



**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE REGIONAL ADMINISTRATION
AND LOCAL GOVERNMENT**

RUVUMA REGION INVESTMENT GUIDE





**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE REGIONAL ADMINISTRATION
AND LOCAL GOVERNMENT**

RUVUMA REGION INVESTMENT GUIDE

The preparation of this guide was supported by
the United Nations Development Programme (UNDP) and
Economic and Social Research Foundation (ESRF)



*Empowered lives.
Resilient nations.*



ISBN: 978 - 9987 - 664 - 02 - 3

TABLE OF CONTENTS

LIST OF TABLES.....	v
LIST OF MAPS.....	v
LIST OF FIGURES.....	vi
LIST OF ABBREVIATIONS	vii
FOREWORD	xi
EXECUTIVE SUMMARY	xiii
DISCLAIMER	xv

PART ONE: 1

REASONS FOR INVESTING IN RUVUMA REGION 1

1.1 Ruvuma Region in the Broader Tanzanian Context	1
1.2 Investment Climate and Trade Policy in Tanzania	2
1.3 Reasons to Invest in Ruvuma Region.....	5
1.4 Suggested Priority Investment Areas in Ruvuma Region.....	10
1.4.1 Main Areas of Investment.....	10
1.4.2 Regional Level Priority Investment Opportunities	11
1.4.3 Council Level Priority Investment Opportunities.....	11
1.5 The Guide’s Target Groups	12

PART TWO:..... 14

SOCIO-ECONOMIC PROFILE OF RUVUMA REGION..... 14

2.1 Introduction.....	14
2.2 Geographic Location.....	14
2.3 Land Area and Administrative Units.....	14
2.4 Climatic Conditions, Topography and Agro-Ecological Zones	16
2.4.1 Climate and Topography	16
2.4.2 Agro-Ecological Zones.....	16
2.5 Regional Economy.....	18
2.6 Productive Sectors.....	21

2.6.1	Agriculture Sector	21
2.6.2	Livestock	24
2.6.3	Forestry	26
2.6.4	Fisheries.....	26
2.6.5	Nature and Tourism.....	27
2.6.6	Mining Sector	28
2.6.7	Industrial Development.....	28
2.7	Socio-Economic Context.....	30
2.7.1	Health Facilities.....	30
2.7.2	Education and Literacy Levels.....	30
2.7.3	Vocational Skills.....	31

PART THREE:32

PRIORITY INVESTMENT OPPORTUNITIES IN

RUVUMA REGION..... 32

3.1	Introduction.....	32
3.2	Regional Level Priority Investment Opportunities.....	34
3.3	Council Level Priority Investment Opportunities.....	44

PART FOUR:90

FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES..... 90

4.1	Supportive Policies and Legal Environment.....	90
4.1.1	Policies, Legal, Institutional and Regulatory Considerations.....	90
4.1.2	Strategies, Plans, and Programmes	91
4.1.3	Investment Options: Private, PPP, PPCP, and Joint Ventures.....	91
4.2	Facilitation: Processes and Requirements	93
4.2.1	Lead Institution.....	93
4.2.2	Main Institutions Dealing with Investment in Tanzania and Ruvuma Region.....	94
4.2.3	Registration	94
4.2.4	Central Government Taxes	94
4.3	General Investment Incentives	96

4.4	Access to Resources.....	97
4.4.1	Land for Investment in Tanzania.....	97
4.4.2	Land for Investment in Ruvuma Region.....	98
4.4.3	Banking and Financial Services.....	98
4.4.4	Labour.....	98
4.5	Inclusion and Participation of the Private Sector.....	99

PART FIVE: 100

KEY CONTACTS IN RUVUMA REGION 100

5.1	Key Websites.....	100
5.2	Key Contacts.....	100
5.2.1	Regional Commissioner’s Office.....	100
5.2.2	Songea MC.....	101
5.2.3	Town Council.....	101
5.2.4	District Councils.....	101

LIST OF TABLES

Table 1:	Ruvuma Region: Number of Livestock Marketed in 2015.....	26
Table 2:	Type of Industries by Council, Ruvuma Region in 2015.....	29

LIST OF MAPS

Map 1:	Ruvuma Region's connections with other parts of Tanzania and the whole Africa.....	8
Map 2:	Comparison of Electricity Connectivity in the Regions of Tanzania	20

LIST OF FIGURES

Figure 1: Commitments by Central Government, Ruvuma Regional Administration, and Local Government Authorities to provide Enabling Environment for Investors	9
Figure 2: Ruvuma Region: Distribution of Surface Area by Council in 2015.....	15
Figure 3: Average Household Size by Councils in Ruvuma Region, 2012 Census	15
Figure 4: Percentage Distribution of Households by Main Source of Income in Ruvuma Region.....	19
Figure 5: Percentage of Average Production of Major Cash Crops (average for years 2011 – 2015).....	23
Figure 6: Population Distribution of Cattle by Council, Ruvuma Region 2015.....	24
Figure 7: Number of Small-Scale Industries by Council, Ruvuma Region in 2015.....	29

LIST OF ABBREVIATIONS

AGOA	Africa Growth Opportunity Act
AHEPO	Andoya Hydro Electrical Power
AI	Artificial Insemination
AIDS	Acquired Immune Deficiency Syndrome
ARI	Acute Respiratory Infection
ARTI	Agricultural Research and Training Institute
BOT	Build Operate Transfer
BRELA	Business Registration and Licensing Agency
CBT	Cashew Board of Tanzania
CCP	Contagious Caprine Pleuropneumonia
COMESA	Common Market for East and South Africa
CSO	Civil Society Organisation
D-by-D	Decentralisation by Devolution
DC	District Council
DPs	Development Partners
EAC	East African Community
EBA	Everything But Arms
ECF	East Coast Fever
EIA	Environment Impact Assessment
EPZ	Export Processing Zone
EPZA	Export Processing Zones Authority
ESRF	Economic and Social Research Foundation
EU	European Union
EUR	Euro
FAO	Food and Agriculture Organisation
FBO	Faith-Based Organisation
FCC	Fair Competition Commission
FETA	Fisheries Education and Training Agency
FYDP II	Five-Year Development Plan 2016-2021
GDP	Gross Domestic Product
GoT	Government of Tanzania
ICSID	Centre for Settlement of investment Disputes
IIDS	Integrated Industrial Development Strategy
IMF	International Monetary Fund
IPU	Investments Promotion Unit

JKT	Jeshi la KujengaTaifa
JV	Joint Venture
Km	Kilometre
KV	Kilovolts
KWh	Kilo Watt Hour
MC	Municipal Council
MIGA	Multilateral Investment Guarantee Agency
MITI	Ministry of Industry, Trade and Investment
MLF	Ministry of Livestock and Fisheries
MoA	Ministry of Agriculture
MoW	Ministry of Water
MSMEs	Micro, Small, and Medium Enterprises
MVS	Mobile Veterinary Services
MW	Megawatts
NAFCO	National Agricultural Farms Company
NBS	National Bureau of Statistics
NEEC	National Economic Empowerment Council
NEMC	National Environment Management Council
NGO	Non-Government Organisation
PO-RALG	President's Office Regional Administration and Local Government
PPP	Public-Private Partnership
RALG	Regional Administration and Local Government
RAS	Regional Administrative Secretary
RC	Roman Catholic
REC	Regional Economic Community
SADC	Southern African Development Community
SDL	Skills and Development Levy
SEZ	Special Economic Zone
SIDP	Sustainable Industrial Development Policy
SODECO	Songea Development Corporation
SOE	State-Owned Enterprises
SUA	Sokoine University of Agriculture
TADB	Tanzania Agricultural Development Bank
TAHA	Tanzania Horticultural Association
TANESCO	Tanzania Electric Supply Company
TANTRADE	Tanzania Trade Development Authority
TBC	Tanzania Broadcasting Corporation

TC	Town Council
TCC	Tax Clearance Certificate
TCCIA	Tanzania Chamber of Commerce, Industries and Agriculture
TIA	Tanzania Investment Act
TIB	Tanzania Investment Bank
TIC	Tanzania Investment Centre
TIN	Taxpayer Identification Number
TMEA	TradeMark East Africa
TNBC	Tanzania National Business Council
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
TRIMs	Trade-related Investment Measures
TZS	Tanzanian Shillings
UDSM	University of Dar es Salaam
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UTI	Urinary Tract Infection
VAT	Value Added Tax
VETA	Vocational Education and Training Authority
VST	Vocational Skills Training
WB	World Bank
WMA	Wildlife Management Area
WTO	World Trade Organisation



"My Government is determined to continue improving the business environment and, in so doing, provide a wide range of appropriate incentives and support to unleash creativity of private sector and other stakeholders in harnessing Tanzania's comparative advantages and thereby boosting productivity, enhancing innovation and fostering economic integration and deepening participation in the region and global value chains."

His Excellency, Dr. John Pombe Joseph Magufuli.
The President of the United Republic of Tanzania, Preface to the Tanzania Five Year Development Plan, June, 2016.



"Industrialisation is relevant not only because of economic reasons but more because it enhances shared prosperity necessary to ensure civil harmony. It does this by increasing employment of our youth, reducing poverty and redressing inequality."

Her Excellency, Samia Suluhu Hassan.
The Vice President of the United Republic of Tanzania remarks during the 2nd East African Business and Entrepreneurship Conference and Exhibition held on 14th November 2017, at the Dar es Salaam Serena Hotel.



"The 21st Century is going to identify itself with intensifying competitive business environment in which business to triumph are those with relevant industrial products and services, modern technologies and human resource that is imbued with respective skills, work ethics and innovativeness. Industrialization is the basic requirement and core secret of business to survive in the 21st Century. It is in this wisdom that the Fifth Phase Government of the United Republic of Tanzania has embraced industrialization as its ultimate goal. The success of this goal calls for the regional administrations to focus on the provision of conducive business environment necessary to facilitate business operations and flow of investments."

Hon. Kassim Majaliwa Majaliwa.
The Prime Minister of the United Republic of Tanzania In his opening remarks at the Business and Investment Forum, Tabora Region, on 21st November, 2018.

FOREWORD



Welcome to Ruvuma Region, which consists of Songea Municipal Council (MC), Songea District Council (DC), Madaba DC, Mbinga DC, Mbinga Town Council (TC), Nyasa DC, Tunduru DC and Namtumbo DC. This Investment Guide presents investment opportunities available in all the Local Government Authorities (LGAs) of the region. The Guide is in line with the overall investment policy of Tanzania and is aligned with National Development Frameworks such as the

Tanzania Development Vision 2025 and National Five-Year Development Plan 2016-2021 (FYDP II).

The Guide is also meant to assist in the execution of the development pathway of the region as outlined by the Regional Commissioner's office, and as indicated in the Ruvuma Regional and Local Government Authorities Development Plans. The Guide provides essential regional information to prospective local and foreign firms and individuals and is meant to attract them to make investment decisions in favour of any of the eight LGAs in order to stimulate both business and enterprise growth.

The Investment Guide is also intended to enhance Ruvuma's competitiveness in areas of comparative strengths as well as emerging economic areas. Other objectives of the Guide are to foster the productive capacities in key primary sectors and industries, and to sustainably augment Gross Domestic Product (GDP) and inclusive and resilient economic growth needed to accelerate societal development and well-being of the people of Ruvuma and of Tanzania at large.

Ruvuma Regional Authorities and the eight LGAs have resolved to prioritise all investment initiatives and provide political support, attractive incentives and support services for investors who set up investments in the region. Additionally, the authorities will coordinate efforts to provide a satisfactory policy, as well as a conducive regulatory and business environment. They are readily available to provide further details on the selected strategic and viable

opportunities to interested investors.

This work has taken commendable commitment by different stakeholders in terms of finance, time and intellect. To this, I am indebted to many, but would like to single out a few, and in particular the United Nations Development Programme (UNDP) for financially supporting the preparation of this Investment Guide, and the Economic and Social Research Foundation (ESRF) for their time and intellect invested in developing this guide.

I would like to specifically acknowledge Dr. H. Bohela Lunogelo and his team of experts namely, Dr. Festus Limbu, Mrs. Margareth Nzuki, Mr. Mussa M. Martine and Mr. Benedicto N. Mutalemwa for their commitment and technical support that collectively resulted in the completion of this guide. I am equally grateful for the exemplary support provided by the Ruvuma Regional Administrative Secretary, Prof. Riziki S. Shemdoe, who efficiently and effectively coordinated and guided Local Governments in the region during the consultative processes and validation of the guide. It is not easy to mention everyone, and therefore let me specifically extend my deep appreciation to all individuals who contributed in one way or another towards making this investment guide possible.

I take this opportunity to welcome you to invest in Ruvuma Region, and I assure you of our continued support to make your investments productive and grow for our mutual benefit.



Hon. Christina Mndeme
Regional Commissioner
Ruvuma Region, Tanzania

EXECUTIVE SUMMARY

Ruvuma Region is the sixth largest region of Tanzania and covers an area of 67,372 square kilometres (sq.km) of which about 5 percent is cultivated and 2,979 sq.km or 4.7 percent is covered by water bodies. Ruvuma Region is in the South-Western part of Tanzania. The Region experiences average temperatures of 23°C and one long-rain season, ranging from 800 to 1,800 mm. The climate in Ruvuma Region is influenced by several factors, thus resulting in the formation of distinctive climatic zones.

The agriculture sector engages about 75.8 percent of the people aged 10 years and above in the region, and it contributes most of the region's cash income mainly from coffee, beans, maize, ground nuts, paddy, potatoes, tobacco, cassava, sesame, millet, coconuts, cashew nuts, sorghum, fruits and sunflower production. Trade and commerce is the second most important occupation after agriculture, involving about 8.5 percent of the active population, followed by mining and quarrying businesses sub-sectors (4.9 percent), domestic services (3.3 percent); manufacturing (2.9 percent); raw food sales (1.5 percent); fishing, hunting, and livestock (3.4 percent); and a relatively small proportion engaged in communication and transport (0.7 percent).

