Building Material Market Research in Tanzania

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Abstract

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1 Market Overview

Tanzania's building materials market is experiencing robust growth, driven by rapid urbanization, population increase, construction activities and infrastructure development in the country.

2 Materials Range

The market encompasses a range of materials, including including cement, steel, aggregates, and prefabricated prefabricated components.

3 Key Players

Key players such as Twiga Cement, Tanga Cement, and Dangote Industries Tanzania dominate the sector.

4 Market Outlook

Despite challenges like skilled labor shortages and material price fluctuations, the market's outlook remains remains positive, buoyed by government initiatives and initiatives and sustainable construction trends.

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Industry Analysis

Industry Size

The building materials industry in Tanzania is witnessing steady witnessing steady growth, supported by investments in real real estate, infrastructure projects, and urban development development initiatives.

As of 2023, Tanzania's construction sector was valued at approximately TSh22.8 trillion (US$9.5 billion), contributing 8.3% to the national GDP.

Growth Rate

The construction materials market is projected to grow at a CAGR of 6.5% from 2025 to 2031. The broader construction sector recorded a CAGR of 11.5% between 2012 and 2021.

Tanzania Construction Materials Market is diverse and comprises various products such as cement, steel, bricks, tiles, sand, and aggregates. Cement specifically holds a significant share in the market with 63% of the commercial market share and 82% of the residential market. Steel, on the other hand, takes up approximately 10%, whereas bricks and tiles take up 27% of the entire construction materials market.

Industry Structure

1. The industry comprises local manufacturers, importers, and distributors. Major players include Twiga Cement, Tanga Cement, and Dangote Industries Tanzania.

2. The market is moderately concentrated, with a Herfindahl-Hirschman Index (HHI) of 1332 in 2023, indicating increasing competition.

Nature of Participants

Tanzania construction materials market is highly competitive, with participants ranging from large-scale manufacturers to small and medium-sized enterprises (SMEs) involved in production, distribution, and retail. The sector also includes foreign investors and joint ventures.

Nature of Participants

Large-Scale Local Manufacturers

These companies dominate production and have well-established brands and distribution networks:

Twiga Cement (Tanzania Portland Cement Company Ltd)

- Location: Dar es Salaam
- Product: Cement
- One of the oldest and most trusted brands; majority-owned by HeidelbergCement Group (Germany).

Tanga Cement Plc (Simba Cement)

- Location: Tanga
- Product: Cement
- A significant northern region supplier; listed on the Dar es Salaam Stock Exchange.

Mbeya Cement Company Ltd (Lafarge Tanzania)

- Location: Mbeya
- Product: Cement
- Owned by Holcim Group; strong presence in southern Tanzania.

Dangote Cement Tanzania

- Location: Mtwara
- Product: Cement
- Nigerian multinational; operates the largest cement factory in Tanzania with a production capacity of 3 million tons annually.

Camel Cement

- Location: Dar es Salaam
- Product: Cement
- A newer entrant with growing market presence in the coastal region.

Nature of Participants

Small and Medium Enterprises (SMEs)

Regional Operations

These operate at a regional or niche level and are often involved in local distribution or prefabrication:

Tembo Tiles

- Products: Ceramic tiles, concrete blocks, roofing tiles
  - Retail and wholesale distribution in urban centers.

Nyati Cement

- Location: Dar es Salaam
  - Scale: Medium
  - Focused on quality and local market reach, expanding steadily.

ALAF Limited

- Products: Roofing sheets, steel, and building components
  - A member of the Safal Group; caters to the steel and iron segment.

Metal Products Limited

- Products: Steel bars, structural steel
  - Active in supplying materials for infrastructure and industrial projects.

Nature of Participants

Foreign Investors and Joint Ventures

These entities bring capital, technology, and global expertise to the market:

HeidelbergCement Group (Germany)

- Stake in: Twiga Cement
- Major player in East Africa with advanced production technologies.

Holcim Group (Switzerland)

- Stake in: Mbeya Cement (formerly Lafarge Tanzania)
- Offers a wide range of cement products, often used in large-scale projects.

Dangote Group (Nigeria)

- Stake in: Dangote Cement Tanzania
- The plant in Mtwara plays a key role in supplying both domestic and export markets.

