72 (50.7%) and 66 (46.5%) of the 142 participants agreed and strongly agreed with the statement. Just 1 (0.7%) of the respondents disagreed, and 3 (2.1%) said they were neutral. This suggests a strong consensus that the large-scale industrial sector's infrastructure has greatly benefited from foreign direct investments.

Respondent from Consulates, said that,

*“FDI stimulate the construction of new roads and bridges, facilitating easier transport of raw materials and finished goods.”*

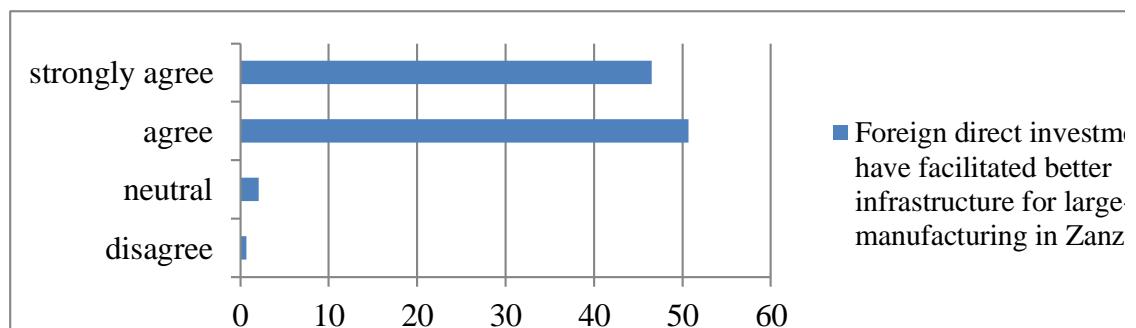
This is also evident from the study of FDI in developing Countries by Luiz (1997) where he claimed Large-scale manufacturing requires the construction of critical infrastructure, which has been greatly aided by foreign direct investments. Enhancing the operational efficiency and productivity of industrial enterprises has been made possible by investments in transportation networks, electricity supplies, and water resources. Where nowadays there is remarkable RGoZ engage on

development of infrastructure especially roads in Town area to enhance conducive environment for Manufacturing industry.

**Table 4.19: Foreign Direct Investments Have Facilitated Better Infrastructure For Large-Scale Manufacturing in Zanzibar**

Foreign direct investments have facilitated better infrastructure for large-scale manufacturing in Zanzibar				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	1	.7	.7
	neutral	3	2.1	2.1
	agree	72	50.7	50.7
	strongly agree	66	46.5	46.5
	Total	142	100.0	100.0

**Source:** Research data, (2024).



**Figure 4.15: Foreign Direct Investments Have Facilitated Better Infrastructure For Large-Scale Manufacturing In Zanzibar**

**Source:** Research data, (2024).

#### **4.2.2.2.5: Foreign Investors Have Played a Key Role in Introducing New Management Practices to Large-Scale Manufacturing Industries**

According to the findings, table 4.20 and Figure 4.15 below show a sizable majority of respondents think that new management techniques have been introduced to large-scale manufacturing firms by foreign investors. With regard to the impact of foreign investors, specifically, 50% of respondents agree with this statement, and 49.3%

strongly agree, for a total of 99.3% in favor of it. There was a substantial consensus among respondents just 0.7% expressed a neutral opinion about the beneficial impact of foreign investors on the upgrading of management techniques in the industry.

Respondent from MTID said that,

*“The implementation of lean manufacturing principles by our foreign allies has improved our processes and reduced waste.”*

Respondent from ZSFL said that,

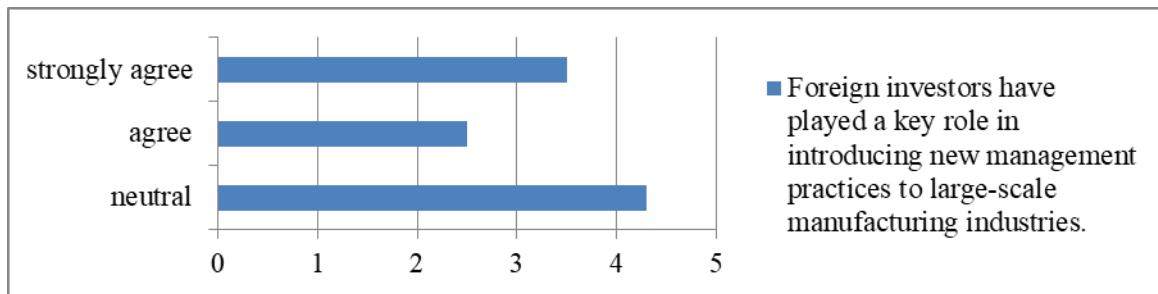
*“Six Sigma training that was provided by foreign expert as quality control methodology has improved our product since we experience very minimal defects.”*

These results are in line with previous research that emphasizes how FDI helps spread cutting-edge management techniques. Blomström and Kokko (1998) assert that international companies frequently contribute better management practices that can increase productivity in their host nations. Adoption of such technique has resulted in notable gains in product quality and industrial efficiency in Zanzibar.

**Table 4.20: Foreign Investors Have Played a Key Role in Introducing New Management Practices to Large-Scale Manufacturing Industries**

Foreign investors have played a key role in introducing new management practices to large-scale manufacturing industries					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	neutral	1	.7	.7	.7
	agree	71	50.0	50.0	50.7
	strongly agree	70	49.3	49.3	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.16: Foreign Investors Have Played a Key Role in Introducing New Management Practices to Large-Scale Manufacturing Industries**

**Source:** Research data, (2024).

#### 4.2.2.3: Effectiveness of Tanzania foreign policy of 2001

**Table 4.21: Descriptive Statistics current foreign policy of 2001**

Statistics						
	The foreign policy of 2001 has been effective in attracting investors to large-scale manufacturing industries in Zanzibar.	The current foreign policy supports the development of infrastructure needed for large-scale manufacturing.	The policy of 2001 has facilitated favorable conditions for the expansion of large-scale manufacturing industries.	The current foreign policy provides adequate incentives for large-scale manufacturing investments.	The foreign policy of 2001 has improved the regulatory environment for large-scale manufacturing industries.	
N	142	142	142	142	142	142
Missing	0	0	0	0	0	0
Mean	4.18	4.41	4.44	4.36	4.49	
Std. Deviation	.603	.654	.624	.645	.516	
Minimum	2	2	2	2	2	3
Maximum	5	5	5	5	5	5