Ruvuma Region's population in 2018 was more than 1.56 million people, of which 74.5 percent was rural based. The region is spatially strategically located within the Mtwara Economic Growth Corridor that links the Indian Ocean port of Mtwara with the Southern Highland regions, as well as with neighbouring countries of Mozambique and Malawi.

The region is blessed with mineral deposits, river tributaries with waterfalls suitable for hydropower generation, water of Lake Nyasa for fishing, travel and tourism, fertile soil for crops and livestock grazing. These resource bases provide ample opportunities for investments in production, processing and other services. There is internal market and a potential market in neighbouring countries.

The following investment opportunities have been prioritized at regional level: land use surveys, mapping and titling; large-scale commercial mining of coal, blue copper and gemstones; industries for packaging materials for both

primary and secondary processing industries; leather processing industry (tanneries); and mini-hydro power generation projects.

At council level the following are the priority investment opportunities: cereals processing, grading and packaging; oilseed (sunflower, sesame, groundnuts) processing and packaging; soya bean farming and processing; dairy farming and processing; livestock feeds processing industry; fruit and vegetable processing and packaging; coffee farming and processing facilities; expansion of cashew farming and processing; market structures; warehouses for agricultural produce; modern boat building and lake transportation; deep lake fishing, aquaculture and manufacturing of fish feeds; urban transport system and services - bus stations and vehicle parking facilities; real estate development for residential use and shopping malls; hotels/motels and tourism facilities; sports and recreation facilities; specialised vocational training on skills development; private health facilities; and private primary and secondary schools.

DISCLAIMER

This Guidebook was published to provide potential investors with access to essential information regarding investments and investing in Ruvuma Region. The Guidebook does not in any way give exhaustive information or detailed practical instructions, but it points out sources of other information in both private and public sectors.

Most of or all information contained in this guidebook was derived from consultations with regional and district government officials, the private sector, and other agencies. Materials in this Guidebook should therefore be used only for the intended purposes and not for defence in a legal dispute or any matter of that nature.



REASONS FOR INVESTING IN RUVUMA REGION

1.1 Ruvuma Region in the Broader Tanzanian Context

Ruvuma Region being part of Tanzania benefits from, and depends on the country's conducive investment and trade policies, political stability and well-prepared development frameworks based on the National Development Vision 2025. Tanzania, with its large and growing domestic population, strategic location, abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity. The country has a population of about 55 million people and a population growth rate of 2.9 percent

Tanzania has abundant natural resources, including agricultural land, water bodies such as lakes and rivers, springs, mineral resources, tourism attractions including biodiversity and unique landscapes, such as Mount Kilimanjaro, Ngorongoro Crater and Serengeti National Park, which attract tourists from all over the world. In addition, its location on the East Coast of Africa gives it a comparative advantage in providing trade and transport services to neighbouring, landlocked countries. Several measures have been taken to create a conducive business environment to encourage local and foreign investment.

The country has created a stable and attractive macro- and micro-economic climate with single-digit inflation; there are on-going reforms in fiscal and monetary policy, and improvements in the business climate through legal and regulatory reform aimed at streamlining procedures and freeing business from unnecessary bureaucracy.

Tanzania has sustained an average rate of 6-7 percent economic growth since the late 1990s due to a relatively stable political environment, reasonable macro-economic policies, structural reforms, a resiliency from external shocks,

and debt relief. The International Monetary Fund (IMF) recently reported that Tanzania's macro-economic performance remains strong, economic growth is projected at about 7 percent, and inflation is expected to remain close to the Government of Tanzania's (GoT) 5 percent target.

The Government recognises the role of the private sector (both local and foreign) and other strategic partners as the engine of growth, poverty reduction and the drivers of economic transformation. This important role of the private sector has been further emphasised in the current FYDP II by recognising that the realisation of the goals and targets of the FYDP II hinges on among others, the effective participation of the private sector in developing industries and enterprises that spur economic growth and create jobs.

1.2 Investment Climate and Trade Policy in Tanzania

Since the liberalisation of the economy in the early 1990s, the Government has recognised the role of the private sector (both local and foreign) as the engine of growth and key drivers of economic transformation and poverty eradication. This important role of the private sector has been further emphasised in the current FYDP II, which has put some special emphasis on, among others, effective participation of the private sector in developing industries and enterprises that spur economic growth and create jobs.

The GoT uses the World Trade Organisation's (WTO's) Trade-related Investment Measures (TRIMs) to encourage investments in line with national priorities, and to attract and regulate foreign investment. Trade development instruments that Tanzania has adopted include Export Processing Zones (EPZs), Investment Code and Rules, Export Development/Promotion and Export Facilitation. EPZs were established by the 2002 EPZ Act and are open to both domestic and foreign investors, particularly in agribusiness, textiles and electronics sectors.

The Export Processing Zones Authority (EPZA) governs both EPZs and Special Economic Zones (SEZs). The Government has encouraged both local and foreign investors to take advantage of the investment opportunities under EPZA for their benefits and for the benefit of the country. There are three categories of licences issued by EPZA:

-
- i) Developer's Licence (for investment in infrastructure development, including construction of industrial buildings and warehouses, development of internal roads, landscaping and fencing and the provision of utilities);
 - ii) Operator's Licence (for investors who are undertaking manufacturing operations, including manufacturing, processing breaking bulk, re-packaging, re-labelling and trading); and
 - iii) Service Provider's Licence (for investors who are providing services and utilities to EPZ and SEZ investors within the zone, including banking, insurance and information technology).

EPZA also oversees incentive packages such as exemptions from corporate tax and withholding tax on rent; dividends and interest; remission of customs duty, value-added tax (VAT) and other taxes on raw materials and capital goods; and exemption from VAT on utilities and levies imposed by local authorities. In addition working permits for foreign staff can be obtained. More information can be found on the website www.epza.go.tz and email address is info@epza.go.tz.

The Special Economic Zones Act of 2006 authorised the establishment of SEZs to encourage Greenfield investments in light industry, agro-processing industry and agriculture. All the above factors, plus the country's well formulated development-cum-strategic frameworks, have contributed to continuous real GDP growth of about 7 percent for over a decade and is a member of what the World Bank (WB) has dubbed the "7 percent Club", a group of countries forecast to achieve 7 percent or more real GDP growth for the next decade.

Investments in Tanzania are guaranteed against nationalisation and expropriation through various agreements of protection and promotion of investments, such as the Multilateral Investment Guarantee Agency (MIGA), of which Tanzania is a member. Tanzania also offers access to major markets of the world, such as America (e.g. Africa Growth Opportunity Act [AGO]); Europe (e.g. Everything but Arms [EBA]); Asia (e.g. India); Middle East; and China; all done through special bilateral trade and investment agreements and arrangements.

Tanzania is also a member of two major Regional Economic Communities (RECs): The Southern African Development Community (SADC); and the East African Community (EAC). Both RECs are growing stronger, and so investors in Tanzania will have the advantage to access both domestic and regional markets as well as the export markets in the European Union (EU), the United States, the growing Asian economies of China and India, and in the Middle East, to mention only the leading ones.

The domestic market is significant, given Tanzania's population of more than 50 million people, growing at a rate of nearly three per cent (3 percent) per annum as well as a growing middle class.

Generally, the following are among the reasons why one should invest in any region of Tanzania, including Ruvuma:

- There is a high degree of investment security because of unparalleled political stability that is strife-free without ethnic division, democratic rule that respects diversity of opinion and a strong tradition of constitution and rule of law;
- The country has maintained business-friendly macro-economic stability with low inflation (around 5 percent), stable exchange rates supported by unrestricted and unconditional transfers of profits, loan repayments, emoluments, royalties, fees and charges;
- There is a commitment to ensuring simplified bureaucracy, streamlined through the acclaimed services of the Tanzania Investment Centre, which is a one-stop facilitation agency of Government serving registered investors and businesses;
- The GoT is committed to, and has successfully undertaken economic liberalisation measures commended by both the WB and IMF with business-supportive legislation continually being improved through genuine dialogue between the Government and the private sector;
- We have a well-balanced package of incentives to investors with additional negotiated benefits to strategic investors;
- The economy is rapidly emerging as the most effective entry point and gateway for trade into eastern, southern and central Africa;
- There are lucrative investment opportunities in infrastructure, and value-adding facilities that are among the fastest growing segments of the economy;

-
- We are committed to ensuring investment guarantees and settlement of disputes. Investments in Tanzania are guaranteed against political risks, nationalisation and expropriation; and
 - Any foreign business operating in Tanzania may obtain credit from domestic financial institutions up to the limits established by the Bank of Tanzania. Major Banks like Standard Chartered, Barclays, Citibank, Stanbic, and Exim have invested in Tanzania. Among the banks with branches in Ruvuma Region are CRDB Bank, National Micro-finance Bank Ltd, National Bank of Commerce Ltd, and TPB Bank.

1.3 Reasons to Invest in Ruvuma Region

Ruvuma Region, historically regarded as one of the marginal regions, currently has the minimum pre-requisites for setting up industries and thriving business based on its geographical location and established infrastructural facilities that are important for enabling industrial development as summarised below:

a) Population and Natural Resources

Ruvuma Region had a population of more than 1.56 million people (in 2018¹), of which 74.5 percent is rural based and 25.5 percent resides in urban centres. The Region is strategically located within the Mtwara-Lindi Economic Growth Corridor linking the Indian Ocean port of Mtwara with the Southern Highland regions of Njombe, Songwe and Mbeya (within Tanzania) and neighbouring countries of Mozambique (separated by Ruvuma River) and Malawi (separated by Lake Nyasa).

The Region is blessed: with fertile soil for crops and livestock grazing; mineral deposits (such as uranium, gold, coal and gemstones); river tributaries with waterfalls suitable for hydropower generation that feed into Ruvuma river; and water of Lake Nyasa for fishing, travel and tourism. These resource bases provide ample opportunities for investments in production, processing and other services. Investors need not worry about markets because, in addition to the internal market with a relatively good purchase power compared to other regions, there are potential markets within neighboring countries and regions.

¹ Based on extrapolation from the National Bureau of Statistics of 2012 census figures (at an annual average growth rate of 2.1 percent)

b) Economic Strength of Ruvuma Region

According to 2016 GDP estimates, Ruvuma Region was among the top eleven regions with the highest contribution to national GDP. However, in terms of GDP per capita, the region ranked fourth after Dar-es-salaam, Iringa and Arusha². The Region draws its strength from its agricultural sector, currently dominated by subsistence type of farming, which provides an opportunity for modernisation and commercialisation of the sector.

There are also plenty of opportunities to invest in new and existing agro-processing and manufacturing industries, given that 96 percent of them are small-scale establishments (more than 207) with possibilities to upgrade to medium and large-scale industries. Currently, there are only 19 medium-scale industries, most of which are in Songea Municipality and Mbinga TC. Newly established factories include two maize milling factories (one still under construction) in Songea MC and a water bottling plant at Mbinga TC.

c) Infrastructural Services in Ruvuma Region

i. Electricity and Water Supply

A breakthrough in ensuring low-cost and stable supply of electricity happened in September 2018 when a 220 KV power system linking Ruvuma Region to the national power grid via Makambako Town in Njombe Region was installed and put to use. This should allow the construction of high electric powered factories in the region. On other hand, Ruvuma Region has more than ten waterfalls suitable for installation of mini hydropower plants than can supply power to the national grid as well.

ii. Surface Transportation System

Travelling by road from Mbamba Bay to Mbinga and Songea, one has two options of reaching Dar-es-salaam: an eastbound route from Songea goes through Namtumbo and Tunduru within the region, and then to Nanyumbu, Masasi, Lindi, Mkuranga and Dar-es-salaam. A westbound road goes through Madaba (within Ruvuma Region) before proceeding to Njombe, Makambako, Iringa, Morogoro and Dar-es-salaam. At Makambako, there is dual transport system of roads and railways that can take goods to neighbouring Malawi

² URT, 2016: table 2.7

and Zambia through Mbeya Region. Passengers and goods to Dar-es-salaam from Makambako pass through Mang'ula, Kidatu and Yombo.

iii. Water Transportation System

The Government has also invested in water transportation systems by rehabilitating ports and buying new and larger vessels for transporting passengers and cargo. A new cargo vessel with a higher cargo capacity and velocity was inaugurated in mid-2018, while another vessel for passengers was expected to be commissioned by early 2019.

