



## A. Evolution of Dar es Salaam Stock Exchange (DSE) - A Journey of Progress

The **Dar es Salaam Stock Exchange (DSE)**, established in **1996**, with a **market cap of USD 6.1 billion**; has emerged as a significant player in East Africa's financial landscape. Over the years, DSE has made remarkable progress, transforming from a fledgling exchange into a dynamic hub of financial activity listing a total of **28 companies** of which **6 are cross-listed** from the Nairobi Securities Exchange. This article explores the key milestones and attractions that have shaped DSE's journey.

### 1. Growth and Market Development:

Since its inception, DSE has witnessed remarkable growth in terms of market capitalization, trading volumes, and the number of listed companies. Starting with just a handful of listings, DSE now boasts a diverse portfolio of companies spanning various sectors, from banking and telecommunications to energy and manufacturing. This growth has been driven by favourable economic conditions, regulatory reforms, and increased investor confidence.

In April 2022 DSE was the first Exchange in Sub Saharan Countries to list social corporate bond, NMB Bank Jasiri Bond which have been dual listed at Luxemburg Stock Exchange.

### 2. Regulatory Reforms and Investor Confidence:

DSE's journey has been marked by significant regulatory reforms aimed at enhancing transparency, governance, and investor protection. In 2014, DSE removed foreign investors limit on equity market segment. In 2022, made a partial foreign investor participation by allowing SADC countries investors to invest in Government bonds. These two regulatory measures had positive impact on level market liquidity..

### 3. DSE Demutualization and Self Listing

DSE started its operation as a mutual entity, company limited by guarantee, without a profit motives funded by the Government. In 2016, DSE transformed itself to a public limited company through a demutualization process. DSE Issued shares to the Public and self-listed to become the third stock exchange in Africa, after JSE and NSE.

### 4. Technological Advancements:

DSE's commitment to technological advancement has revolutionized trading practices. In 2021 DSE introduced a mobile trading platform, named **DSE Mobile Trading Platform – DSE Hisa Kiganjani**. This shift has also attracted a new generation of tech-savvy investors, contributing to increased liquidity in the markets.

## 5. DSE Membership to Global organizations

DSE is an active member of global organisations like WFE, UN-SSE, UNCTAD, UN Global Compact, UNEP-FI and UN-PRI. The aim is to leverage on experiences and sharing of expertise at the global industry leaders.

## 6. Main Attractions in DSE:

DSE offers a range of attractions that appeal to investors and companies alike:

- **Investment Opportunities:** DSE provides a platform for companies to raise capital through the issuance of shares and bonds. This, in turn, fuels their expansion and development initiatives.
- **Liquidity:** The active trading environment in DSE ensures liquidity for investors, enabling them to buy and sell securities without significant price fluctuations.
- **Diverse Investment Portfolio:** DSE's diverse listings allow investors to access a wide range of industries, reducing concentration risk and offering opportunities for portfolio diversification.
- **Accessibility:** The **Mobile Trading Platform** (DSE Hisa Kiganjani) enables investors to participate in trading from anywhere, making it convenient for both domestic and international investors.
- **Regulatory framework** that facilitates diverse of financial products including thematic (social, green and sustainability-linked products) and Islamic principle base financial products.
- **Investor Education:** DSE has taken steps to educate investors about the financial markets, enabling them to make informed investment decisions. This has contributed to the growth of a knowledgeable investor base.
- **Economic Growth:** DSE's role in capital formation and fostering business expansion contributes to overall economic growth and job creation in the region.

**In conclusion**, the Dar es Salaam Stock Exchange's journey from its inception to its current position as a significant player in the African financial landscape showcases the strides made in market development, regulatory reforms, and technological advancement. The exchange's main attractions, including investment opportunities, liquidity, diverse portfolio, accessibility, and investor education, have collectively contributed to its progress and growing prominence. As DSE continues to evolve, it remains a vital contributor to East Africa's economic growth and development.

### B. Exploring Dar es Salaam Stock Exchange's (DSE) Market Attractions

The **Dar es Salaam Stock Exchange (DSE)** stands as a symbol of Tanzania's growing financial sector and economic potential. As the primary securities exchange in the country, DSE has developed an array of market segments that attract both domestic and international investors. In this article, we delve into the main attractions in the various markets of DSE.

## 1. Equity Markets:

- a. **Main Investment Market (MIM):** The MIM is the primary equities market where companies list their shares for trading. It is a key attraction for investors seeking ownership in established Tanzanian companies across sectors such as finance, telecommunications, and manufacturing. There are 16 companies listed on the segment.
- b. **Enterprise Growth Market (EGM):** The EGM is tailored for small and medium-sized enterprises (SMEs) looking to raise capital and expand their operations. This market segment offers a platform for these companies to access funding while contributing to economic growth and job creation. There are 6 companies listed on the segment.

## 2. Debt Market:

**Fixed Income Market (FIM):** DSE's Fixed Income Market allows for the trading of government and corporate bonds. This market is attractive to investors seeking stable returns through fixed-income instruments, and it also aids governments and corporations in raising capital for various projects.

## 3. Benefits and Attractiveness:

- **Investment Diversity:** DSE's various markets offer a wide array of investment options, catering to different risk appetites and investment goals.
- **Capital Access:** For businesses, DSE provides a gateway to raise capital for expansion and development through equity and debt offerings.
- **Liquidity:** The active trading environment in DSE's markets ensures that investors can easily buy or sell their securities, promoting liquidity and price discovery.
- **Investor Education:** DSE places emphasis on investor education, empowering individuals with knowledge to make informed investment decisions through programs such as **DSE Scholar Investment Challenge** (students), **Maarifa Hisa Kiganjani** (general public) and **DSE Enterprises Acceleration Program – DEAP** (for SMEs).
- **Economic Growth:** By facilitating capital raising and investments, DSE contributes to economic growth, job creation, and overall financial market development in Tanzania.
- **Global Integration:** The attractiveness of DSE's markets is further enhanced by efforts to align with international standards and best practices, making it more appealing to foreign investors.

## 5. Future Prospects:

DSE's continuous commitment to market development, technological advancement, and investor education blends well for its future prospects. As the Tanzanian economy evolves, DSE is poised to play an even more integral role in financing growth and providing investment opportunities.

**In conclusion**, the **Dar es Salaam Stock Exchange's** is posed to continue driving more diverse of products range including support the Government on plans to enhance State Owned Enterprises.