**Source:** Research data, (2024).

The Table 4.21 shows the mean distribution of current foreign policy in promotion of large - scale manufacturing industries in Zanzibar. All assertions have high mean values (range from 4.18 to 4.449), showing widespread agreement among respondents. The highest means (4.49) are found for comments on the policy's involvement in promoting favorable conditions and enhancing the regulatory environment for large-scale manufacturing, indicating that these features are greatly valued. The comparatively low standard deviations (0.516 to 0.654) indicate that participants responded consistently, reflecting the consensus on the policy's

beneficial impact. This data emphasizes the significance of the 2001 foreign policy in recruiting investors, expanding infrastructure, creating favorable conditions, offering incentives, and enhancing the regulatory environment for large-scale manufacturing.

#### **4.2.2.3.1 The Foreign Policy of 2001 Has Been Effective in Attracting Investors to Large-Scale Manufacturing Industries in Zanzibar**

In the table 4.22 and figure 4.16 show 66.9% of respondents agreeing and 26.8% strongly agreeing, the majority of respondents (93.7%) are in support of this statement. A minimal portion of respondents (2.1%) disagree or are neutral (4.2%), demonstrating strong support for the policy's beneficial effects on investment. In this aspect, Respondents pointed out that better regulatory frameworks, tax breaks, and investor-friendly measures made the 2001 foreign policy a more favorable climate for foreign investment hence stimulate the growth of the manufacturing industries.

For instance;

One ZIPA official said,

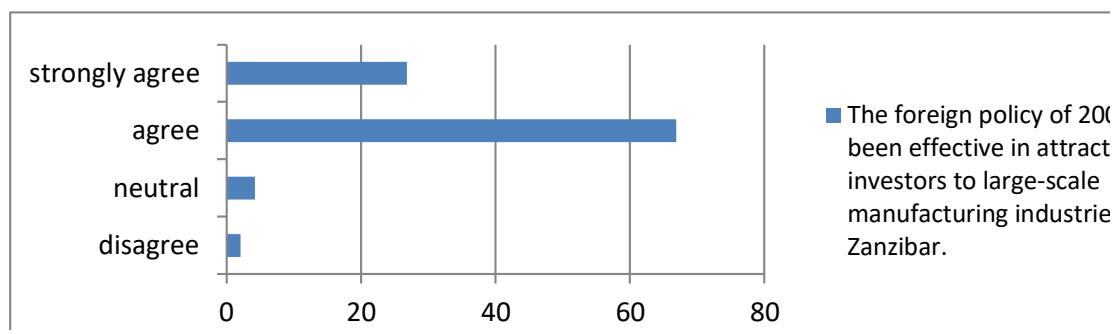
*“The 2001 policy introduced several incentives for foreign investors, such as tax breaks and simplified registration processes.”*

Attracting foreign investment is largely dependent on the establishment of a favorable investment environment. In order to attract international investors, it is essential to have a suitable regulatory environment and investment incentives, as stated by Globerman and Shapiro (2002). The 2001 policy's emphasis on these areas has played a significant role in increasing Zanzibar's appeal as a location for major manufacturing investments.

**Table 4.22: The Foreign Policy of 2001 Has Been Effective in Attracting Investors to Large-Scale Manufacturing Industries in Zanzibar**

The foreign policy of 2001 has been effective in attracting investors to large-scale manufacturing industries in Zanzibar.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	2.1	2.1	2.1
	neutral	6	4.2	4.2	6.3
	agree	95	66.9	66.9	73.2
	strongly agree	38	26.8	26.8	100.0
	Total	142	100.0	100.0	

Source: Research data, (2024).



**Figure 4.17: The Foreign Policy of 2001 Has Been Effective in Attracting Investors to Large-Scale Manufacturing Industries in Zanzibar**

Source: Research data, (2024).

#### **4.2.2.3.2 The Current Foreign Policy Supports the Development of Infrastructure Needed For Large-Scale Manufacturing**

In the table 4.23 and Figure 4.17, it is widely believed that the current foreign policy is very supportive of the infrastructural development required for large-scale manufacturing. 95.1% of respondents are in favor, with a sizable majority either agreeing (47.2%) or strongly agreeing (47.9%). There is general agreement among respondents that the current foreign policy has a good impact on infrastructure development, as evidenced by the tiny percentage who disagree (2.1%) or are neutral (2.8%).

In a study as by mentioned by Asiedu (2002), A nation can only prosper with better infrastructure. Zanzibar's infrastructure has been improved by RGoZ through the successful use of foreign investments, and the 2001 foreign policy has made the city a more desirable location for large-scale industry since it attracts foreign investments.

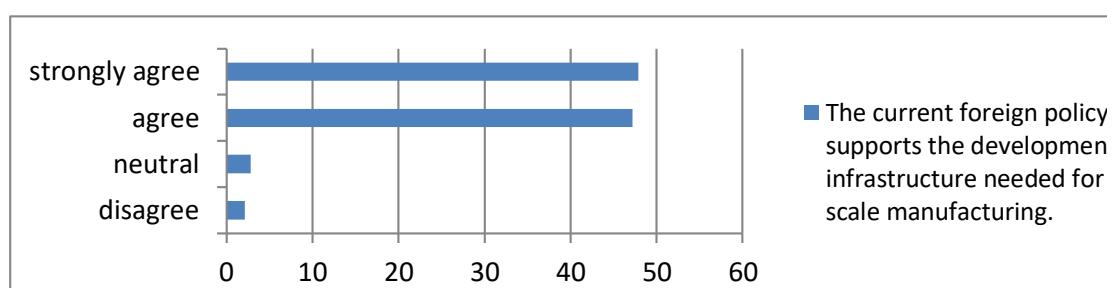
One officer from ZIPA said,

*“Large-scale manufacturers gain from the construction of better roads and transportation systems because they provide a dependable supply chain and distribution system”*