The Government has plans to build stable bridges to link Ruvuma Region and neighbouring country of Mozambique at different points, starting with construction of a connecting bridge between Lukumbule and Mkenda, which are currently the most popular crossing.

iv. Air Transport System

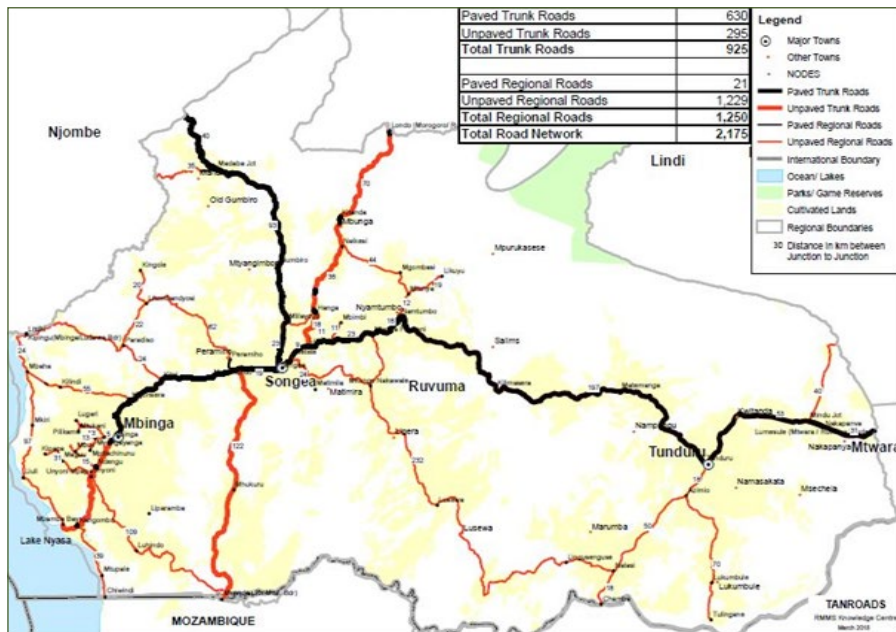


Songea Airport receives domestic flights that are linked to international flights at Songwe Airport (30 minutes) and Dar-es-salaam (90 minutes). Renovations at Songea Airport to allow landing of larger aircrafts started in 2018. It is expected that the expanded airport will attract more air transport companies, in addition to Air Tanzania and Auric Air to connect flights from all over East Africa and the world.

v. Radio and Telephone Communication

Radio and television stations with national and international coverage are accessible in all the districts especially after Tanzania Broadcasting Corporation (TBC) investing in booster stations to reach out to Nyasa and Tunduru LGAs that had some parts unreachable. Some community radio stations also operate in the region. Mobile telephone companies have also invested heavily to connect towns and villages, although there are opportunities to expand outreach to some remote and hilly villages in Nyasa District.

Map1: Ruvuma Region's connections with other parts of Tanzania and the whole Africa³



d) Commitments by Central Government and Ruvuma Regional Administration

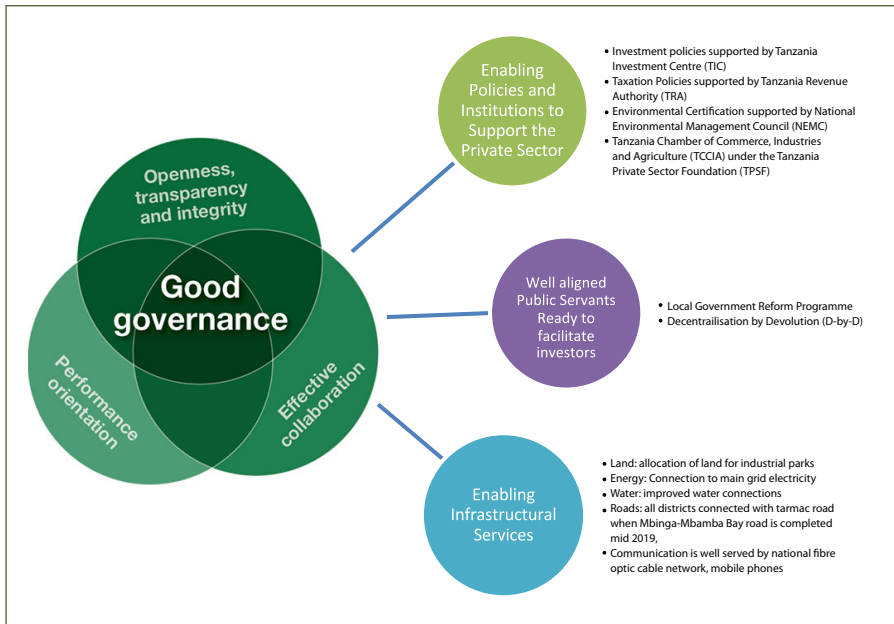
The Government will continue to improve provision of basic enablers of investments such as land, utilities, and infrastructure, developed using sector and district budgets, as well as financial and technical support from Development Partners (DPs). The Government will further support the private sector by enacting some enabling policies and laws so that they do not hesitate and nor face hitches while investing in production, transportation, storage, processing and marketing of the products, and in the development of various commodity value chains as listed in Section 3 of this guide.

The Ruvuma Regional Commissioner's Office established an "Investments Promotion Unit-IPU" as a special department to coordinate and facilitate investments at regional and district levels to work closely with the TIC zone

³ Map provided by Ruvuma Region's TANROADS office

office. It is noteworthy that while it is possible to obtain some documents within one to three working days⁴, there are some certificates, by their nature, which take some time and expertise to complete. These include Environment Impact Assessment (EIA) certificates by the National Environment Management Council (NEMC) and Food Safety Certificates by the Tanzania Bureau of Standards (TBS). Investors are therefore advised to take that factor into account while planning to start projects in the region.

Figure 1: Commitments by Central Government, Ruvuma Regional Administration, and Local Government Authorities to provide Enabling Environment for Investors



e) Policy and Legal Arrangements

It is important to note that all sector policies and laws governing the conduct of stakeholders and their businesses in the country are pan-territorial and therefore applicable to all parts of the country once they are endorsed by Cabinet and/or legislated by the National Assembly of the United Republic

⁴ Tax Identification Number (TIN) and Tax Clearance Certificate (TCC) by TRA, company registration certificate by Business Registration and Licensing Agency (BRELA) and Business License (by LGA)

of Tanzania. The most popular policies and laws for both foreign and local investors are those governing access to land (under general land and village land laws), provision of special tax incentives and profit repatriation schemes under the Tanzania Investment Centre and the EPZA.

Among the most recent (August 2018) improvements made in simplifying the process of opening business in Tanzania is the modification to undertaking and obtaining an environmental impact assessment certificate. Prospective developers will now be issued with temporary certificates based on some preliminary assessment reports by stakeholders at the LGAs level to allow them to precede parallel with the process of development, subject to more detailed assessments that will contain some required mitigation measures.

f) Institutional Arrangements for Private Sector Engagements with Government

Inclusiveness and participation of the private sector in Ruvuma Region is normally conducted through various platforms that bring together different stakeholders. These include regional and district chapters of TCCIA and the local chapter of Tanzania National Business Council (TNBC) co-chaired by district or regional commissioners and Chairman of the Tanzania Private Sector Foundation (represented by TCCIA at the district level).

1.4 Suggested Priority Investment Areas in Ruvuma Region

1.4.1 Main Areas of Investment

There are six main areas of investment opportunities in the region as shown in Part 3 of this report:

- i) **Establishment of industrial and agricultural investment parks:** This will primarily involve Government collaborating with the private sector in identifying land and establishment of ordinary investments parks for industries or more advanced parks registered as SEZs and EPZs. This is regarded as a better option for investors compared to negotiating with and compensating individual land owners, which usually lack some basic infrastructural facilities;

-
- ii) **Agro-processing:** Adding value on mainly primary commodities produced within the region such as maize, coffee, cashew, soya beans, meat, hides and skins, and forest;
 - iii) **Commercial agriculture:** For agro-processing to thrive, it will be important to invest in enhancing productivity to increase quantities and quality of raw materials needed by agro-processing industries;
 - iv) **Natural resources beneficiation:** Adding value to minerals and timber is an opportunity that is backed by recent Government directive to add value to minerals and forest products before exportation;
 - v) **Service sector:** Includes services in hotels and tourism, banking, modern markets and malls, warehouses, real estate development and land surveying and mapping; and
 - vi) **Capacity building:** This includes investments in the education sector, health sector, and vocational training centres.

1.4.2 Regional Level Priority Investment Opportunities

Investors are welcome to invest in the following suggested priority investment areas:

1. Land use surveys, mapping and titling;
2. Large-scale commercial mining of coal, blue copper and gemstones;
3. Industries for packaging materials for both primary and secondary processing industries;
4. Leather processing industry (tanneries); and
5. Mini hydropower generation projects.

1.4.3 Council Level Priority Investment Opportunities

Investors are welcome to invest in the following suggested priority investment areas:

1. Cereals processing, grading and packaging;
2. Oilseed (sunflower, sesame, groundnuts) processing and packaging;
3. Soya bean farming and processing;
4. Dairy farming and processing;
5. Livestock feeds processing industry;
6. Fruit and vegetable processing and packaging;
7. Coffee farming and processing facilities;
8. Expansion of cashew farming and processing;

-
9. Market structures;
 10. Warehouses for agricultural produce;
 11. Modern boat building and lake transportation;
 12. Lake Fisheries, Aquaculture, Hatcheries and Fish Feeds;
 13. Urban Transport System and Services: Bus Stations and Vehicle Parking Facilities;
 14. Real estate development for residential use and shopping malls;
 15. Hotels/motels and tourism facilities;
 16. Sports recreation facilities;
 17. Specialised vocational training on skills development;
 18. Private health facilities; and
 19. Private primary and secondary schools.

1.5 The Guide's Target Groups

Making decisions by prospective investors on where and which sector to invest requires adequate information, and so is the ability by public officials to provide correct information on investment opportunities to investors. The main targets for this guide are therefore national and international prospective investors interested in starting new businesses or acquiring existing ones in various sectors; investors resident within the region with businesses and seek to either expand their current operations or venture into new businesses; and Government Ministries responsible for facilitating business owners. Specifically, the following are the beneficiaries of the guide:

- Investors, business owners and stakeholders, agricultural crop estates and medium-to-large farms and value adding and marketing entities intending to invest in Ruvuma designated industry and business areas;
- Ministry of Trade, Industries and Investment;
- Primary stakeholders across value chains, including individual entrepreneurs, importers and exporters of input and output factors, and agriculture crops and livestock keepers and fisher folks,
- Government ministries, agencies, LGAs, EPZA, and State-Owned Enterprises (SOE) (e.g. those responsible for agriculture, industries, trade, finance, and international cooperation);
- Academia/researchers in the Southern Zone and in Tanzania;
- Umbrella organisations such as the National Business Council, TCCIA and pension funds investing in agriculture and industries, and other support institutions;

-
- Institutions overseeing the management of quality and safety management issues, such as TBS;
 - Organisations providing productive capacities, information and data, monitoring and evaluation, and other business support services, such as BRELA, TRA, Fair Competition Commission (FCC), National Economic Empowerment Council (NEEC), Tanzania Trade Development Authority (TANTRADE), Industry Support Organisations (ISOs), and providers of agricultural and industrial extension services providers; and
 - Selected Civil Society Organisations (CSOs) and Non-Government Organisations (NGOs); and DPs, such as Food and Agriculture Organisation (FAO), UNDP, WB, United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), EU, United Nations Industrial Development Organization (UNIDO), and TradeMark East Africa (TMEA).

SOCIO-ECONOMIC PROFILE OF RUVUMA REGION

2.1 Introduction

This part highlights geographical location, surface area, population, administrative units, topography and land use patterns, agro ecological zones, climate, socio-economic context and productive sectors of Ruvuma Region.

2.2 Geographic Location

Ruvuma Region is in the South-Western part of Tanzania, below the Equator and between Latitudes 9°35' to 11°45' South of the Equator. Longitudinally the region is situated between Longitudes 34°35' to 38°10' East of the Greenwich.

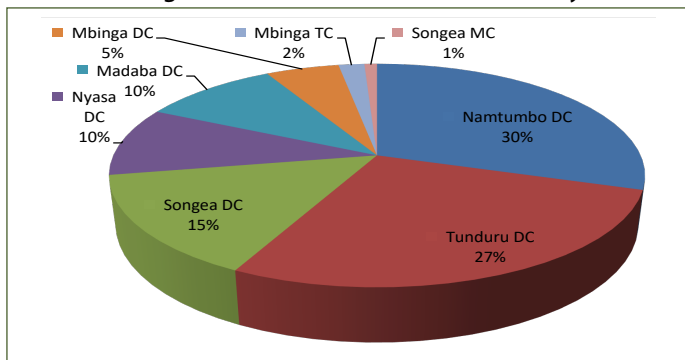
The Region shares borders with four regions: Mtwara on the East, Lindi on the North-East, Morogoro on the North, and Njombe on the North-West. On the West it borders Lake Nyasa; shared with Malawi, and River Ruvuma; shared with Mozambique which occupies the Southern border of the region.

2.3 Land Area and Administrative Units

Ruvuma is the sixth largest region of Tanzania and covers an area of 67,372 sq.km of which about 5 percent is cultivated and 2,979 sq.km or 4.7 percent is covered by water bodies of Lake Nyasa, and rivers like Ruvuma, Njuga, Ngembambili, Lukimwa, Luegu, Luhuji, Mbarang'angu, Lutukira and Ruhuhu. The remaining 63,498 sq.km is land area.

Of the eight LGAs, Namtumbo has the largest surface area (20,370 sq.km), while the smallest is Songea MC with only 394 sq.km.

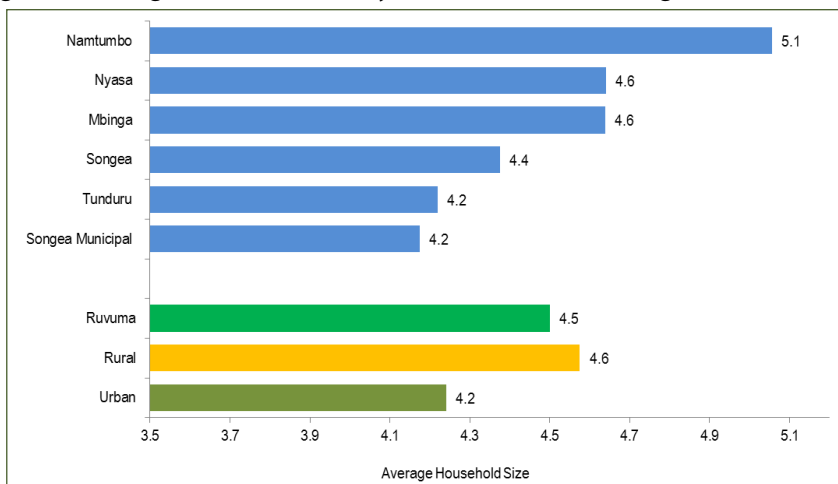
Figure 2: Ruvuma Region: Distribution of Surface Area by Council in 2015



Source: Ruvuma Regional Commissioner’s Office, 2017 - Table 1.1 (draft report)

In 2018 there were 554 villages, 173 administrative wards, 95 *mitaa* (equivalent to village in towns and municipalities) and 283,332 households. Mbanga DC and Tunduru DC have the largest number of villages (121 and 157 villages, respectively), compared to Mbanga TC and Madaba DC with 49 and 21 villages respectively, while Songea DC has 56 villages. Namtumbo DC has larger family sizes compared to other LGAs as shown in figure 3.