Safal Group (Kenya-based, multinational)

- Stake in: ALAF Ltd
- Specializes in roofing solutions and metal products, with operations across East Africa.

Industry Analysis

Key Success Factors

- Access to affordable raw materials
- Efficient distribution networks
- Adherence to quality standards
- Innovation in sustainable materials
- Strong relationships with construction firms and government bodies

Industry Trends

- Adoption of green building materials
- Growth in prefabricated construction
- Digitalization of procurement processes
- Increased foreign direct investment

Market Outlook

- The outlook for Tanzania’s construction materials market is strongly positive over the long term, driven by a combination of demographic trends, policy initiatives, and regional dynamics.

Long-Term Prospects

Continued Infrastructure Development

Vision 2025

and FYDP III (2021/22–2025/26) prioritize infrastructure as a pillar of of economic growth.

Major projects

like the Standard Gauge Railway (SGR), (SGR), Julius Nyerere Hydropower Project, and urban BRT expansions will will sustain demand for cement, steel, steel, and other materials.

Government plans

to build 3,000 km of roads per year and expand airports and ports (e.g., Dar es Salaam and Bagamoyo).

Long-Term Prospects

Urbanization and Housing Demand

Urban Population Growth

Tanzania’s urban population is projected to double by 2040, putting putting pressure on housing, roads, and roads, and services.

Government Initiatives

Government-led initiatives like the National Housing Corporation (NHC) (NHC) and Public-Private Partnerships Partnerships (PPPs) are expanding affordable housing.

Housing Popularity

Prefabricated and modular housing is housing is gaining popularity, especially especially in peri-urban and remote remote areas.

Long-Term Prospects

Regional Trade and Export Opportunities

1. Tanzania’s strategic location and participation in East East African Community (EAC) and Southern African African Development Community (SADC) open markets in markets in Rwanda, Burundi, DRC, and Zambia.

2. Surplus cement production makes Tanzania a net cement cement exporter, especially to landlocked neighbors. neighbors.

Long-Term Prospects

Green Building and Sustainability

Increasing demand for eco-friendly materials, including:

- Pozzolana cement
- Recycled aggregates
- Insulated panels and solar-roof tiles

Donor funding and foreign investment tied to sustainability sustainability metrics (e.g., World Bank, UN Habitat) are are incentivizing green construction.

Long-Term Prospects

Industrialization and Import Substitution

Government push to reduce import dependency by promoting local manufacturing under the Blueprint for Regulatory Reforms and Industrial Development Policy.

Cement, steel, gypsum, and ceramics are key focus areas for industrialization.

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Target Markets Identification

Compound Average Growth Rate Rate (CAGR)

The construction materials sector in Tanzania is projected to grow at a CAGR of approximately 6.5% to 7% between 2025 and 2029. This growth is driven by factors such as rapid urbanization, infrastructure development, and increasing demand for affordable housing.

Volume of Exports and Imports

Exports:\
In 2023, Tanzania exported construction materials, including cement, lime, and plastering materials, totaling approximately $138 million. Key export destinations were:

- Democratic Republic of Congo: 47% share ($65 million)
- Burundi: 18.1% ($25 million)
- Rwanda: 16.7% ($23 million)
- China: 9.94% ($13.9 million)
- Malawi: 3.32% ($4.66 million)

Imports:\
Tanzania imported construction materials worth $71 million in 2023, marking a 10% decrease from the previous year.

Buyer Description

Buyers include:

• Government Agencies: infrastructure projects such as roads, bridges, and public buildings.

• Private Construction Firms: residential, commercial, and industrial developments.

• Real Estate Developers

• Retailers and Distributors

Top Importers in Each Selected Market

There are a total of 123 Construction Material Importers in Tanzania, importing from 128 suppliers globally. In the period from Nov period from Nov 2023 to Oct 2024.

- SIMIKE GENERAL
- Nandhra Engineering and Construction Company
- Ujenzi Bulkbuild Ltd
- Trident Building Materials Ltd
- HALAD INVESTMENTS
- Mazongera Building Contractors Ltd
- Teichmann Structures

Value Chain Analysis

Raw Material Supply

- Limestone, clay, sand, iron ore, gypsum, timber, steel, aluminum, and aggregates.