**Table 4.23: The Current Foreign Policy Supports The Development of Infrastructure Needed For Large-Scale Manufacturing.**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	2.1	2.1	2.1
	neutral	4	2.8	2.8	4.9
	agree	67	47.2	47.2	52.1
	strongly agree	68	47.9	47.9	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.18: The Current Foreign Policy Supports the Development of Infrastructure Needed For Large-Scale Manufacturing**

**Source:** Research data, (2024).

#### **4.2.2.3.3 The Policy of 2001 Has Facilitated Favorable Conditions for the Expansion of Large-Scale Manufacturing Industries**

In the table 4.24 and Figure 4.18, 95.8% of respondents agreed that the Tanzania Foreign Policy of 2001 has been very successful in fostering the growth of large-scale manufacturing industries, with 46.5% agreeing and 49.3% strongly agreeing. There is broad agreement among respondents regarding the policy's beneficial effects on industry growth, as seen by the small percentage who disagree (1.4%) or are neutral (2.8%). In this aspect the policy implemented in 2001, as highlighted by the respondents, brought about investment incentives and regulatory reforms, which have attracted large-scale manufacturing to Zanzibar. Others highlighted Respondents emphasized that the Policy has helped large-scale manufacturing industries grow by providing them with new export markets and opportunities.

One local investor respondent said,

*“Trade agreements facilitated by the 2001 policy have provided us with access to international markets, boosting our export potential.”*

One respondent from ZIPA said that,

*“The regulatory reforms introduced by the 2001 policy have simplified the process for setting up manufacturing operations, making it easier for investors.”*

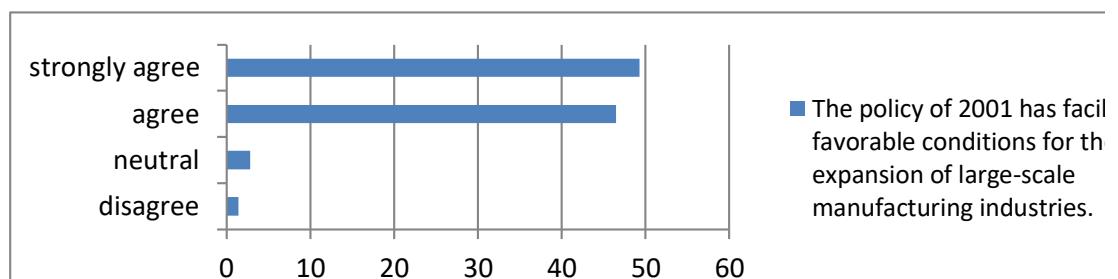
To draw in and keep international investors, regulatory changes and financial incentives are essential. Such actions, in the opinion of Globerman and Shapiro (2002), enhance the investment climate by cutting expenses and bureaucratic obstacles. Due to the 2001 policy's emphasis on these areas, Zanzibar's large-scale industrial sector is now flourishing.

Opportunities for export and market access are essential to the expansion of the manufacturing sector. Strategic market access is a major motivator for corporations to invest in overseas markets, claimed by Dunning (1993). Because of the 2001 policy's success in establishing trade agreements and opening up new markets, Zanzibar's large-scale manufacturing sector has been able to grow.

**Table 4.24: The Policy of 2001 Has Facilitated Favorable Conditions for the Expansion of Large-Scale Manufacturing Industries**

The policy of 2001 has facilitated favorable conditions for the expansion of large-scale manufacturing industries				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	2	1.4	1.4
	neutral	4	2.8	4.2
	agree	66	46.5	50.7
	strongly agree	70	49.3	100.0
	Total	142	100.0	100.0

**Source:** Research data, (2024).



**Figure 4.19: The Policy of 2001 Has Facilitated Favorable Conditions for the Expansion of Large-Scale Manufacturing Industries**

**Source:** Research data, (2024).

#### **4.2.2.3.4: The Current 2001 Foreign Policy Provides Adequate Incentives for Large-Scale Manufacturing Investments**

In particular, this statement is supported by 52.1% of respondents who agree and 43.0% who strongly agree, for a total of 95.1% who are in favor in table 4.25 and

figure 4.19 below. This suggests that most people think the strategy successfully promotes investment in the industrial sector. On the other hand, very few respondents (2.1%) or (2.8%) are neutral, indicating that there is little doubt or resistance to the policy's ability to provide incentives for manufacturing investments. This widespread support demonstrates how the current foreign policy is thought to have a good effect on creating an environment that is conducive to large-scale manufacturing investment.

Large-scale manufacturing investors have found incentive packages created by the 2001 foreign policy attractive, these incentives come in the form of tax reductions, investment allowances, and expedited license and permit application processes. Moreover the development of infrastructure, which includes enhancing utility services, industrial parks, and transportation networks, has been made possible in large part by the policy where for large-scale industrial processes to be supported, these improvements are essential. Access to global markets and trade prospects has been made easier by the policy, which is important for the expansion of large-scale manufacturing businesses. This covers export subsidies and trade agreements.

In support of the above, one officer from ZMCL said,

*“The incentives are well-thought-out and extensive, meeting a variety of needs from infrastructure support to tax relief. This has made our region a highly desirable location for manufacturers wishing to develop.”*

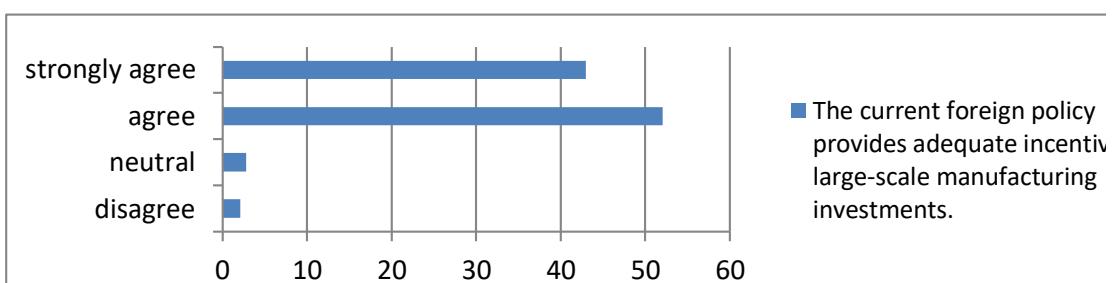
Other from MTID said,

*“Enhanced transportation and utility services under this policy have made it easier for manufacturers to operate efficiently”*

**Table 4.25: The Current Foreign Policy Provides Adequate Incentives for Large-Scale Manufacturing Investments**

The current foreign policy provides adequate incentives for large-scale manufacturing investments				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	3	2.1	2.1
	neutral	4	2.8	4.9
	agree	74	52.1	57.0
	strongly agree	61	43.0	100.0
Total		142	100.0	100.0

Source: Research data, (2024).