Figure 3: Average Household Size by Councils in Ruvuma Region, 2012 Census



Source: NBS, Ruvuma Region Profile, 2012 Population Census.

Note: Madaba DC was part of Songea District and Mbanga TC was part of Mbanga DC.

2.4 Climatic Conditions, Topography and Agro-Ecological Zones

2.4.1 Climate and Topography

The Region experiences one long rainfall season, ranging from 800mm to 1,800 mm, which begins in November and ends in May each year. The quantity of rain varies from one district to another, with Mbinga District recording the highest total annual rainfall of 1,225 mm while Tunduru District gets the lowest rainfall, which is normally less than 900 mm per annum. The climate in Ruvuma Region is influenced by several factors resulting in the formation of three distinctive climatic zones: Highlands Zone, the Midlands Zone and the Lowlands Zone. Average temperature is 23°C depending on altitude and season, and it can drop to 13°C from June to August, particularly in Matengo Highlands in Mbinga District. October and November are the hottest months, with an average temperature of 30°C. The Region is characterised by highlands, small mountain peaks, moderate hills, gentle plains and plateaus.

2.4.2 Agro-Ecological Zones

Ruvuma Region has three distinctive agro-ecological zones as summarised below:

a) The Highlands Zone (Matengo Highlands and Songea Plateau)



The zone lies to the North of Western Songea, and Central Songea, and it includes the Northern part of Undendeule Division and much of Hanga Division, the North-Western part of the Tunduru District and includes almost all of Matemanga Division. It covers Longiro, Litembo

and Ndengu, Western Myangayanga and parts of Southern Kigonsera and Mperamba. It also covers Ubena Highlands located in the extreme North of

Songea District bordering Njombe Region. It is characterised by moderately high rainfall with annual mean precipitation ranging from 1,000 mm to 1,500 mm concentrated in a single season from November through April or sometimes May. The rainy season is followed by a dry and cold season from June to September.

The zone is generally mountainous with plains dissected by many seasonal streams. The soils are dark brown to reddish brown clay loams and clay sandy loams, dark greyish brown loamy sands somewhat darker in colour in the western part of the zone than in the east, with medium fertility and high-water holding capacity. Crops grown are mainly maize, finger millet, beans, cassava and sorghum. Cash crops like groundnuts, tobacco, sunflower and coffee are also grown here. Livestock keeping is practised in areas free of tsetse flies. Bee keeping is also a major activity, normally practised as a side activity after crop planting. As expected, people bordering Lake Nyasa are engaged in fishing and boat making as a source of livelihood.

b) The Midlands Zone

The zone includes Lower Matengo area, which covers Tingi Division, most of Liperamba and eastern parts of Myangayanga and Kigonsera. It extends from the Mbinga border to just east of Songea District and includes Northern Ruvuma Division and parts of Msindo and Wabaki Divisions.



It also includes the area east of Songea District, including Luegu Division and adjoining parts of Msindo, Ligera Wabaki, Likuyu Divisions and Namtumbo District, the north-western part of Tunduru District and includes almost all Matemanga Division.

This is a very hilly area whose altitude ranges between 800 – 1500 m and has an average annual rainfall of 1100 - 1300 mm. Soils are deep, dark reddish brown to red sandy clay loams, while vegetation is dominated by woodlands. Crops grown include tobacco, maize, cassava, beans, sesame and finger millet. Livestock keeping includes few cattle, goats, sheep, pig and poultry. Honey collection is also important.

c) The Lowlands Zone



The zone includes Mitomoni, which is a very small zone in the extreme south east of Mbinga District, comprising the south eastern part of Liperamba Division. It extends to a small zone in the eastern part of Tunduru District bordering Masasi District. It covers that part of Mlingoti Division east of

Nakapanya Village. The zone is predominantly undulating, flat and broken by occasional small hills and has a fair rainfall regime ranging between 600 and 1,000 mm annually.

This zone has an altitude of 600 to 900 meters above mean sea level, and it covers the low lying Northern and Eastern parts of the Tunduru Plains and South-Eastern of Songea DC along the Ruvuma River. The zone also covers the Songea Depression and the Mbinga Plains in Mbinga DC, and temperatures vary between 26°C and 30°C. The lowlands are dominated by greyish brown loamy sands and reddish-brown clay loams, which have low fertile and low water holding capacity.

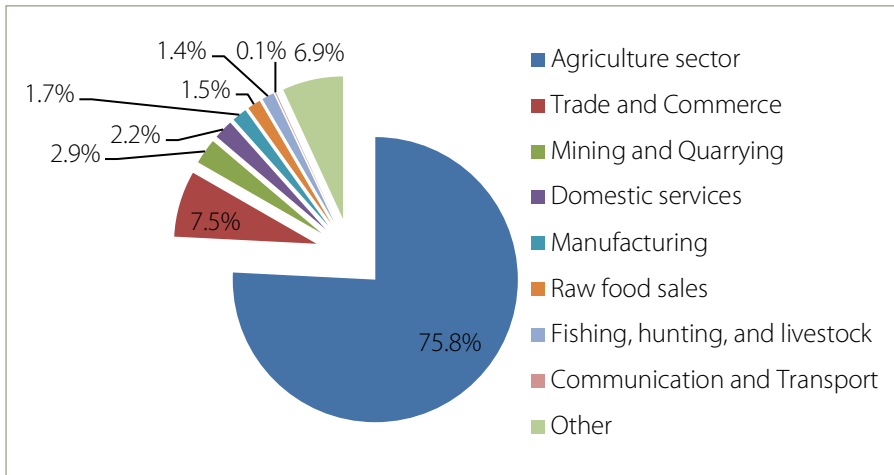
There is considerable soil erosion. Rainfall ranges between 900 and 1,200 mm per annum. The zone is suitable for growing crops like maize, sorghum, cashew, coconut, bananas, beans and finger millet, and is moderately infested by tsetse flies and hence not suitable for livestock keeping. Bee keeping, fishing and lumbering of hard wood are other economic activities practised in this zone. There is also a nice and appealing scenery at Matongolo Hills view for tourism.

2.5 Regional Economy

According to the 2012 Population and Housing Census, the agriculture sector in the region engages about 75.8 percent of the population aged 10 years and above and it contributes most of the region's cash income mainly from coffee, beans, maize, ground nuts, paddy, potatoes, tobacco, cassava, sesame,

millet, coconuts, cashew nuts, sorghum, fruits and sunflower production. Trade and commerce is the second most important occupation after agriculture, involving about 7.5 percent of active population, followed by mining and quarrying businesses sub-sectors (2.9 percent); domestic services (2.2 percent); manufacturing (1.7 percent); raw food sales (1.5 percent); fishing, hunting, and livestock (1.4 percent); and a relatively small proportion engaged in communication and transport (0.1 percent). In terms of income sources, most of it is derived from crop sales as shown in the figure below.

Figure 4: Percentage Distribution of Households by Main Source of Income in Ruvuma Region



Source: Ruvuma Region Socio-economic profile (draft report - 2017)

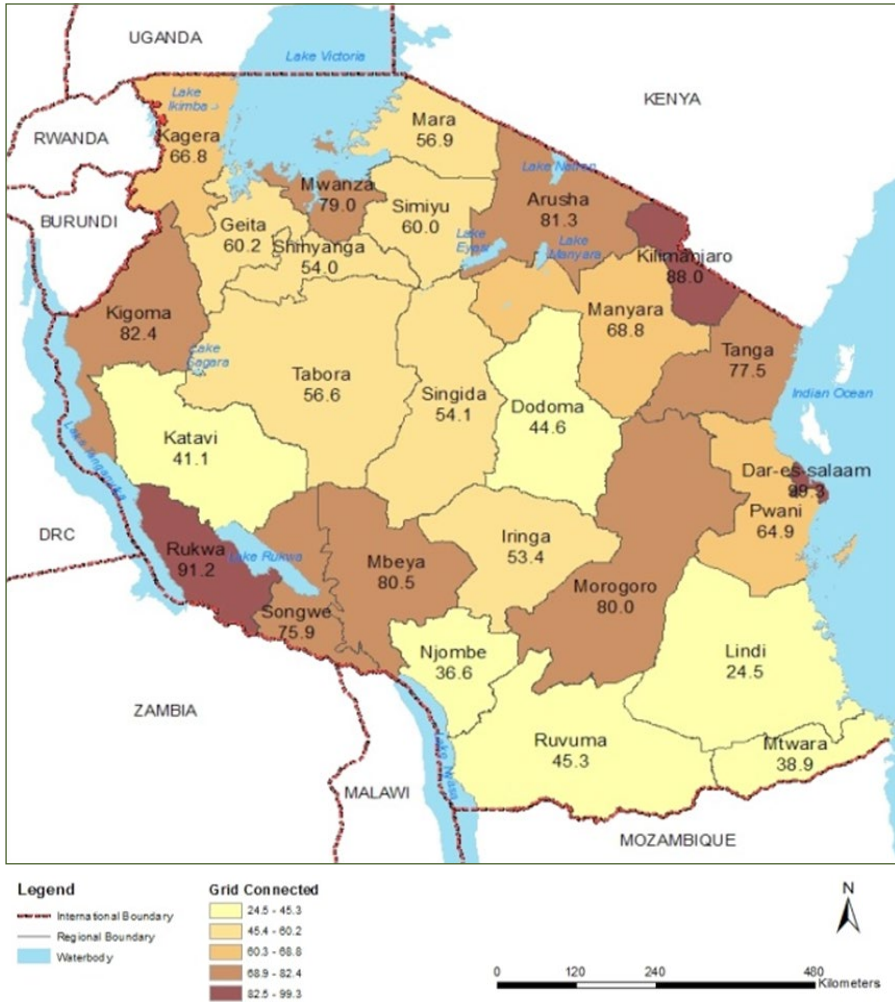
The 2015 National Accounts of Tanzania new series data shows that Ruvuma Region’s GDP has been increasing steadily from TZS 1.6 million in 2010 to TZS 2.3 million in 2012 and reached TZS 3.0 million in 2014 before reaching TZS 3.5 million in 2015. The economy therefore grew by 119 percent in five years between 2010 and 2015, thus growing at an average of 23.8 percent per year, which is significantly higher than the national average growth rate.

In the Tanzania Mainland economy, Ruvuma Region ranked fourth in GDP per capita in current prices in both years. Its per capita GDP increased from TZS 1.7 million in 2012 to TZS 2.4 million in 2015. It was surpassed by Dar-es-salaam (leading), Iringa (second) and Arusha (third).

Expected early successes in solving challenges in provision of public goods

The Government has made some strides in improving public goods (roads, electricity, water, public health, etc) that facilitate economic development in the region.

Map 2: Comparison of Electricity Connectivity in the Regions of Tanzania



Among the areas that the GoT has given high priority in order to facilitate industrialisation include: (i) Provision of adequate electricity to all regional and district headquarters by connecting them to the national electricity grid (see Map 2). The supply of power to the grid will be increased and stabilised after connecting to the gas-to-electricity turbines in Dar-es-salaam and Mtwara and linking the country's power system (including Ruvuma Region) to the Southern Africa Power Pool. Parallel to this, there is a boost in financing rural energy supply after introducing a special tax on fuel and mobile phone usage; (ii) Completion of urban water supply by drawing water from river sources; and (iii) Improved road network involving district-to-district and district-regional headquarters for the whole country, currently constructing the road linking Mbinga with Mbamba Bay Port in Nyasa DC.

The regional administration appreciated that it has the responsibility of ensuring improved power, water supply and road network infrastructure with support from the Central Government. It will continue to make necessary follow-ups to ensure that implementation of these programmes takes place within the agreed timeframe once budgets are released. Meanwhile, as it will be indicated below, companies are invited to invest in hydro-power generation using the many waterfalls along several rivers that feed into River Ruvuma.

2.6 Productive Sectors

2.6.1 Agriculture Sector

One of the general characteristics of agriculture in the region is the dominance of subsistence farming undertaken by smallholder peasants. The use of improved seeds and application of fertilisers among smallholder farmers is relatively higher compared to other regions, which explains the reported large amount of marketed annual crops (mostly maize, sunflower and soya beans) and perennial commodities such as coffee (mostly grown in Mbinga District) and cashew nuts (mostly in Tunduru and Namtumbo).

However, most of the land area is cultivated without application of yield boosting inputs and therefore there is still an opportunity to enhance farm productivity without area expansion.

a) Food crops

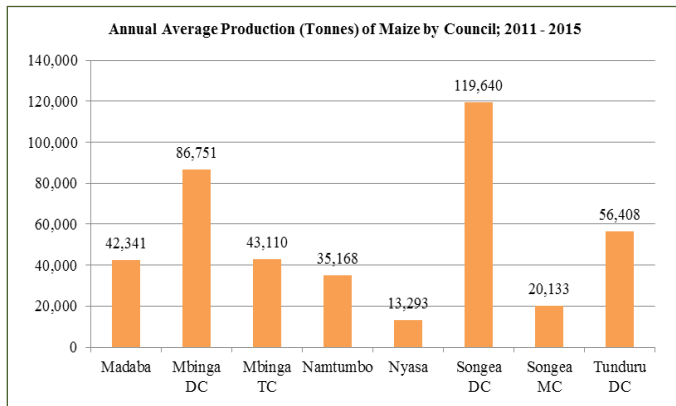
Maize is the predominant crop, occupying 61 percent of the planted area, followed by cassava (19 percent), paddy (15 percent) and beans (5 percent). LGAs differ in their suitability for production of crops: Songea DC has the largest share of maize planted area (28.9 percent), followed by Mbinga DC (23.7 percent), Namtumbo DC (12.6 percent) and Madaba DC (10.3 percent).