Manufacturing / Processing

- Crushing, grinding, mixing, and forming of raw materials into cement, steel bars, roofing sheets, tiles, etc.
- Sectors: Cement production, metal fabrication, timber processing, prefabrication.
- Local Dominant Manufacturers:
- Dangote Cement Tanzania (cement)
- Twiga Cement (cement)
- ALAF Ltd (roofing, steel)
- Tembo Tiles, Superdoll (bricks, tiles, finishes)

Distribution and Logistics

- Building materials are distributed through various channels. Efficient distribution networks are essential to reach customers across the country.
- Channels:
- Wholesale distributors in industrial zones.
- Regional hardware wholesalers
- Local logistics and supply chain agents

Retail / Sales

- Retail Outlets:
- Hardware stores (small/medium family businesses)
- Construction cooperatives and micro suppliers.
- E-commerce (growing slowly—platforms like Jumia)

End Users

- Segments:
- Residential developers (low- to high-income housing)
- Commercial developers (office, retail)
- Public infrastructure (roads, schools, hospitals)
- NGOs and humanitarian organizations (especially in rural housing projects)

Influencing Factors:

Projects	Real Estate	Finance Availability
Government projects	Real estate demand	Availability of construction finance

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Market Analysis

Market Segmentation

By Product Type:

- Construction aggregates.
- Bricks and blocks.
- Cement.
- Steel and Iron.
- Roofing Materials.
- Glass.

By Application:

- Residential.
- Commercial.
- Industrial.

Market Segmentation
Key Construction aggregates:

Bricks and Blocks:

The Tanzanian brick market is projected to grow at a Compound Annual Growth Rate (CAGR) of 8.92% in 2025, reaching 12.61% by 2029. This positions Tanzania among the fastest-growing brick markets in Africa, alongside Egypt and South Africa.

The demand for concrete blocks is rising due to urban expansion and infrastructure projects. Local production is increasingly increasingly meeting domestic needs, reducing reliance on imports.

In 2023, the average import price for building blocks and bricks of cement, concrete, or artificial stone stood at $88 per ton, a significant decrease from previous years.

The average export price in 2023 was $592 per ton, with variations depending on the destination country.

Imports: In 2022, Tanzania imported building blocks and bricks of cement and concrete worth $67.39K, with China being the being the largest supplier.

Exports: Tanzania exports refractory bricks, blocks, and tiles, with the Democratic Republic of the Congo being the main main destination.

Market Segmentation

Key Construction aggregates:

Steel and Iron:

The long steel products market in Tanzania generated a revenue of USD 441.8 million in 2022 and is projected to reach USD 489.3 reach USD 489.3 million by 2030, growing at a CAGR of 1.3%. Rebars were the largest revenue-generating product in 2022, while in 2022, while wire rods are expected to register the fastest growth during the forecast period.

The flat steel market is anticipated to reach a projected revenue of USD 568.1 million by 2030, with a CAGR of 1.1% from 2023 to 2030. from 2023 to 2030.

In 2024, the market for raw steel and pig iron in Tanzania amounted to $174,000, marking a 6.8% increase from the previous year.

Roofing Materials:

The roofing market in Tanzania has become more competitive over time. In 2023, the Herfindahl-Hirschman Index (HHI) was 2,405, a decrease from 5,903 in 2017, indicating a move towards a moderately competitive market.

Roofing imports are projected to decline significantly, with an expected annual decrease of 25.1% over the next five years.

Cement:

Market Size & Production: In 2024, Tanzania's cement production reached 10.9 million tons, surpassing the domestic demand of 8.5 million tons. The surplus was exported to neighboring countries, including Rwanda, Malawi, Mozambique, Burundi, Uganda, the Democratic Republic of Congo, and Zambia.

Prominent cement manufacturers in Tanzania include Dangote Industries, Tanzania Portland Cement, Lake Cement, Mbeya Cement, and Tanga Cement.

The cement market is experiencing moderate competition, with a Herfindahl-Hirschman Index (HHI) of 3,143 in 2023, indicating a moderately concentrated market.

Market Segmentation

Key Construction aggregates:

Steel and Iron:

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Glass:

The container glass market in Tanzania is buoyed by growing demand in the food and beverage, pharmaceuticals, and cosmetics and cosmetics industries. Local manufacturers are investing in advanced production technologies to meet quality standards and standards and sustainability goals.