**Figure 4.20: The Current Foreign Policy Provides Adequate Incentives for Large-Scale Manufacturing Investments**

Source: Research data, (2024).

#### 4.2.2.3.5 The Foreign Policy of 2001 Has Improved the Regulatory Environment for Large-Scale Manufacturing Industries

In the Table 4.26 and Figure 4.20 show most people agree that the 2001 foreign policy enhanced the legal framework for large-scale manufacturing sectors. Overall, 99.3% of respondents said they agreed (50.0%) or strongly agreed (49.3%) with this assessment, demonstrating broad agreement on the policy's beneficial effects. Just 0.7% of respondents are neutral, indicating widespread support for the policy's ability to enhance regulations.

The 2001 foreign policy, according to respondents, brought about changes that simplified regulatory processes, facilitating large-scale industrial industries'

navigation of Zanzibar's legal and bureaucratic environment. Through the introduction of more precise standards, the Policy has reinforced the legal framework lowering ambiguity and enhancing compliance through investor support channels by making government assistance and regulatory guidance more easily accessible.

One MTID official said,

*“Manufacturing project setup and operation have been made easier by the increased transparency and efficiency of regulatory procedures”*

One Investment stakeholder said,

*“Compliance requirements have been simplified, reducing the time and cost associated with regulatory compliance”*

Other Investment stakeholder respondent said, *‘The atmosphere has become more business-friendly as a result of streamlined rules, and more precise instructions after the adoption.’*

The study findings are consistent with the findings of Globerman and Shapiro (2002), which highlight the need to lower bureaucratic barriers in order to foster an environment that is conducive to investment. Because the strategy has been successful in simplifying these processes, large-scale manufacturing industries in Zanzibar have found it easier to set up and run their operations.

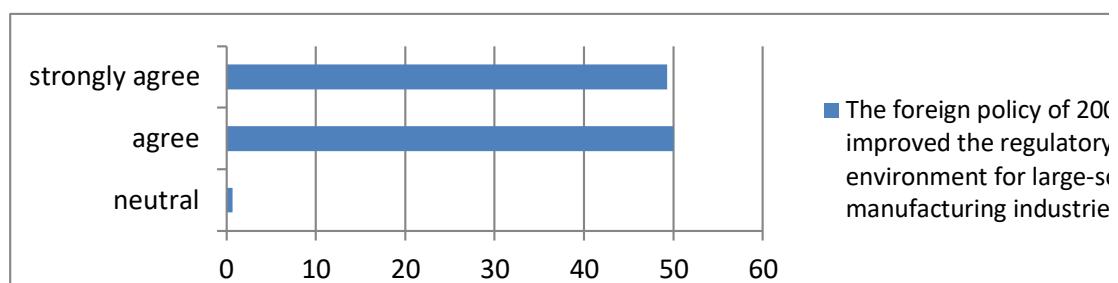
The regulatory support mechanisms that the policy offers is consistent with Blomström and Kokko (1998) claim that enabling investment requires strong support structures. Investors have benefited from the policy's emphasis on offering improved regulatory guidance and support, which has made navigating the regulatory environment easier.

The 2001 policy's streamlining of compliance requirements is consistent with Dunning's (1993) conclusions that easing investors' administrative burdens can greatly improve the investment climate. Manufacturing industries are now able to concentrate more on their core competencies and less on managing the intricacies of regulations, thanks to the lowering of administrative obligations. None the less the study goes in line with Asiedu's (2002) findings that a transparent and stable regulatory environment is essential for drawing in foreign direct investment (FDI), hence strengthening the legal framework makes sense. The 2001 strategy decreased confusion and enhanced compliance by introducing clearer laws and standards, which made Zanzibar more appealing for large-scale manufacturing investments.

**Table 4.26: The Foreign Policy of 2001 Has Improved the Regulatory Environment for Large-Scale Manufacturing Industries**

The foreign policy of 2001 has improved the regulatory environment for large-scale manufacturing industries					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	neutral	1	.7	.7	.7
	agree	71	50.0	50.0	50.7
	strongly agree	70	49.3	49.3	100.0
	Total	142	100.0	100.0	

**Source:** Research data, (2024).



**Figure 4.21: The Foreign Policy of 2001 Has Improved the Regulatory Environment for Large-Scale Manufacturing Industries**

**Source:** Research data, (2024).

### 4.3 Discussion of the Findings

This study sought to analyze the effectiveness of economic diplomacy on growth of large scale manufacturing industries in Zanzibar. It is evident that a lot of respondent agreed government has done several initiatives to boost large scale manufacturing industries in Zanzibar. Three hypotheses were developed to test the argument on whether economic diplomacy has played a role in promoting the industry. The arguments were to examine how free market economy, foreign direct investment and new foreign policy encourage large-scale manufacturing industries.

#### 4.3.1 Foreign Direct Investment

Statistically, it is found there is positive significant relationship between foreign direct investment and promotion of large scale manufacturing industries in Zanzibar.