Interestingly, although Tunduru DC cultivates only 4.3 percent of area under maize, it contributes 13.5 percent of maize produced. Of course, Songea DC still leads in production, with an annual average of 119,640 metric tonnes (28.7 percent), followed by Mbinga DC, with production of 86,751 metric tonnes (20.8 percent) and Tunduru with 56,408 metric tonnes (13.5 percent). Namtumbo DC appears to have the lowest productivity because, although it has 12.6 percent of planted maize area, its contribution to total regional production is only 8.4 percent.

Other equally important crops for both food and cash are cassava, which is mostly produced in Namtumbo DC (40 percent), Nyasa DC (24.8 percent), Tunduru DC (18.3 percent) and Songea DC (12.6 percent). Paddy is cultivated in four LGAs, namely Namtumbo DC (53 percent), Tunduru DC (24.9 percent) and Nyasa DC (11.2 percent).

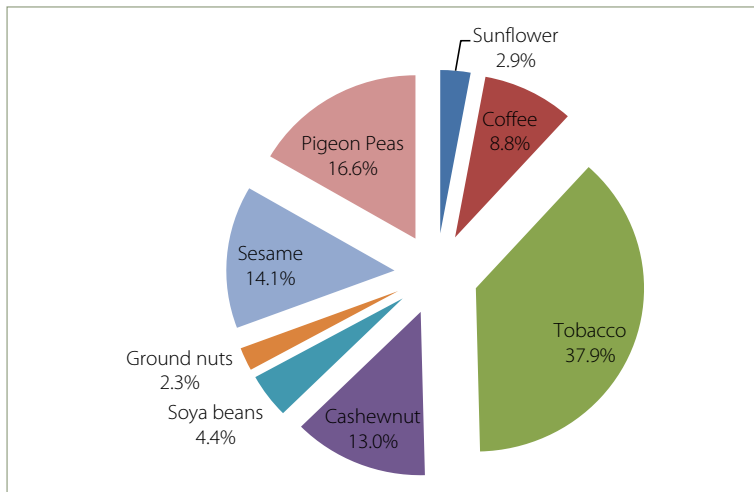
Similarly, beans are predominantly produced in Madaba DC (63.9 percent), Songea DC (24.2 percent), Songea MC (7.1 percent), and Namtumbo DC (4.7 percent).



b) Cash crops

Between 2011 and 2015 the Region managed to dedicate an annual average of 70,806 ha (equivalent to 22.7 percent of the Region's total land area) for cash crops. The leading crop is sesame with 16,072 ha (or 22.7 percent). It was followed by pigeon peas (13,432 ha, 19.0 percent), coffee (10,037 ha, 14.2 percent), soya beans (9,904 ha, 14.0 percent), tobacco (7,045 ha, 9.9 percent), sunflower (6,765 ha, 9.6 percent), cashew nuts (5,643 ha, 8.0 percent) and groundnuts (1,908 ha, 2.7 percent). However, in terms of production volume, the leading crop was tobacco (37.9 percent), followed by pigeon peas (16.6 percent), sesame (14.1 percent), cashew nuts (13 percent), coffee (8.8 percent), soya beans (4.4 percent), sunflower (2.9 percent), and ground nuts (2.3 percent).

Figure 5: Percentage of Average Production of Major Cash Crops (average for years 2011 – 2015)



Source: Ruvuma Region, Compiled Data from Councils (Agriculture Departments), 2016

c) Horticultural crops

Ginger production has gained popularity in recent years, accompanied with some small-scale processing although the bulk of it is sold in raw form. Tomatoes and other vegetables are grown along river valleys.

d) Irrigated agriculture

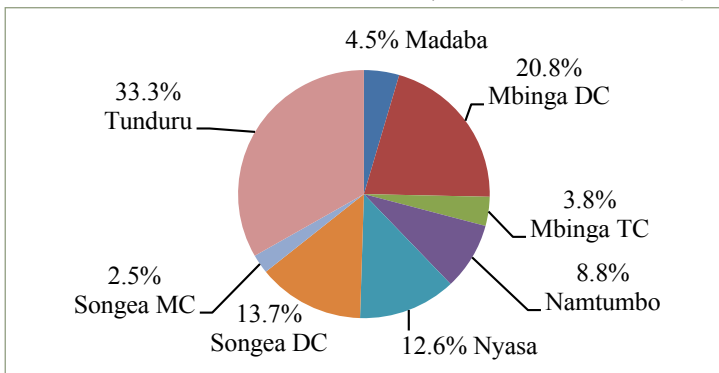


The region has about 197,108.2 ha suitable for irrigated farming; however, during the 2015 season, only 7,385.3 ha (equivalent to 3.7 percent) was utilised. The largest irrigated area is reported to be in Songea DC (34.3 per cent) followed by Nyasa DC (25.4 per cent) and Tunduru DC (17.3 percent). The smallest area under irrigated agriculture is in Madaba DC (3.7 percent). Major crops irrigated were paddy, horticultural crops, maize and sweet potatoes. There is an opportunity to invest in improved irrigation methods to ensure double to triple cropping systems from the irrigated land. Songea DC for example, has 40468.6 ha at Magwamila suitable for sugarcane-irrigated farming.

2.6.2 Livestock

Over the period between 2008 and 2012, there was an increase in the number of cattle by 517.1 per cent and of sheep by 25.8 percent. Goats represented the largest number of livestock in the region (272,147), followed by pigs (222,420), cattle (177,041), sheep (30,625) and donkeys (997), as shown in Figure 6 below.

Figure 6: Population Distribution of Cattle by Council, Ruvuma Region 2015



Source: Ruvuma Region, Compiled Data from Councils (Livestock Departments), 2016

Tunduru DC accounted for 33.3 percent of the region's total cattle population, followed by Mbinga DC (20.8 percent) and Songea DC (13.7 percent), whereas Songea MC had the smallest share (2.5 percent).



It is estimated that land fit for livestock grazing in the region was 181,700 ha, out of which about 80,600 ha (44.4 percent) was utilised. In terms of livestock health facilities, there were 48 cattle dips in 2015, out of which only 16 dips were functional.

All except one of the 13 veterinary centres were working as of 2015. There is an obvious potential to invest in cattle health facilities in Mbinga DC because neither dips nor veterinary centres were operational in 2015. This is in contrast with Songea MC where all 12 veterinary centres were fully functional. Only about 68 cattle deaths were reported in 2015 caused by three diseases: pneumonia (39), worms (14), and East Coast Fever (ECF) (15).

This implies the region is a relatively safe zone for livestock (cattle) keeping. However, more care is needed in goat keeping, since 321 animals died in 2015 due to Contagious Caprine Pleuropneumonia (CCP).

Livestock keeping is good business because the value of sold livestock increased from about TZS 1.5 billion in 2013 to TZS 7.8 billion in 2015, dominated by sales of indigenous cattle (85 percent) and goats (12.3 percent). There is an opportunity to increase the share of sales value and numbers of poultry and pigs. For hides and skins, the number of units marketed increased from 31,044 pieces in 2014 (valued at TZS 203,338,200) to 43,020 pieces in 2015 (valued at TZS 259,840,800).

Although milk production in the region decreased from 40,891 litres in 2014 to 37,738 litres in 2015, revenue collected increased from TZS 40.7 million in 2014 to TZS 48.6 million in 2015 due to improved market price from TZS 1,000 to 1,300 per litre of milk.

Table 1: Ruvuma Region: Number of Livestock Marketed in 2015

Type of Livestock Sold	Number of pieces sold	Value in TZS	Proportion (percent)
Indigenous Cattle	14,881	6,696,450,000	85.0
Dairy Cattle	304	136,800,045	1.7
Beef Cattle	0	0	0.0
Goats	21,529	968,805,000	12.3
Poultry	366,345	14,520,000	0.2
Pig	17,998	45,040,240	0.6
Sheep	225	20,400,000	0.3
Total	421,282	7,882,015,285	100

Source: Ruvuma RS (2017) (draft), Table 14

2.6.3 Forestry

In 2015, Ruvuma Region had a total of 1,283,870 ha of natural forest reserves, which is equivalent to 20.0 percent of the region's total land area of 6,476,400 ha. Namtumbo DC had the largest area (540,036.6 ha) of natural forest reserves followed by Tunduru DC (323,125 ha), while Songea MC had the smallest area (7,632 ha) under forest reserves. These forests provide opportunities for bee keeping, as well as for timber harvesting.

Over the period between 2011 and 2015, there were a total of 38,075 traditional beehives, most of which were in Madaba DC (16,708 beehives, 43.9 percent), Namtumbo DC (8,950 beehives, 23.5 percent) and Mbinga DC (6,213 beehives, 16.3 percent). Mbinga TC had the least number of traditional beehives (576 beehives, 1.5 percent).

2.6.4 Fisheries

Fishing activities are mainly carried out in Lake Nyasa, covering an area of 2,979 square kilometres. Minor fishing in the waters of Ruhuhu, Ruhuji, Lukimwa, Ruvuma, Mwambesi, Nampungu and Muhuwesi rivers also do contribute substantial amount of fish. In 2015 the region issued 3,345 fishing licences,



4,662 registered fishermen, 1,761 registered fishing vessels and 675 unregistered fishing vessels. A total of 265,629 million tonnes of fish were harvested, valued at TZS 649,602,500, mostly undertaken

in Nyasa DC although some fishing and selling is also done at low levels in Songea DC and Namtumbo DC from Ruvuma, Luwegu and Londo rivers as well as natural dams. One of the areas that require some investment is that of making modern boats.

2.6.5 Nature and Tourism

Ruvuma Region is a land of wonders, holding an unparalleled diversity of fauna, flora and many natural features, most of which have not been used to attract tourism business. These wonders include rocks, scenery, topography and very friendly people, Mbamba Bay Port, undeveloped cultural tourism beach holidays, game hunting, infrastructure ventures, historical and archaeological ventures and certainly the best wildlife photographic safaris on the continent.



Each LGA has identified special sites for tourists, such as the Majimaji Museum and German historical buildings (*boma*) at Songea MC. The region

has one national park (Selous) and five game-controlled areas, namely Muhuwesi, Undendeule, Mwambesi, Litumbandyosi and Liparamba, whereby Muhuwesi and Mwambesi are in Tunduru DC, while Undendeule is in Namtumbo DC.

There are limited developments in hotel accommodation, but most of them are restricted to Songea Municipality.

2.6.6 Mining Sector

Various gemstones, coal, uranium, gold and diamond have been reported to exist, especially in the southern most end of the region. The mineral deposits are spread as follows: gold is mostly believed to be available along Muhuwesi River in Tunduru DC; coal is known to exist in the five basins of Ngaka, Muhukuru, Mbamba-Bay, Njuga and Lumecha; and Namtumbo DC is uniquely rich with uranium deposits. Likewise, building materials like rocks, stones, gravel, sand, murals and clays are also available in the region.

2.6.7 Industrial Development

According to the National Bureau of Statistics (NBS), the grouping of enterprises as Micro, Small and Medium Enterprises (MSMEs) and large is based on the criteria of capital outlay and number of people employed: micro industries are those employing less than 5 people and with capital of less than TZS 5 million; small-scale industries are those with capital of more than TZS 5 million but less than TZS 200 million and employing less than 50 people; medium-scale industries are those with capital of more than TZS 200 million but less than TZS 800 million and employing less than 100 people; and large-scale industries are those with capital of more than TZS 800 million and employing more than 100 people.

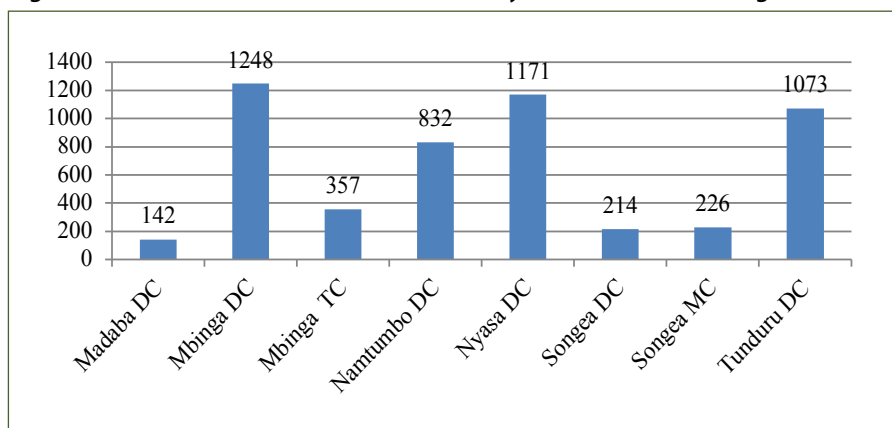
In 2015 there were 5,263 small-scale industries, of which 49.9 percent were in grain milling, mostly maize and paddy. Carpentry industries were next (28.8 percent), followed by welding (7.6 percent) and tailoring (6.6 percent). There were only 8 sunflower oil-processing industries (0.2 percent).