After three years of decline, the safety glass market in Tanzania rebounded in 2024, reaching $4.2 million.

The worked flat glass market experienced a slight decrease of 3% in 2024, following five years of growth.

Target Market Selection

Urban Residential Construction

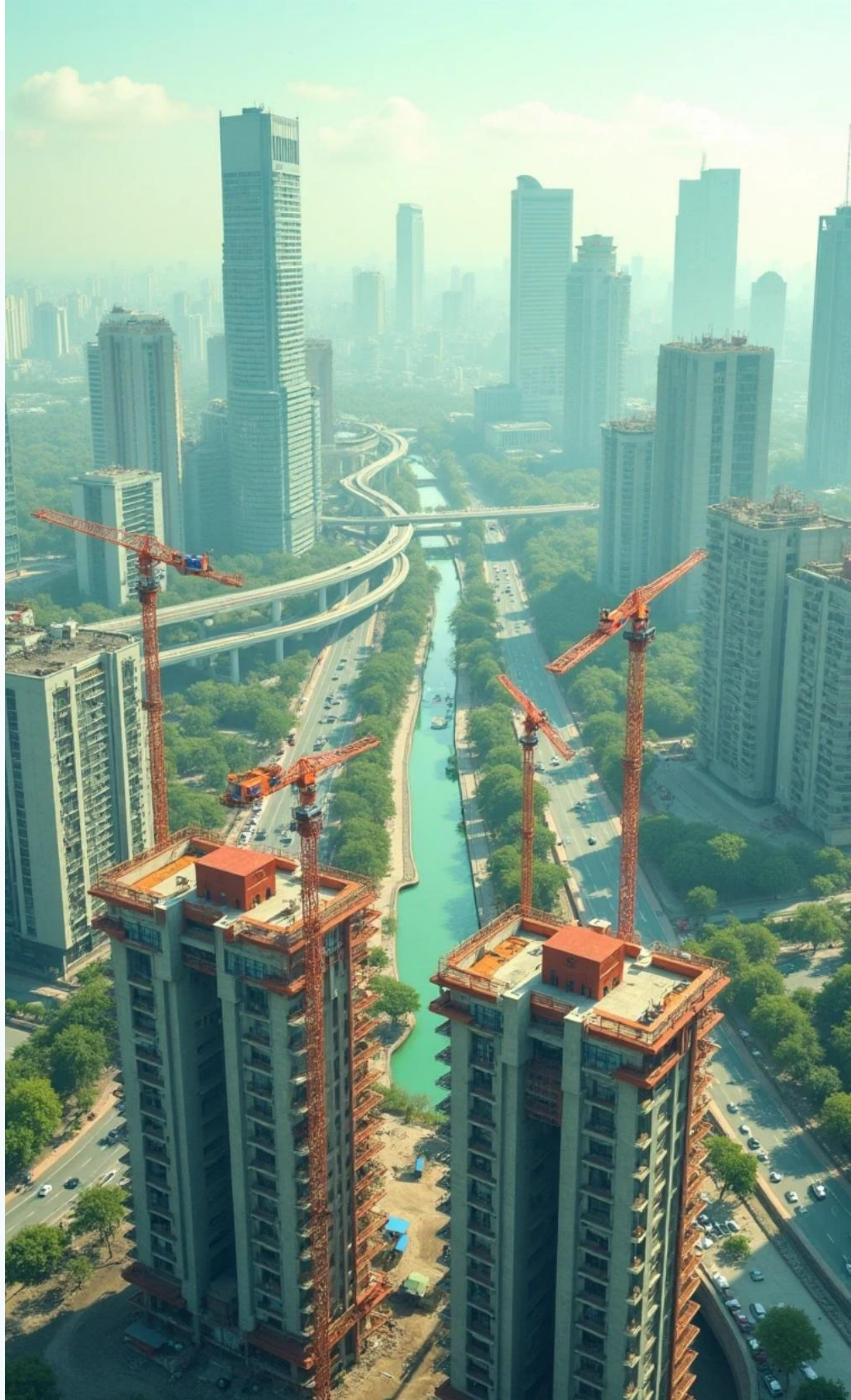
Driven by rapid urbanization and housing demand.

Infrastructure Development

Government-led projects like roads, bridges, and public facilities.