Qualitatively it is supported as one of official from ZIPA put;

*'Government has shifted to efficiency seeking productivity rather than rental, finally we alleviate foreign exchange constraints and promote efficiency by introducing best practices and frontier technologies'*

Officer from MTID narrated;

*"As we have known, the pivots of industrialization are policy formulation, regulation, and incentives. We communicate our industrialization goals, strategies, and regulatory frameworks to investors through participation in international events and exhibitions"*

This goes in line with the findings of a study in India conducted by Anand (2020) who argue that FDI contributes to industrialization by encouraging international relations through diplomacy by strengthen information systems and regulatory frameworks. Furthermore they provide the necessary capital and resources that may be lacking domestically. This includes funding for infrastructure development,

establishment of new industries, and upgrading existing industries. Moreover he found out, FDI brings in foreign exchange, technology transfer, managerial expertise, and other inputs that are essential for industrial growth. In their study on Foreign Direct Investment Inflows and the Industrialization of African Countries, Mary-Françoise et al., (2015) concluded foreign direct investment plays a vital role in promoting industrialization by providing crucial resources, filling gaps in domestic savings and resources, facilitating acquisition of essential raw materials and technology, and integrating economic activities across countries since all of this are achieved through conducive environment and better investment policies. Anand (2020) argued further India introduced a liberalization policy and part of it has relaxed the FDI regulatory framework on selective basis with reference primarily to the industrial sector since 1991 which in turn provides a stimulus to competition, innovation, savings and capital formation and enhances job creation, industrial growth and economic development.

In conclusion, the economists believe that the impact of the FDI is positive, since it brings to the developing countries a package of capital, foreign exchange, technology, managerial expertise, skills and other inputs which are critical for the industrialization, though investing part has fulfill all obligation and act according to regulatory frameworks, on top of that technology is always dynamic therefore information channels between Government and investors should be well secured and enhanced in conjunction with the proper use of Policies such as Zanzibar Blue Economy Policy of 2020, Zanzibar industrial Policy of 2009, Zanzibar Investment Policy of 2005.

#### 4.3.2 Tanzania Foreign Policy of 2001

Furthermore, it was found that there exist positive and significant relationship between new foreign policy and advancement of large scale manufacturing industry in Zanzibar.

Qualitatively it is supported as one of the official from ZIPA put;

*“The 2001 Policy promotes long-term government-investor partnerships for continuous economic collaboration by using economic diplomacy to unify industry policies, lower costs, increase market predictability, and draw investment.”*

The study goes in line with other studies such as Okoth (2012) argued that successful execution of economic diplomacy in any state depends on the commitment of the government as a whole towards the engagement in economic diplomacy for betterment of the national interests of that particular country. There is a study of Wangwe et al.,(2014) where they found that Manufacturing in Tanzania grew at an average rate of 7.1 per cent between 2000 and 2004, and at 8.6 per cent during the years 2005- 11. Growth of manufactured exports averaged 31 per cent per year during the period 2000-10. This was recorded due to development and implementation of different policies and strategies which put emphasis on creating a competitive business environment, improving existing development corridors, concentrating infrastructure development on constraints to industrial growth and promoting agriculture-led industrialization.

In their study on how China undergone industrialization, Kuo, et al., (2019) they argued that China has issued some policies, for instance the one named Made in China 2025, that have orientation on environmental-side, political, legal, regulatory

and public service where through these policies they achieved massive industrialization. Chihiro et al., (2006) analyzed and compared how Japan and China's technology policies have contributed to their industrial development by using numerical methods, they found that technological capability has contributed to both countries' industrial development and upgrade in their peak-growth period. This is evident since they have reliable built in investment policies.

Thus, they offer the following policy recommendations to the governments of developing countries; being aware of the important and appropriate role of government and existing policy tools, adopting for the localized option that fits the country's specific social-economic reality; and utilizing import of foreign technology and indigenous development and developing market mechanisms to encourage private sector engagement. Brandt et al.,(2006) have learned that in China industrialization process needs policy adjustment in favorable periods but keeps on one final goal of vision in the long run. China does not hesitate to change its policy orientation following the challenges and the changing era.

In today's globalized world, countries face the challenge of balancing their foreign policy objectives with the need for industrialization and economic development. National Foreign Policy focuses on a country's relationships with other nations and its position in the international community. We need to work on our industrial policies and solve various challenges to keep up with the times and review our implementation plans.

#### **4.3.3 Free Market Economy**

The results indicate that Zanzibar's large-scale manufacturing industries have grown

and developed as a result of the free market economy. This discussion examines the effects economic diplomacy through free market economy.

One officer from MTID said,

*“We have seen a significant increase in foreign investment and access to modern technologies. This has allowed firms to grow their operations, increase productivity, and compete more successfully in both domestic and foreign markets.”*

This study goes in line with a study of the World Bank's 2019 "Doing Business", Zanzibar's economic environment has greatly improved as a result of free market principles, which have increased foreign investment and expanded market opportunities. Furthermore Benard et al. (2007) provide evidence that policies increase investment and competitiveness, resulting in significant industrial growth. These results demonstrate how free market through economic diplomacy may promote industrial growth.

The World Bank (2017) and Benard et al. (2007) both support the notion that competition encourages more innovation and higher-quality goods. Economic diplomacy can encourage technical innovation and operational efficiency in Zanzibar because, as the World Bank(2017) notes, worldwide competition forces businesses in developing countries to adopt new technology and boost productivity. These results imply that Zanzibar can improve its industries' competitiveness and innovation capacities globally by engaging in strategic economic diplomacy.

The Journal of Development Economics (2017) states that market deregulation fosters industrial expansion by increasing access to resources and competitive forces.

Deregulatory policies can be especially useful as a tool for economic diplomacy in promoting development and technological innovation. The potential benefits of deregulation are highlighted by Stankov's (2018) observation that it fosters innovation, particularly in organizations that are on the verge of technological advancement. Market liberalization in Zanzibar has the potential on stimulation of major industrial expansion and technical innovation. Deregulatory policies have the potential to foster a more dynamic and competitive economic landscape by decreasing obstacles to entry and facilitating more transparent and effective commercial activities. This is corroborated by the observation that deregulation frequently results in improved access to markets and resources, which promotes corporate expansion and innovation.

For instance, Zanzibar's large-scale manufacturing sector has benefited from these attempts at economic diplomacy by having better access to funding and technology. Businesses can function more freely and react to market possibilities and demands more quickly when regulatory barriers are lessened. This more adaptability may lead to more intense competition, which encourages efficiency and innovation even more. Furthermore, Zanzibar's enterprises may embrace new methods and technology in order to remain competitive, which could result in regional economic growth and more extensive industrial breakthroughs.