Table 2: Type of Industries by Council, Ruvuma Region in 2015

Council	Oilseed processing industry	Garage	Carpentry	Cereals Milling machines	Food Processing	Welding	Tailoring	Timber processing	Total Industries	Percent
Mbinga DC	3	2	77	858	25	283	30	9	1248	23.7
Nyasa DC	0	7	293	512	7	15	59	49	1171	22.2
Tunduru DC	1	80	582	324	3	29	28	45	1073	20.4
Namtumbo DC	0	25	345	383	2	9	70	12	832	15.8
Mbinga TC	1	4	71	233	13	7	37	25	357	6.8
Songea DC	1	1	37	128	2	19	32	26	214	4.1
Songea MC	1	5	69	72	8	37	89	30	226	4.3
Madaba	1	2	43	87	4	3	22	6	142	2.7
Total	8	126	1,517	2,625	34	402	349	202	5,263	100.0
Percent	0.3	2.4	28.8	49.9	0.6	7.6	6.6	3.8	100.0	

Source: Ruvuma Region, Compiled Data from Councils (Trade and Industry Departments), 2016

Figure 7: Number of Small-Scale Industries by Council, Ruvuma Region in 2015



Source: Ruvuma Region, Compiled Data from Councils (Trade and Industry Departments), 2016

Mbinga DC was leading in cumulative total number of small-scale industries (1,248 industries, 23.7 percent). Nyasa DC, accounting for 22.2 percent of the region's total industries, was the second, and Tunduru DC came in the third (20.4 percent), whereas Madaba DC had the least number of small-scale industries in the region (142 industries, 2.7 percent). By type of industry, Mbinga DC had the highest concentration of maize and paddy milling machines (858), food processing (25) and welding industries (283). Most of garages (80) and carpentry industries (582) were in Tunduru DC, and Nyasa DC had the highest number of tailoring industries (279).

2.7 Socio-Economic Context

2.7.1 Health Facilities

Among the eight councils in the region, none of them has managed to implement the policy of constructing one health centre per ward and one dispensary for each village/*mtaa*. Mbinga TC has the biggest shortage of health centres and dispensaries: as of 2015 one health centre was servicing 16 wards followed by Songea DC (16 wards per health centre) and Mbinga DC with an average of 15 wards per health centre. On the other hand, Namtumbo DC had a ratio of 4 wards per health centre followed by Nyasa District⁵ with a ratio of 5 wards per health facility. On average, each dispensary facilitates almost 4 *mitaa* while Madaba DC has the lowest ratio of 2 villages per dispensary. It was followed by Mbinga DC, Mbinga TC, Songea DC and Tunduru DC with a ratio of 3 villages per dispensary for each council.

2.7.2 Education and Literacy Levels

Results for 2015 showed that although students seemed to perform better in transiting from primary education and secondary education (with passes ranging from 60.4 percent for Namtumbo DC to 71.5 percent for Mbinga), Form IV performance indicated there was something wrong either at primary school level or at secondary school level. This is because, out of those who sat for Form IV examination, less than 15 percent scored marks for Divisions I, II and III. About 34 percent got Division IV and the rest, slightly more than 50 percent, got Division zero (failed).

⁵ During 2018/19 financial year Nyasa District Hospital acquired 44 ha at Nangombo Village in Kilosa Ward. Drawings have been prepared but layout of buildings are waiting for inspection by experts from President's Office Regional Administration and Local Government (PO-RALG).

It is no wonder that stakeholders highly recommended the need for private sector operators to invest in pre-primary, primary and secondary education. Despite the seemingly low proportion of people with post-secondary education, the country's labour laws are flexible and allow firms to recruit workers from any part of the country. On the other hand, this low penetration of post-primary education offers an opportunity for investments in the education sector, focusing on privately built and managed secondary schools, high schools and tertiary education facilities. There is also an opportunity for printing books, and manufacturing laboratory and learning equipment.

2.7.3 Vocational Skills

Until 2015, the region had only nine vocational training centres, located in Mbinga TC, Namtumbo DC, Songea DC, Songea MC and Tunduru DC. The courses offered include, motor vehicle mechanics, driving, electrical installation and plumbing, masonry and joinery, carpentry and tailoring; altogether in 2015 some 476 Vocational Skills Training (VST) students graduated. There is certainly a need to enrol more students, given that in 2015 for example, some 6,564 young people completed form 4, of whom less than 15 percent had pass marks for Division I-III to qualify for advanced level schooling and colleges.

This implies that 85 percent require vocational type of training. Recently, the Sokoine University of Agriculture (SUA) has established a branch for tourism-related programmes training in Nyasa DC, Wildlife Management in Tunduru DC and Forestry/Bee-Keeping in Madaba DC.

PRIORITY INVESTMENT OPPORTUNITIES IN RUVUMA REGION

3.1 Introduction

The investment opportunities identified by the region can be grouped into five strategic areas as follows:

a) Establishment of industrial and agricultural investment parks

This primarily involves LGAs that have, in most cases already identified land for establishment of investments parks for industries, which could be registered as SEZs and EPZs. This undertaking is currently being spearheaded by the regional administration in collaboration with all LGAs in identifying land area for those purposes.

There is realisation that LGAs can also seek support from private sector in surveying and mapping, as well as from real estate operators to invest, on their own or in collaboration with central government, under Public-Private Partnership (PPP) arrangements. The main purpose of this investment is to simplify the process of establishing industries by prospective Investors.

b) Agro-processing

To take advantage of surplus agricultural commodities, the region is encouraging the establishment of agro-processing industries. This will involve adding value and transforming grains into ordinary and fortified flour as well as other related products; turning leather into leather goods;

Processing and packaging horticulture products; production and packaging of vegetable oil (mainly from cashew nuts, sesame, sunflower and groundnuts); beef processing and packaging; and production of animal feeds (for cattle, poultry and fish). In the fish industry there is a strong conviction that Tanzania has not benefited much from Lake Nyasa

and therefore there is need to invest in modern fishing vessels and gear in addition to cage fish farming.

c) Commercial agriculture

For agro-processing to thrive, it will be important to invest in commercial production of maize, cassava, paddy, irrigated horticulture (using, for example, green-houses and drip irrigation), oilseeds (e.g. sesame, groundnuts and sunflower), legumes (e.g. soya beans, pigeon peas and chick peas) cattle ranches, poultry, and dairy farms.

d) Natural resources beneficiation

Adding value to minerals and timber is an opportunity that is backed by recent Government directive that none of the country's minerals and timber should be exported without processing to semi-finished goods, finished goods or secondary products from the raw materials.

An interesting new opportunity in mineral processing is that of coal, whose dust can be converted into coal briquettes for home cooking, thus saving trees used to make charcoal.

e) Service Sector

Include services in hotels and tourism, modern markets and malls, warehouses, banking, real estate development and land surveying and mapping.

f) Capacity building

This includes investments in the education sector (e.g. early learning, primary and secondary education offering alternative quality education to complement Government facilities; health sector involving health centres, specialised hospitals and modern laboratory facilities; and establishment of vocational training centres.

This area was stressed by newly formed LGAs such as Nyasa, Madaba and Namtumbo.

3.2 Regional Level Priority Investment Opportunities

3.2.1 Industrial Parks

It is part of the national industrial development policy that each LGA must provide some land for the development of industrial parks. The Regional Commissioner for Ruvuma has directed that all district and town councils must identify and allocate land for industries and indeed all of them have some land area identified for the purpose. They invite private sector operators to join in the effort as partners in case of delays in compensating land owners due to shortage of funds.

Songea MC has set aside some 5,995.07 ha as part of planning area for industries and other formal usage, out of which 2,409.09 ha have been partially compensated at Lilambo (385.9 ha) and EPZA area at Mwengemshindo (2023.4 ha). The rest, about 3,585.7 ha, is not yet compensated at all and can be found at Mwanamonga (1,449.5 ha), Mletele (1,464.6 ha) and Tanga (671.6 ha). There is also a high possibility of converting ownership of public land previously owned by state-owned enterprises at Lilambo/Lulawasi (550 ha) and Subira/Kihekwa (420 ha).

Songea DC: Land (4,046.9 ha) for coffee farming is available in Rusonga, and land suitable for sugarcane farming is available in Liganga ward, Mdundwala Basin where a local group of investors is seeking partners (under leadership of Mr Lutengano) to develop about 161.9 ha. There are some 40468.6 ha at Magwamila suitable for sugarcane irrigated farming.

Mbinga DC: The district has about 275,005 ha of arable land, of which 64.4 percent is not cultivated, since only 97,932 ha (35.6 percent) were used in 2015. The most potential ward with vast land for commercial farming is Namswea, with about 122,066 ha of arable land, but only 13,167 ha are utilised, thus leaving 80.2 percent free for commercial farm developments. Kigonsera Ward is next with about 38 percent of its 67,832.7 ha of arable land free for use.

Mbinga TC has several areas officially converted as planning areas at Lusaka-Mwembe, Lusaka Maumba, Tangi la Maji and Luponda as shown in the following table:

	Area	Industrial Plots	Area in hectares	Distance from Mbinga Town (km)
1.	Lusaka –Mwembe (Phase I)	16	5.9	5.0
2.	Lusaka-Maumba (Phase 11)	41	24.5	5.0
3.	Mbinga General Planning Proposal	26	20.3	2.5
4.	Mbinga General Planning Proposal	3	1.2	2.5
5.	Lusaka Maumba (Phase 11)	5	3.2	5.0
6.	Tangila Maji Planning Proposal	24	5.4	3.0
7.	Lusaka Maumba Layout (Phase 11)	1	0.2	5.0
8.	Luponda Layout (Phase 11)	2	0.3	3.0
	Total	118	60.9	-

There is also some additional 60.7 ha of land at Utiri, (of which 14.6 ha are specifically set aside for industries) owned by the Town Council and requires no compensation. However, some 5.7 ha that are individually owned at Lusaka requires some compensation under the supervision of the government.

Nyasa DC: The district has 12 detailed planning areas, and the Council has already set aside some 10 ha in Mbamba Bay Town for academic institutions, and several low-density plots as follows: 240 plots for commerce and business buildings; 136 plots for industries; 15 plots for housing estates; 3 plots for vocational and technical institutions; and plots 3 for sports/stadia. Moreover, only 9 out of 84 villages have detailed land use plans; a gap that offers an opportunity for local survey and mapping companies to enter into partnership with LGAs to prepare land use plans of 75 villages.

All the 9 villages that have detailed land use plans have allocated some land for commercial agriculture, residential houses and forest plantations; three villages out of the 9 have set aside land for industries (Nkalachi Village - 42.08 ha; Mango Village - 6.90 ha; and Mkali A Village - 1.92 ha). Three other villages have planned land use for mining activities (Lunyale Village - 760 ha; Kihuranga Village -300 ha; and Mpepo Village – 2 ha). Madaba DC has put aside 161.9 ha (1,600,000 sq.m) of land for industries at Ifugwa Hamlet (in Mahanje Ward, Madaba village) whose process for planning are at different stages of implementation.

Tunduru DC has set aside 28.3 ha of land for industrial development in Nakayaya Ward (4.9 ha) and Semvuyanke Ward (23.5 ha). Although the district has 664,212 ha of arable land distributed among seven wards, only 14.3 percent of this arable land was cultivated in 2015, leaving about 569,322.7 ha without use. Some 91,872 ha is set aside for cashew production. In general, all the seven wards have more than 85 percent of their arable land uncultivated, except for Lukumbule Ward, where only 53 percent of its arable land is used. Nevertheless, the ward has set aside 35 ha to be used for commercial production of sesame, and 20 ha for coconuts. Although by 2018 only 28.3 ha of surveyed land was set aside for industrial development, the administration is continuing with plans to source more land for commercial developments.

Namtumbo DC is doing its best to make sure investors get land easily when they decide to invest in the district. Some 36.4 ha have been earmarked for Namtumbo Town industrial area. Among the areas earmarked for industries are: 6.5 ha at VETA-Suluti, whose drawings of demarcation were done in 2017 (with some final processes for compensation in place); 10.1 ha at Lusenti Mahengo; and 100 areas at Mandepwende as part of newly established planning areas (also in the process of compensation). For commercial agriculture there are some 487,187 ha suitable for coconut farming in the following wards: Magazini, Msisima, Lusewa, Lisimonji, Ligera, Mchomoro, Lisukuseka, Limamu (Mtakuja Village) and Rwingwa (Mandepwende Village). Sesame can also be cultivated in all 21 wards, with some 13,586 ha identified for the purpose.

Some 6070.3 ha of land for commercial farming is also available in Undendeule Division, Nampumbo Ward (Suluti and Rwinga villages) formerly used by a National Agricultural Farms Company (NAFCO) farm. Also, in disuse (and could

be made available to serious investors) are 378 ha formerly used by Uyole ARTI at Suluti Village and some 194 ha of Likenangema Farm (formerly used by Tobacco Board) at Lumecha, Msindo Ward. Mineral extraction licences can be obtained for at Suluti, Mbimbi, Chengela, Pachani, Libango, Likuyu, Amani, Mputa, Kiburungutu, and Namahima areas.

Overview of investment opportunity in industrial parks development

Key features



The region is supposed to comply with national policy for each district to establish industrial parks. According to stakeholder views, the parks could host different types of industrial or service clusters, namely:

1. Agro-processing factories cluster:

- Value addition of horticultural products (primary processing - sorting, grading, and packaging) and cold storage;
- Secondary processing of horticultural products - conversion of horticultural products into other products;
- Meat processing and packaging;
- Grains milling (mainly maize and rice);
- Cassava flour processing and packaging;
- Oilseed processing (from sunflower and cotton seeds);
- Coffee curing and processing factories;
- Cashew nuts processing factories;
- Factory for packaging materials for both primary and secondary processing;
- Hatchery machines and hatching of one day old chicks;
- Processing of milk into various dairy products;
- Animal feeds processing industry (sunflower and cotton seed cakes);
- Natural honey processing and packaging; and
- Bottled water packaging.