Commercial Real Real Estate

Growth in retail and office spaces in major cities.



Buyer Behavior

Buyer Segments

Government Agencies

Government Agencies

Large Contractors

Large Contractors

SME Builders

SME Builders/Contractors

Retailors

Retailors/Distributors

Individual Home Builders

Individual Home Builders

Buyer Behavior

Purchasing Motivations

Affordability

Cost-effective materials due to budget constraints.

Availability

Readily accessible products to avoid project delays.

Quality

Durable materials that meet construction standards.

Supplier Reliability

Consistent supply chains and after-sales support.

Buyer Behavior

Buying Channels

1. Major manufacturers use distributor networks across the country.

2. Online Platforms: Slowly gaining traction for basic hardware; examples include:
   - Jumia

Buyer Behavior

Buyer Preferences & Trends

Standardization

Buyers are demanding products that that comply with national and international standards.

Branded Materials Demand Demand

Rising demand for branded & certified certified materials among middle- middle-income home builders.

Seasonal Demand Variation Variation

Higher purchases before and during dry seasons.

Eco-friendly Materials

Slowly gaining traction among commercial and NGO-driven projects. projects.

Locally Sourced Materials

Preferred due to affordability and shorter delivery cycles.

Bundled Services

Buyers value after-sales service, including transportation, installation, installation, or financing.

Market Challenges and Opportunities

Challenges:

- Regulatory Hurdles: Complex permit processes and inconsistent enforcement.
- Infrastructure Gaps: Poor transportation networks affecting material distribution.
- Skilled Labor Shortage: Limited availability of trained construction workers.

Opportunities:

- Government Initiatives: Programs promoting affordable housing and infrastructure.
- Foreign Investment: Increased interest from international firms in construction projects.
- Sustainable Materials: Growing demand for eco-friendly construction solutions.

05

Competitive Landscape

Direct Competitors

These are major players with significant market share in Tanzania's construction sector:

- Advent Construction Ltd
- Estim Construction
- Becco Limited
- Salem Construction Limited
- Mohammedi Builders Ltd
- CSI Construction
- Milembe Construction Co. Ltd
- Al Husseini Construction
- Nordic Construction Company Limited
- Masasi Construction Co. Ltd
- Imperial Construction Company

Secondary Competitors

These include regional and specialized firms catering to specific niches:

- ALAF Ltd – Steel and roofing materials.
- TARMAL Industries – Steel products and construction materials.
- Twiga Cement – Leading cement manufacturer.
- Simba Cement – Another major cement producer.

Alternative Competitors

Alternative building materials are gaining traction due to sustainability concerns:

- ByFusion Global Inc.
- CarbonCure Technologies Inc.
- Bauder Ltd.
- Kirei
- Rammed Earth Enterprises

GIT-ZONE INTERNATIONAL

Charts of Quality and Price Mapping

High Quality – High Price

Imported materials and premium local brands.

High Quality – Moderate Price

Established local manufacturers like like Twiga Cement and ALAF Ltd. Ltd.

Moderate Quality – Low Price

Smaller local producers and informal informal sector offerings.

Low Quality – Low Price

Unregulated imports and informal market products.

Average Price for Wholesaler, Retailer, and End Consumer

Material	Wholesaler Price (TZS)	Retailer Price (TZS)	End User Price (TZS)
Cement (50Kg bag)	14,500 – 17,000	17,000 – 20,000	Up to 20,000+
Steel Rebars (per ton)	2,400,000	2,600,000	2,800,000
Roofing Sheets (per piece)	3,500-5,000	5,500 – 6,500	6,500 – 7,500
Glass (per m^2)	30,000 – 40,000	45,000 – 55,000	60,000 – 70,000

06

Recommendations

Recommendations

Enhancing Local Production

Invest in local manufacturing to reduce reduce reliance on imports and control control costs.

Focusing on Quality

Adopt international standards to meet meet the growing demand for durable durable and sustainable materials.

Public-Private Partnerships

Collaborate with government initiatives initiatives to participate in large-scale scale infrastructure projects.

Workforce Development

Train and certify construction workers workers to address the skilled labor labor shortage.

Distribution Networks

Improve logistics and supply chain efficiency to ensure timely delivery across regions.

Thank You