Utouh (2024) claims that trade liberalization has increased Tanzania's industrial sector by attracting investment and creating new markets. This is in line with the conclusions of Werlch, et al. (2003), who argue that trade liberalization encourages foreign investment and produces an environment that is conducive to industrial

expansion, it is an effective economic diplomacy strategy. These results go in line with this study which implies that similar trade liberalization initiatives can be advantageous for Zanzibar. Zanzibar can foster industrial growth and draw large investments from both domestic and foreign sources by implementing free trade policies and strategically pursuing economic diplomacy.

In conclusion, Zanzibar's industrial development depends critically on the application of free market principles through strategic economic diplomacy. Zanzibar can boost its industrial sector, draw large investments, and achieve sustained economic development by pushing market deregulation, increasing competition, embracing trade liberalization, and creating a business-friendly environment. These actions may result in more foreign investment, easier access to contemporary technology, and higher levels of production. Furthermore, a strong free market economy may promote innovation, elevate standards of quality, and open up new avenues for regional companies to grow both nationally and globally. In general, implementing these ideas will be crucial to Zanzibar's stance as a competitive force in the world economy.

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSION AND**

### **RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter portrays the summary of findings, conclusions and recommendations focusing on the results obtained in the previous chapter. Furthermore this chapter provides areas for further study.

#### **5.2 Summary of the Findings**

As mentioned on first chapter, the general objective of this study is to analyze the contribution of economic diplomacy on promoting large scale manufacturing industries in Zanzibar. The study was guided by three specific objectives, the first objective sought to examine how free market economic encourage large scale manufacturing industries in Zanzibar. The second specific objective was to examine the effectiveness of foreign direct investment in promotion of large scale manufacturing industries in Zanzibar and the third was to examine the effectiveness of current foreign policy 2001 on promotion of large scale manufacturing industries in Zanzibar.

The study involved the foreign investors, local investors, respective government officers and other stakeholder related to research tittle where approximately 95% of the total drawn sample responded. In demographic factor, the study shows majority of respondent in were female which make 53.1% of the population compared to 46.9% of male, also personnel aged 31-40 years participated in large number which make 33.3% compared to others and 75.9% shows were married.

Since the 1980s, the Revolutionary Government of Zanzibar started to reform its economy; therefore, it establishes different institution as Ministry of Trade and Industrial Development as well as Zanzibar Investment Promotion Authority especially for economic growth. The main goal of these institutions is to promote investment and make sure Zanzibar's industries are developed and contribute on national income.

Findings of this study are not differing from other studies that were being done in some African countries. Therefore, the study reveal that, economic diplomacy in Zanzibar to some extent have vital contribution on promotion of large scale manufacturing industries through components which are foreign direct investment, current foreign policy 2001 and Free market Economy.

As far as the findings are concerned, a crucial component of Zanzibar's economic diplomacy has been foreign direct investment (FDI), which acts as a link between regional businesses and international markets. Large - scale industrial facilities have been established and expanded thanks in great part to the flood of foreign direct investment (FDI), which has brought substantial cash, cutting-edge technologies, and contemporary management methods to the area. The successful use of economic diplomacy to draw in and secure foreign investors is directly responsible for this investment. Modern management practices, the introduction of cutting-edge machinery, and the rise in foreign investment in manufacturing projects all attest to the success of these diplomatic efforts in promoting industrial progress.

On other hand, since adoption of new foreign policy of 2001, it plays a greater role in promoting large scale manufacturing industry. The policy that is used in Zanzibar

particularly in investment matters attracts investors, Government have done a remarkable activities through economic diplomacy to create a comfortable room for investors.

Another example of economic diplomacy is the shift to a free market economy, which encourages corporate autonomy and a competitive atmosphere. Due to less government interference and increased competition, this change has improved the economic environment for company operations. The manufacturing sector has experienced increased efficiency and innovation as a result of the liberalized market circumstances. Increases in manufacturing companies, both domestic and foreign, and improved product quality and variety as a result of competitive pressures are all clear signs of how economic diplomacy promotes industrial growth through market liberalization. These factors include higher rankings in ease of doing business indices. The successful application of these diplomatic methods is evidenced by the enforcement of property rights and the increased inflows of foreign investment following policy implementation.

### **5.3 Conclusion**

Theoretically Economic diplomacy has great contributions in promoting large scale manufacturing industries. To maintain positive results in promoting large scale manufacturing industries one should well equipped in all aspects of economic diplomacy. Make use of all tools to get the best out of economic diplomacy, these tools include new foreign policy of 2001 and other regulations. Furthermore, the government should strengthen information channels since it will bring good relationship between investors and other stakeholders all around the world. Earlier

before Revolution of Zanzibar there were about 20 industries that produce products and export them abroad, this amount to evidence that there is a very low risk on collapsing of industries if investors opt to invest in manufacturing industries.

In conclusion, the intertwining of economic diplomacy and industrialization presents a potent avenue for nations to navigate the complexities of global trade, investment, and cooperation while fostering robust and sustainable economic development. By leveraging diplomatic relations to attract foreign investment, facilitate technology transfer, and access new markets, countries can bolster their industrial capabilities and enhance competitiveness on the world stage. Furthermore, strategic partnerships, trade promotion efforts, and targeted investment in infrastructure are essential for unlocking the transformative potential of industrialization and driving inclusive growth. As nations continue to navigate the evolving dynamics of the global economy, a coordinated and strategic approach to economic diplomacy and industrialization will be critical for realizing shared prosperity and advancing sustainable development goals.

#### **5.4 Recommendation**

Economic diplomacy indeed provides lucrative opportunities to stakeholders including individuals, investors, society and a state at large. Government should set her eyes open to make the most of it. Due to research findings, we recommend the following;

- i. First, it is imperative to intensify efforts at economic diplomacy. Through foreign trade shows, investment summits, and diplomatic channels, the government should keep actively promoting Zanzibar as a top investment

destination. Furthermore, securing long-term commitments from foreign investors would help ensure more bilateral and multilateral agreements that protect and encourage foreign investments, thereby enhancing trust in Zanzibar's manufacturing industry.