2. Manufacturing industrial cluster:

- Tanneries - conversion of leather into leather products;
- Mining - coal, stone quarry and precious minerals;
- Saw mills for timber and furniture fabrication; and

Overview of investment opportunity in industrial parks development



- Solid wastes management, including a recycling plant in Songea Municipality and Mbinga Town.

- 3. Assembling cluster:** assembling and repackaging machinery, equipment, and other industrial goods for value addition.
- 4. Pharmaceuticals:** drugs and medical equipment manufacturing.
- 5. Forest and timber products:** high potential in Nyasa DC to produce chipboards, plywood, fibreboards, furniture and poles. Also potential for beekeeping industry development.
- 6. Packaging and supply chain management facilities.**

Investment rationale

- Need for a well-designed and participatory planned sustainable development approach where Government can easily support and/or provide public goods such as electricity, communication facilities, water, roads, and security to investors;
- Need of public and private investments in urban planning and urban infrastructure development to have well planned towns in line with laws and regulations; and
- Ruvuma Region must take advantage of its strategic geographic position to develop industries that can produce goods at competitive costs for penetrating and accessing the EAC, SADC and Common Market for East and South Africa (COMESA) trading blocs through land, water and air ways.

Available support

- Strong support by national and regional authorities;
- The RAS chairs a joint departmental meeting to assess progress in investment promotion, and is in regular consultations with the TIC Zone Office; and
- The region was recently connected to the national electricity power grid, which will assure stable supply of power for existing and upcoming industries.

3.2.2 Large Scale Commercial Mining of Coal, Blue Copper and Gemstones

Overview of investment opportunity in commercial mining	
<p>Key features</p> 	<ul style="list-style-type: none"> ▪ There are still some undeveloped mining sites ready for small and medium-size investments for extracting gold, aquamarine, corrandum and coal; ▪ Large commercial mining of blue copper available in Tunduru DC; ▪ Value addition of extracted precious minerals and gold is a new area where not much investment is done; and ▪ New area of investment includes making coal briquettes.
<p>Preferred locations</p>	<ul style="list-style-type: none"> ▪ Mbinga DC: Gold extraction at Lukarasi; ▪ Nyasa DC: Gold at Njalambe and Kihurunga; advanced quarrying at Mpepo and Mnyele villages; ▪ Namtumbo DC: Aquamarine at Suluti and Chengena and Corrandum at Lisogo-Lusewa; ▪ Songea DC: Coal at Mhukuru (possible to acquire existing licences in Mbinga-Ruanda coal fields. Large-scale quarrying at Manole Hills, Mpitimbi A, with potential area at Litenga Hills; ▪ Tunduru DC: Copper at Mbesa ward - Nalasi Division (investors may partner with locals) and Gemstones at Muhuwesi, Majimaji, Nakapanya, Ngapa, Mtetesi, and Mbuyuni areas; and ▪ Madaba DC: Lime mining at Mtyangibole, Maweso, Wino and Matetereka wards to meet demand for soil moderation, calcium for animal feeds, and school chalks.
<p>Investment rationale</p>	<p>There are still some undeveloped mining sites ready for small and medium size investments for:</p> <ul style="list-style-type: none"> ▪ Gold extraction in Mbinga DC and Nyasa DC; ▪ Aquamarine Corrandum in Namtumbo DC; ▪ Coal in Songea DC; and ▪ Gemstones and copper in Tunduru DC. <p>Other mining potentials with active licenses but available under negotiations with licence owners (to increase their operating capital or machinery and technology) include:</p>

Overview of investment opportunity in commercial mining



- Large-scale mining of uranium in Namtumbo (Likuyu and Sekamaganga);
- Coal mining in Mbinga (Ruanda Mines);
- Lime (small-scale) mining in Songea DC at Mtyangimbole;
- The identified sites require investments for medium and large-scale mining; and
- In some areas will require buying some ready supplies from small-scale miners operating on open pits.

Available support

- The mining policy supports the development of medium and large-scale mining operations and the need to modernise the sector;
- The regional administration, through the Regional Mines Office, will support the process of establishing modern commercial mining; and
- The recent connections to the national electricity power grid allow for low cost investments without relying on generators.

3.2.3 Industries for Packaging Materials for both Primary and Secondary Processing Industries

Overview of investment opportunity in packaging materials

Key features



- There is a growing demand in all LGAs for packaging materials, which are currently imported or bought from suppliers in Dar-es-salaam at relatively high cost thus reducing the competitiveness of the final packaged products. Since there is global (regional) demand, it is imperative that the Regional Secretariat champions for investments in one of the councils to serve the whole region; and
- All LGAs have some allocated land for industries as shown in Section 3.2.1 above. Priority will be in easily recycled material and in compliance with NEMC by-laws and regulations on packaging materials.

Investment rationale

- This will meet demand for packaging materials emanating from expected investments in primary and secondary processing as well as establishment of

Overview of investment opportunity in packaging materials

	<p>modern markets and shopping malls. In this way the Government policy to ban the use of plastic packaging materials will easily be abided to;</p> <ul style="list-style-type: none"> ▪ The Government, through TBS, has been calling for the private sector to invest in the production of packaging materials; ▪ Currently packaging materials being used do not meet quality standards required by different products; and ▪ Proper packaging materials will reduce post-harvest losses and elongate shelf life of some delicate produces, especially horticultural crops.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ NEMC and TBS have some guidelines on acceptable packaging materials and quality for such materials, and the two agencies will be available to provide further guidance so that products can also be exported to neighbouring SADC countries without restrictions; ▪ LGAs have set aside land for industries including the industry for manufacturing packaging materials; and ▪ Main grid electricity is available in all the major towns with land for industries.

3.2.4 Leather Processing Industry (Tanneries)

The number of animal hides and skins generated per year in the whole region, about 84,144 pieces in 2015, cannot justify the establishment of more than one leather processing factory. The model to be used will be that of building simple facilities for initial preparations (such as salting and drying at butcheries and slaughter houses) from where they are taken to one factory whose location is preferably Songea Industrial Complex.

Overview of investment opportunity in leather processing

Key features



- Primary preparation of hides and skins at butchery and slaughter-house levels;
- Processing of wet-blue hides/skins;
- Processing of finished leather; and
- Manufacturing of leather products.

Preferred locations

- Songea MC Industrial Parks; and
- Tunduru DC Industrial Area.



Overview of investment opportunity in leather processing

<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ Materials for the leather industry available according to 2015 data: 42,020 cattle hides/skins; 26,090 goat skins; and 15,034 sheep skins/hides will be sourced from basic processed leather from all LGAs, especially those with the most number of livestock such as Tunduru DC (33.3 percent), Mbinga (20.8 percent), Songea DC (13.7 percent) and Nyasa DC (12.6 percent); ▪ All the councils in the region have slaughter-houses for cattle, goats and sheep, whose skins are left to waste due to lack of a reliable market; and ▪ The number of leathers is expected to increase with the modernisation of the slaughter-houses.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Leather products in Tanzania are in line with Leather Development Strategy; ▪ Leather industry is one of the key industries that FYDP has singled out for promotion; ▪ In order to protect local processing of leather the Government has been taking various measures, including banning the importation of raw hides and imposing high import duty on hide products; ▪ Existing leather processing plants in the country, such as Afro Leather, Kibaha Tannery, Himo Tannery and Salex Tannery, cannot absorb the number of skins/hides produced annually. It is therefore important to add more factories; ▪ Songea is strategically located in terms of roads network to enable it obtain supplies from all LGAs in Ruvuma Region; and ▪ Government is committed to supporting development of leather sector through upgrading of livestock extension services to ensure that the quality of hides and skins is improved.

3.2.5 Power Generation from Mini-Hydro Power and Coal Power Projects

In addition to the 7.5 MW Tulila Hydro and 500kW at Chipole near Mlale JKT on Ruvuma River, both owned by Roman Catholic (RC) Nuns, 1MW at Mbinga owned by Andoya Hydro Electrical Power (AHEPO), and 70 MW potential at

Ruhuhu River, there are potentials to generate some additional 35 MW or more of electricity from Rumeme and Nakatuta waterfalls.

Overview of investment opportunity in energy generation	
<p>Key features</p> 	<ul style="list-style-type: none"> ▪ Energy from hydro-power can be generated from undeveloped sites along Mpepai River (Rumeme Falls) and Ruvuma River at Nakatuta Falls; and ▪ There is also potential to generate electricity from coal from Ngaka Mines and other sites.
<p>Preferred locations</p> 	<ul style="list-style-type: none"> ▪ Songea DC: Out of the three (3) series of waterfalls, only one has been developed by Tangaf; two remain idle at Nakatuta with 7 MW potential, and Muhukuru can produce 450MW from cane by-products (Nakawali near Nakatuta Falls); ▪ Nyasa DC: Lumeme Falls (10 MW) near Mpepai River, and Nakatuta Falls (25 MW) on Ruvuma River; ▪ Madaba DC: has many falls, such as Lutukila and Masimahuhu. There is also potential at Lingatunda-Madaba (6MW) and Lipupuma-Mkongotema (4MW). Status of available waterfalls include: Mkonge Energy System has done EIA for 71.5 MW at Masingira; ▪ Mbinga TC: Waterfalls available at Mtandazi, Kikunga, and Lumeme rivers; and ▪ Tunduru DC: Sunda Falls have profound potential.
<p>Investment rationale</p>	<p>Although major towns are already connected to the national power grid through Makambako, there are still opportunities to tap on underutilised energy sources such as waterfalls along the region’s rivers as well as coal, which is in ample supply as well.</p>
<p>Available support</p>	<p>The Region’s Strategic Plan targets to invest in variable sources of electricity power as follows:</p> <ul style="list-style-type: none"> ▪ Power generation (200 MW) from solar energy; 100 MW from hydropower; and 400 MW from coal by 2025; ▪ Rural electrification targeting 509 villages using solar, hydropower and coal sources by 2025; ▪ Expansion of urban electrification from 30 percent to 90 percent in all districts; and

Overview of investment opportunity in energy generation

- Reduction of charcoal use from 92.67 percent to 30 percent by adopting alternative sources of energy, i.e. gas and electricity by 2025.

3.3 Council Level Priority Investment Opportunities

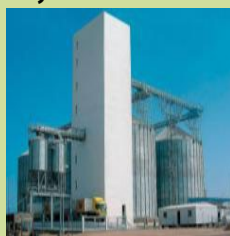
3.3.1 Agro-Based Industries Opportunities

A. *Cereals milling industries: maize and paddy*

A significant amount of marketable surplus filled warehouses for lack of buyers at competitive prices. Available industries have inadequate capacity to absorb surplus maize. For example, Mohamed Enterprises at SODECO Ujenzi can process 100 tonnes per day; while Caamil (Ruhuwiko) can process 30 tonnes per day.

Overview of investment opportunities in cereals milling

Key features




- Maize: Milling plants and packaging plants to produce and package mineral/vitamin-fortified maize flour. In 2018 season there was maize surplus of 116,660 tonnes; and
- Paddy: Milling and packaging plants.

Location for investment

- Songea MC and Songea TC: Lilambo Industrial Area (385.9 ha); Mwendemshindo EPZ (2023.4 ha);
- Madaba DC: Ifungwa at Mahanje Ward with 40.5 ha given to SUA and 121.4 ha for other purposes); Mtyangimbole, and Itombololo villages at Mkongotema Ward with more than 809.4 ha;
- Nyasa DC: Service industries at Kilosa Chini (136 plots); Tingi Maramara, Malungu, and Tingi Ngomba;
- Mbinga DC and Mbinga TC: Industrial area at Utiri (14.6 ha), Lusonga (8 ha); and Kigonsera Industrial Area; and Mpepai area;

Overview of investment opportunities in cereals milling

	<ul style="list-style-type: none"> ▪ Tunduru DC: Industrial area (Nakayaya Ward – 2.0 and Semvuyanke – 23.5 ha); and ▪ Namtumbo DC: Hanga, Namabengo, and Namtumbo villages suitable- with excess land.
<p>Investment rationale</p> 	<ul style="list-style-type: none"> ▪ There is surplus production of maize and paddy that is sold unprocessed to other regions because the existing milling plants are inadequate. For example, during the period 2017/18 Namtumbo got a surplus of 64,000 tonnes but only 1,000 tonnes were bought by NFRA; ▪ Paddy milling and sorting and packaging should ideally be built at Tunduru, which is the leading producer of paddy (110,382 tonnes in 2015). Additional stocks can be bought from Namtumbo (17,205 tonnes), Songea DC (7,101 tonnes) and Nyasa DC (5,267 tonnes) produced in 2015; ▪ Maize surplus in 2017/18 was as follows: Songea MC (26,000 tonnes); Songea DC (116,660 tonnes); Nyasa DC (22,476 tonnes); Mbinga TC (44,869 tonnes); Mbinga DC (88,339 tonnes); Madaba DC (51,750 tonnes); Tunduru DC (65,531 tonnes); and Namtumbo DC (64,000 tonnes) but only 1,000 tonnes were bought by NFRA); and ▪ Maize milling plants could be established within Songea TC and Songea DC (as leading surpluses) and/or within Mbinga TC and Mbinga DC. The two locations could get additional maize from Tunduru, Namtumbo and Madaba DCs.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Political support at national, regional and local government levels to promote food production so investors are assured supply of raw materials; ▪ Good infrastructure that includes road and communication networks; ▪ Assured national/regional markets for final products; ▪ Presence of relevant institutions in the region, such as TBS to enable certification of finished products; and ▪ Completion of construction of Tanzania Electric Supply Company (TANESCO) backbone transmission power line to improve electricity supply in Ruvuma Region.

B. Tubers/Root crops processing Industries: cassava and sweet potatoes

Given the similarity in technologies for processing cassava and sweet potatoes, investors are welcome to take advantage of the surplus production of the two tuber crops to process them into different final products for local and international markets.

