

ABSTRACT

The purpose of this study was to assess the contribution of foreign direct investment to the economic growth with specific focus on the agricultural sector in Tanzania. The study was set to achieve the following objectives: (i) to examine trend on the share of FDI in the agricultural sector in Tanzania for various selected years, (ii) to examine trend on the FDI stock in the agricultural sector in Tanzania for various selected years, (iii) to determine the relationship between FDI agriculture and total selected macroeconomic variables. The study used secondary data from various sources including Tanzania Investment Centre, World Investment Reports, and Tanzania's Bureau of Statistics and Tanzania's Central Bank. Findings revealed that the inflow of FDI to the agricultural sector was found to be dwindling in recent years. Accordingly, the findings showed that FDI stock in the agricultural sector decreased from one year to another from 2009 to 2013. Also, the findings showed that there was no statistically significant correlation between FDI inflows in Agriculture and total export value in Tanzania from 2009 to 2013. The study recommended that the Government of Tanzania should make efforts to create better investment environment which can attract more foreign direct investments in the area. Also, Tanzania National Investment centre (TIC) should put more efforts in marketing investment opportunities in agriculture to potential foreign investors from different parts of the world.