- ii. To continuously meet the demands of large-scale manufacturing enterprises, infrastructure, such as power supplies, communication systems, and transportation networks, must be upgraded and invested in continuously. Additionally, encouraging the adoption of cutting-edge technologies through incentives for innovation and technology transfer will boost competitiveness and productivity.
- iii. To keep the investment climate favorable, regulations and policies must be periodically reviewed and improved. Investors will find it easier to establish and run manufacturing companies if administrative and regulatory procedures are made simpler. For long-term investments, a secure environment will be created by maintaining a predictable and stable policy framework, which will lessen uncertainty for foreign investors.
- iv. The government should continue to coordinate various investment and business forums and platform to publicize the opportunities available in Zanzibar, and ensure that the adopted investment policies become friendly to investors.
- v. RGoZ should invest in education and skills development programs to build a skilled workforce capable of supporting advanced industrial processes and technologies. Furthermore collaborate with educational institutions and industry stakeholders to design training programs that align with the evolving

needs of the industrial sector.

- vi. Monitoring and evaluation of all parties involved or interested to join in investment of large scale manufacturing industries. RGoZ through ZIPA and other institutions should set regular follow-up in all systems pertaining large investments in order to rectify any disturbing issues and to stay close to investors.

By putting these suggestions into practice, Zanzibar will be able to further solidify its appeal as a location for major manufacturing investments and guarantee long-term industrial growth and economic development.

### **5.5 Area for further study**

In this study, we sought to find the contribution of economic diplomacy on promotion of large scale manufacturing industries in Zanzibar. Economic diplomacy is a broader term, for the purpose of this study three objectives were investigated and the results were analyzed. Promotion of large scale manufacturing industries is not solely bound to these objectives of this study as analysis of this study show.

We suggest further studies to be performed on the following;

- i. The same factors of economic diplomacy most especially in manufacturing industries may be investigated by different tools since the data collection of this study were semi structured interview, questionnaires and document reviews these tools possess some drawbacks. On top of that they can assess on how free market contribute to promotion of large scale manufacturing industries since in this study findings show there is no evidence to support

such argument.

- ii. Moreover, the researcher suggest further study on assessing the challenges of economic diplomacy on promotion of large scale manufacturing industries in Zanzibar or digging for barriers toward implementation of economic diplomacy in Zanzibar.
- iii. Examine how resilient Zanzibar's manufacturing industry is to outside shocks including pandemics, global economic downturns, and climate change. Make recommendations for methods to improve the sector's flexibility and resilience.
- iv. Examine the efficiency of the present training initiatives as well as the skills gap in the manufacturing workforce. Examine how education and career training might better equip the local labor force to use cutting-edge manufacturing techniques and management strategies.

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## APPENDICES

### **Appendix 1: INTRODUCTION**

Dear respondent, my name is Amina R. Saleh, student at Open University of Tanzania (OUT). I am pursuing a Master of International Cooperation and Development (MAICD). I am carrying out a research titled “Contribution of economic diplomacy on promotion of large scale manufacturing industries in Zanzibar; the selected case study undertaken by Ministry of Trade and Industrial Development as part of the requirement for award. Kindly, I would like to invite you to participate in this research by filling out the concrete answers in this questionnaire.

The questions provided is only for academic uses and when its needed will be used for government purposes for setting and planning appropriate strategies on promoting large scale manufacturing industries in Zanzibar. Therefore, your information will treat ethically with utmost anonymity and confidentiality.

For any enquiry about this study,

Contacts;

Mobile number: 0717201765/ 0776541090

Email: [salehamina15@gmail.com](mailto:salehamina15@gmail.com)

Thank you in advance for your cooperation.

Amina R. Saleh

.....

## Appendix 2: QUESTIONNAIRE

### Part I: Demographic information (*Please tick where appropriate*)

1. Participant age group

- a. Below 20 years. [ ]
- b. 20-30 years. [ ]
- c. 31 - 40 years. [ ]
- d. 41- 50 years. [ ]
- e. 51years and above [ ]

2. Participant gender

- a. Male [ ]
- b. Female [ ]

3. Participant level of education

- a. Certificate [ ]
- b. Diploma [ ]
- c. Advance diploma [ ]
- d. Bachelor degree [ ]
- e. Masters' degree [ ]
- f. Doctorate and above [ ]

4. Marital status of participant

- a. Single [ ]
- b. Married [ ]
- c. Divorced/divorcee [ ]
- d. Widow/widower [ ]

5. Years of experience on industrial sector

a. 1-3 [ ]

b. 4-6 [ ]

c. 7-9 [ ]

d. 10 and above [ ]

6. Working position in industrial sector;

Foreign Investor [ ], Local investor [ ], Ministry Officer [ ],

Ambassador [ ], ZIPA [ ], other [ ] ..... (Specify)

**Part II: In your own opinion, clearly tick where appropriate on how you agree with the following statements as it regards to the contribution of economic diplomacy in Zanzibar**

**Section I: free market economy**

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
7. The free market economy has increased opportunities for large-scale manufacturing industries in Zanzibar.					
8. Competition from international markets has stimulated growth in local large-scale manufacturing industries.					
9. The deregulation of markets has positively impacted the development of large-scale manufacturing sectors.					
10. The free market economy has led to greater investment in large-scale manufacturing industries in Zanzibar.					
11. Policies promoting free trade have created a favorable environment for the expansion of large-scale manufacturing.					

## Section II : Foreign direct investments

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
12. Foreign direct investments have significantly contributed to the growth of large-scale manufacturing industries in Zanzibar.					
13. The presence of foreign investors has led to improved technological capabilities in local manufacturing industries.					
14. Foreign investments have created more job opportunities in the large-scale manufacturing sector.					
15. Foreign direct investments have facilitated better infrastructure for large-scale manufacturing in Zanzibar.					
16. Foreign investors have played a key role in introducing new management practices to large-scale manufacturing industries.					

## Section III: Foreign Policy of 2001

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
17. The foreign policy of 2001 has been effective in attracting investors to large-scale manufacturing industries in Zanzibar.					
18. The current foreign policy supports the development of infrastructure needed for large-scale manufacturing.					
19. The policy of 2001 has facilitated favorable conditions for the expansion of large-scale manufacturing industries.					
20. The current foreign policy provides adequate incentives for large-scale manufacturing investments.					
21. The foreign policy of 2001 has improved the regulatory environment for large-scale manufacturing industries.					

