

CATEGORY AFFORDABLE NUTRITION



CATEGORY CONTEXT

In 2022, 75.5% of Tanzanians were unable to afford a healthy diet.¹ Convenient and affordable packaged, processed products are increasingly becoming part of consumers' diets in Tanzania. To mitigate the potential negative impact of packaged processed products high in fats, salt, and sugar on public health, it is imperative that all consumers have the choice to opt for 'healthier' varieties which are affordably priced. Ensuring access to affordable, healthy food is particularly important for low-income consumers in Tanzania, who spend up to 70% of their household budgets on food.²

TABLE 1
POLICY LANDSCAPE

National Policy or Regulation	Summary
Value added tax (VAT) exemption	Unprocessed agricultural products—such as vegetables, fruits, nuts, bulbs and tubers, maize, wheat, other cereals, cashew nuts, sugarcane, seeds, and plants—as well as fish, livestock, and milk products are exempt from VAT. ³
Excise tax (luxury goods)	Tanzania applies an excise tax on luxury goods, including a tax on non-alcoholic beverages, including sugar-sweetened beverages. However, the tax is not based on sugar levels in the product. ⁴
Import tax	Consumer goods are subject to 25% import duty rate in Tanzania. ⁵ This includes all non-staple processed food products, including sausages, chocolate, bread, pastries, cakes, biscuits, condiments, and sugar-sweetened beverages. ¹⁴ This tariff applies across the EAC under a 'Common External Tariff' and applies to goods imported from outside the EAC region. ⁶

FINDINGS

Of the 10 companies assessed, three Tanzania-headquartered companies—Bakhresa, Darsh, and MeTL—highlight the affordability of their products on their websites but do not specifically publish an intention to improve the affordability of 'healthy' products.

For example, MeTL states that it delivers "great value products at affordable prices" through its "efficient distribution network." Bakhresa describes a vertical integration strategy aimed at delivering a "wide range of low-cost to premium-quality consumer goods", including but bottled water, fruit concentrates, fruit juices, carbonated drinks, and dairy products. However, the company has not disclosed details of this strategy.

In addition, two global companies—Wilmar and PepsiCo—disclose a commitment to improving the affordability of 'healthy' products but do not report on these efforts to do so in Tanzania. For example, Wilmar states in its 2023 Sustainability Report that the company contributes "to the accessibility of affordable, healthy and nutritious food, especially in emerging markets" by investing in reformulation, smaller pack sizes and staple foods.

PepsiCo discloses its global goal to "increase access to nutritious food for 50 million people by 2030" through a combination of philanthropic and commercial activities, linking this commitment to its internal Global Nutrition Criteria for Affordable Nutrition Initiatives. The company's Food and Nutrition Security webpage states that it aims to ensure products meeting its nutrition criteria are "accessible to lower-income consumers at risk of poor nutrition." While PepsiCo reports examples of implementing this goal in South Africa, it does not specifically report on its efforts in Tanzania.

BOX 1

THE AFFORDABILITY OF 'LESS HEALTHY' PRODUCT CATEGORIES IN TANZANIA

Two companies in this assessment—Coca-Cola and IFB—have relatively limited scope to contribute to affordable nutrition in Tanzania due to their portfolios being predominantly composed of sugar-sweetened beverages and confectionery. Yet both indicated to ATNi that they have mechanisms in place to address the affordability of their products.

- **Coca-Cola offers smaller pack sizes at lower prices, while IFB sells its products to wholesalers, who distribute small portion sizes of sweets to local vendors serving low-income consumers.**

Companies producing 'less healthy' products such as confectionery and sugar-sweetened beverages—Bakhresa, Coca-Cola, IFB, MeTL, PepsiCo and Motisun—are encouraged to focus on making healthier products (or healthier varieties of their products) more affordable. They are also encouraged to use their distribution networks to prioritize the sale of healthier products to low-income consumer in Tanzania.

KEY INDUSTRY RECOMMENDATIONS

To ensure that 'healthier' food and beverage options are more affordable to consumers as 'less healthy' options in Tanzania, food and beverage companies are encouraged to:

- Adopt and publish a strategy to ensure that the company offers 'healthier' products that are priced affordably for low-income consumers in Tanzania.
 - o Align the definition of 'healthier' products with the Tanzania Food-based Dietary Guidelines or the criteria of an internationally recognized NPM.
 - o Use a formal, Tanzania-specific classification of 'low-income consumers' to guide the strategy.
- Measure and report on the price differential between 'healthier' products relative to products that do not meet formal nutrition criteria in Tanzania, and work on improving the differential between them.

POLICY RECOMMENDATIONS

Some fiscal mechanisms exist at the national level to regulate the price of staple foods and packaged processed foods in Tanzania, but these are not specifically linked to nutrition outcomes. Policymakers are encouraged to use the outcomes of this research to develop a roadmap for industry and policymakers outlining measures to incentivize the affordability and consumption of 'healthier' foods relative to 'less healthy' foods.



REFERENCES

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