### Appendix 3: Research Clearance

#### OPEN UNIVERSITY OF TANZANIA

P.O. Box 23409  
Dar es Salaam, Tanzania  
<http://www.out.ac.tz>



Tel: 255-22-2666752/2668445 Ext.2101  
Fax: 255-22-2668759  
E-mail: [drps@out.ac.tz](mailto:drps@out.ac.tz)

18/01/2023

**PRINCIPAL SECRETARY,  
SECOND VICE PRESIDENT,  
P.O BOX 239,  
ZANZIBAR**

#### RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an act of Parliament no. 17 of 1992. The act became operational on the 1st March 1993 by public notes No. 55 in the official Gazette. Act number 7 of 1992 has now been replaced by the Open University of Tanzania charter which is in line the university act of 2005. The charter became operational on 1st January 2007. One of the mission objectives of the university is to generate and apply knowledge through research. For this reason staff and students undertake research activities from time to time.

To facilitate the research function, the vice chancellor of the Open University of Tanzania was empowered to issue a research clearance to both staff and students of the university on behalf of the government of Tanzania and the Tanzania Commission of Science and Technology.

The purpose of this letter is to introduce to you **AMINA RAMADHAN SALEH (PG201901095)**  
**MASTER OF INTERNATIONAL COOPERATION AND DEVELOPMENT (M.ICD)** student at the  
Open University of Tanzania.

By this letter, **AMINA RAMADHAN SALEH** has been granted clearance to conduct research in the country. The title of his research is "**CONTRIBUTION OF ECONOMIC DIPLOMACY ON  
PROMOTION OF LARGE - SCALE MANUFACTURING INDUSTRIES CASE STUDIES IN ZANZIBAR**"

The research will be conducted in **MINISTRY OF TRADE OF INDUSTRIAL DEVELOPMENT**.

The period which this permission has been granted is from 23/01/2023 to 23/04/2023.

In case you need any further information, please contact: The Deputy Vice Chancellor (Academic); The Open University of Tanzania; P.O. Box 23409; Dar es Salaam.

Tel: 022-2-2668820 we thank you in advance for your cooperation and facilitation of this research activity.

Yours sincerely

DR. SALMA OMAR HAMAD




  
**OFFICE OF THE CHIEF GOVERNMENT STATISTICIAN**  
**ZANZIBAR**

======  
 P.O.Box: 2321, Mazingini, Zanzibar  
 Phone: 024-2231869 | Fax: 0242231742  
 Email: zanstat@ocgs.go.tz | Website: www.ocgs.go.tz  
 ======

**#INVOICE**

Control Number: 200170005048  
 Bill Reference: 63d36a3ad3a3a  
 SP Code: SP20017  
 Payer Name: AMINA RAMADHAN SALEH  
 Payer Number: 255717201765  
 Description: Kibali cha Utafiti  
 Service Type: RESEARCH

**Total Billed Amount: 25,000.00 TZS**

Billed Amount in words:  
 TWENTY FIVE THOUSAND ONLY

Bill Date: 27-01-2023  
 Expiry Date: 26-02-2023  
 Printed by: SADA YUSSUF FABIAN  
 Printed Date: 27-01-2023  
 Signature: .....

**Jinsi ya Kulipa**

1. Kupitia Benki: Fika tawi lolote au wakala wa benki ya watu wa Zanzibar (PBZ), number ya kumbukumbu: 200170005048.
2. Kupitia Mitandao ya simu: Zantel na Tigo
  - Ingia kwenye menu ya mtandao husika
  - Chagua 4 (Lipia Bili)
  - Chagua 5 (Malipo ya Serikali).
  - Ingiza hii 200170005048 kama namba ya kumbukumbu



OFFICE OF THE CHIEF GOVERNMENT STATISTICIAN  
ZANZIBAR

P O Box 2321 Mombasa, Zanzibar  
Phone: 024-2231866 | Fax: 0242231742  
Email: zanzibar@oegs.go.tz | Website: www.oegs.go.tz

RECEIPT

Receipt Number: 223032001205757  
Received From: AMINA RANADHEEN SAI  
Description: Kitabchi Unit  
Service Type: RESEARCH  
Amount: 25000 TZS  
Billed Amount: TWENTY FIVE THOUSAND  
ONE TZS



Total Billed Amount: 25000 TZS

Payment Reference: 223032001205757  
Payment Control Number: 200170035048  
Payment Date: 01-02-2023  
Issued by: IPES AM AINI D M  
Date Issued: 01-02-2023

Signature: [Signature]

## REVOLUTIONARY GOVERNMENT OF ZANZIBAR

SECRETARY  
ZANZIBAR RESEARCH COMMITTEE  
P.O Box 2321, Mazizini, Zanzibar  
Tel: 024 2231869  
Fax: 024 2231742



RESEARCH/FILMING PERMIT  
(This Permit is only Applicable in Zanzibar for duration specified)

Reference No#: 63D26A3AD3A3A

## SECTION

Name	AMINA RAMADHAN SALEH
Gender	F
Date and Place of Birth	1991-12-15, JANGOMBE ZANZIBAR
Nationality	Tanzanian
Data Collection Duration	3 Month(s)
Research Title	CONTRIBUTION OF ECONOMIC DIPLOMACY ON PROMOTION OF LARGE SCALE MANUFACTURING INDUSTRIES IN ZANZIBAR
Date of Issue	03-02-2023
Valid until	03-03-2023

## Full Address of Sponsor

Name of the authorizing officer

Khamis Ali Foum.

Office of the Chief Government Statistician

Signature and seal

Institution

Address

P.O Box 2321, ZANZIBAR

Printed Date

03-02-2023

**(For rules and conditions see overleaf)**

- I. You are required to submit progress report.
- II. Not to engage in political activity.
- III. Adherence to research topic(s).
- IV. No permit in restricted areas.
- V. After completion, three copies of research should be submitted to authorizing institution.