Overview of investment opportunities for processing of tubers

Key features



- Cassava and potatoes processing and packaging plants to produce cassava and potato flours that are fortified with essential minerals and vitamins; and
- Cassava flour dishes are favourite among the people of Ruvuma Region and so there is a ready market within the region in addition to exporting.

Location for investment



- Cassava is mostly produced in Namtumbo DC (40 percent), Nyasa DC (24.8 percent), Tunduru DC (18.3 percent) and Songea DC (12.6 percent);
- Namtumbo is therefore the leading contender for establishing a hub for cassava processing; and
- Songea MC could also be an ideal choice for collecting raw materials from Nyasa and Namtumbo DCs.



Investment rationale

- There is surplus production of cassava;
- China has expressed readiness to import cassava products from Tanzania; and
- There is already some significant investment by Government in deploying high yielding cassava cultivators in the region.

Overview of investment opportunities for processing of tubers

Available support

- Policy and political support at national, regional and local government level;
- Presence of relevant institutions, such as TBS, in the region to enable certification of finished products;
- Good infrastructure, including road and communication networks, electricity and markets; and
- Completion of construction of TANESCO's backbone power transmission line to improve electricity supply in Ruvuma Region.

C. Processing of Legumes: Soya Beans and Pigeon Peas

Overview of investment opportunities in soya beans and pigeon peas processing

Key features

Invest in new technologies for processing soya beans and pigeon peas into different final products (e.g. soya milk, biscuits, sausages, etc.) for local and international markets.

Location for investment

- Madaba and Songea DCs are known for producing soya beans;
- Madaba, Songea, Tunduru and Namtumbo DCs produce surplus pigeon peas;
- Namtumbo DC: Three possible areas: Veta-Soluti (6.5 ha); drawings to identify as industrial area, but compensation has not been done; Lucenti Mahengo (10.1 ha) is also a planned area; and Mandepwende Industrial Area (40.5 ha) also needs compensation; and
- There is need to choose a location for building the factory, but all LGAs have space for industries.

Investment rationale



- Soya beans occupied 4.4 percent of cultivated area in 2015 but all of it was for selling to manufacturers of livestock feeds;
- Pigeon peas occupied 16.6 percent of cultivated area in 2015, with a significant proportion meant for export to India;
- The region would like investors to establish factories for processing of soya beans and pigeon peas instead of selling it in raw forms. The plants should be able

Overview of investment opportunities in soya beans and pigeon peas processing

to prepare mineral/vitamin-fortified flours and other products from the pigeon peas and Soya beans;

- There is already experience in commercial production of soya beans and pigeon peas. For example, Namtumbo DC is leading in Tanzania, with soya production of more than 5,000 tonnes after being promised to get a market during the 2016/17 season;
- Farmers have been trained to cultivate soya beans for industrial use by animal feed processing plants in Mufindi, and pigeon peas by Indian importers, but the feed plants and Indian importers stopped purchasing the produce thus leaving farmers in dilemma; and
- The by-products from maize milling is a major raw material for feeds industries, which is currently in high demand in the country.



Available support

- Policy and political support at national, regional and local government levels;
- Presence of relevant institutions in the region, such as TBS, to enable certification of finished products;
- Good infrastructure, including roads and communication networks, and electricity; and
- Completion of construction of TANESCO's backbone power transmission line to improve electricity supply in Ruvuma Region.
- Completion of construction of TANESCO's backbone power transmission line to improve electricity supply in Ruvuma Region.

D. Animal Feeds Processing Industry

Overview of the opportunity in animal feeds from cereals and oilseeds: sesame, groundnuts and sunflower

Key features



Building of animal feeds processing factory for cattle, pigs, and chicken; and
Using raw materials produced locally.



Preferred locations

- A choice could be made to locate a medium to large-scale factory in Songea or Mbinga; and
- There are options for establishing small-scale factories in LGAs that have surplus cereals, legumes and oilseeds as indicated above.

Investment rationale

- LGAs have surplus grains and oilseeds whose by-products are ideal for making livestock feeds; and
- There is a local market for the feeds, as farmers also keep dairy cows, pigs and poultry.

Available support

- Political support at regional and local government levels to promote manufacturing of animal feeds; and
- Completion of construction of TANESCO's backbone power transmission line to improve electricity supply in Ruvuma Region.

E. Horticultural Products: Primary Value Addition

Overview of the opportunities in horticultural products: sorting, grading and packaging

<p>Key features</p> 	<ul style="list-style-type: none"> ▪ Primary value addition by grading and packaging vegetables, including tomatoes, onions, green pepper, cucumber, water melons, pineapples, mangoes, and avocado; ▪ Adding value by drying fruits such as mangoes, pineapples and banana; and ▪ Primary processing for vegetables such as tomatoes.
<p>Preferred locations for investment</p>	<ul style="list-style-type: none"> ▪ Songea DC / MC: Mletele Industrial Area (1464.6 ha) and Mwanamonga Large-scale Industrial Area (1449.2 ha); fruits can be sourced from other LGAs; ▪ Madaba DC: mangoes (October to December), banana (January to December), and avocado (throughout the year); and ▪ Tunduru DC: mangoes (December to March), oranges (May to August), and watermelons (January to December).
<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ The region is known for seasonal fruits such as mangoes and pineapples, and all seasons fruits such as water melons; and ▪ Value addition at farm gate level reduces post-harvest loses, increases prices to farmers and provides secondary processors with quality raw materials, and at the same time provides consumers of unprocessed commodities with fresh and healthy consumer goods.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ The districts will promote the establishment of vocational training institutes focusing on skills development for value addition, with intention of imparting such skills to farmers; ▪ Districts have commitments to attract investments in producing packaging materials that will meet specific requirements of various horticultural products; and ▪ Policy and political support at national, regional and local levels.

F. Horticultural Products' Secondary Processing

Overview of opportunities to processing of horticultural products into juices, pastes, powders, etc.

Key features



- Processing mangoes and water melons into packaged juices of different types (pure and blended juices);
- Processing tomatoes into packaged pastes and juices;
- Processing avocado into body health products; and
- Processing spices such as ginger, garlic, and pepper into dried powder and pastes.

Preferred locations for investment

- Songea DC / MC: Mletele Industrial Area (1464.6 ha) and Mwanamonga large-scale Industrial Area (1449.2 ha); fruits can be sourced from other LGAs;
- Nyasa DC: Mango and Kiagara villages have sites for processing factories;
- Madaba DC: a factory could be built at Mkongotema Ward and Mkongotema Village. Fruits to be processed at this factory include mangoes (October to December), banana (January to December), and avocado (throughout the year);
- Tunduru DC: mangoes (December to March), oranges (May to August), and watermelons (January to December); and
- Namtumbo DC: Rwinga Ward at Minazini Village (4 - 8 ha).

Investment rationale

- Minimising post-harvest losses: The rationale behind this proposal is based solely on the adequate volumes of output with frequent spoilage of horticultural products. Processing is seen as a major avenue for reducing post-harvest losses along with provision of employment to district residents, mainly the youths;
- Local knowledge and interest: There are already some interest by inhabitants of the region to cultivate horticultural crops;
- High value per unit area, hence horticultural crops offer a better approach to enhance farm income and offer higher profits to investors, and at the same time and reduce poverty in the region; and

Overview of opportunities to processing of horticultural products into juices, pastes, powders, etc.

	<ul style="list-style-type: none"> Impact of assured markets will likely stimulate more investment in commercial farming of horticultural products.
Available support	<ul style="list-style-type: none"> LGAs are committed to provide conducive environment for investment, including allocation of land needed for constructing processing factories where need be; LGAs are also ready to enter PPP with potential investors and/or promote Build Operate Transfer (BOT); Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and Policy and political support at national, regional and local levels.

G. Oilseeds Processing and Packaging

Overview of the opportunities to invest in processing of oilseeds

Key features



- Processing groundnuts into cooking oil for human use;
- Processing sunflower seeds into cooking oil for human use;
- Sesame can also be grown in the region; and
- Converting by-products from processed sesame seeds, groundnuts and sunflower seeds into cakes for livestock use (cattle, poultry and pigs).

Preferred location of investment

- To be established in any of the LGAs with most surplus oilseeds;
- Songea MC remains the most strategically located place for this type of industry, taking advantage of Mletele Industrial Area (1464.6 ha) and Mwanamonga Large-scale Industrial Area (1449.2 ha);
- Other LGAs also expressed interest in supporting the edible oil processing industry, and have therefore set aside some land as follows:
 - Madaba DC: Lutukila, Itombololo and Mkongotema villages where production is high

Overview of the opportunities to invest in processing of oilseeds

(but edible oil is currently produced in almost all villages);

- Tunduru DC: Lukumbule Industrial Area, Nakapanya Ward, Mchoteka Ward (Nalasi Division) and Semvuyanke Village;
- Namtumbo DC: VETA Soluti Industrial Area (6.5 ha); Lucenti Mahengo (10 ha); and Mandepwende Industrial Area (some compensation needed to get 40.5 ha). Another private land area of 2.8-3.2 ha is near Namtumbo District Hospital, but require some compensation to owners;
- Tunduru DC: Land is available in Kumbule (Nakapanya Ward, Mchoteka Ward (Nalasi Division), and Semvuyanke Village; and
- Nyasa DC: Tingi Ward has 46.1 ha for service industries available).

Investment rationale



- The region also produces significant amount of sesame, groundnuts, Soya beans and sunflower, whose production can be stimulated to increase if the market offers competitive prices of the two commodities;
- Market development: Most of the groundnuts and sunflower are currently utilised at household level, while some of it is processed by small oilseed milling machines scattered in the villages;
- Improved quality of edible oils should command better market prices. Formal processing of oilseeds will result into better quality refined products without harmful residues that cannot be removed by using basic technologies of simple oil pressing machines;
- Local knowledge of and interest in increased production make take-off easier- there is already some interest by inhabitants of the region to cultivate oil seed crops; and
- Impact of assured markets will likely stimulate more investment in commercial farming of oilseed crops.

Overview of the opportunities to invest in processing of oilseeds

Available support

- LGAs are committed to provide conducive environment for investment, including allocation of land needed for constructing factories where need be;
- LGAs are also ready to enter PPP with potential investors and/or promote build operate transfer (BOT);
- Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and
- Policy and political support at national, regional and local levels.

H. Coffee Processing Factory

Overview of investment opportunities in coffee processing

Key features



- Need to establish additional factories for coffee pulping and processing of coffee beans (roast beans and ground coffee).

Preferred locations

- Nyasa DC: Coffee curing plant-land is available (2,010 ha) in Mpepo Division (at Kingerikiti or Tingji); and
- Mbinga DC can avail land for an additional factory.

Investment rationale

- The region has the potential to produce more coffee in response to a growing international market for coffee;
- Capacity for processing of coffee beyond pulping is limited; and
- Local knowledge of and interest in coffee planting and raising seedlings make take-off in increased production easier.

Available support

- Coffee farming is poised to increase but existing facilities are inadequate;
- Production per year: 9,820.4 tonnes, most of it sold to the market unprocessed;
- Coffee Board of Tanzania to support coffee cooperatives and associations;
- Mbinga Cooperative Societies to support farmers;

Overview of investment opportunities in coffee processing

- Government has introduced auction system to ensure farmers sell quality coffee beans but also get a fair price for their produce;
- Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and
- Policy and political support at national, regional and local levels.

I. Cashew Nuts Processing Factories

Overview of investment opportunities in cashew nuts processing

Key features



- Establish new cashew processing factories for production of graded kernels for the export market.

Preferred locations

- Tunduru DC has set aside an industrial area; it has also made available land for new factories at Nakayaya (5.9 ha) and Semvuyanke (6.1 ha).

Investment rationale

- National campaign to increase cashew trees has resulted into increased production of cashew nuts.
- Tunduru and Namtumbo DCs are leading in production of cashew nuts, with the later in campaigns to expand planted area;
- In 2015 some 391 tonnes were captured as marketed within the LGAs, reflecting that some of it was sold outside the region because production is estimated at more than 20,912 tonnes per year (based on Cashew Board of Tanzania [CBT] data for 2017/18);
- Out of the estimated annual amount of produced cashew nuts, 20,325 tonnes (about 97 percent) are produced in Tunduru DC
- Most of the nuts are sold in raw form for processing outside the LGAs;
- The region has the potential to produce bigger amount of cashew nuts because land is available and the international market for cashew is growing;

Overview of investment opportunities in cashew nuts processing



- But there is only one factory (Korosho Africa Ltd) in Tunduru: With a capacity of 4,500 tonnes/year compared to total production of 20,000 tonnes/year; and
- Local knowledge of and interest in increased production make take-off easier in raising cashew seedlings and cashew tree planting.

Available support

- CBT to support cashew cooperatives and associations;
- Tunduru Cooperative Societies to support farmers;
- Government has introduced auction system to ensure farmers sell quality nuts but also get a fair price for their produce;
- Existing cashew processing plants have low capacity to absorb the produced nuts;
- LGAs are committed to provide conducive environment for acquiring land for large-scale farming and/or facilitating contract farming with smallholder farmers;
- Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and
- Policy and political support at national, regional and local levels.

J. Modern Abattoirs for Slaughter of Livestock

Overview of the opportunities in modern abattoirs for cattle, sheep, and goats

Key features



- Construction of an abattoir at Songea MC;
- Construction of modern slaughter houses in Tunduru, Mbinga, Namtumbo, Madaba and Kilosa (Mbamba Bay) councils;
- Investments in slaughter slabs;
- Investment in modern butcheries in all trading centres; and
- Investment in cold chain storage and transportation of meat.

Preferred locations


- Abattoir: Songea MC;
- Modern slaughter houses: all towns; and
- Modern butcheries: all town and trading centres.

Overview of the opportunities in modern abattoirs for cattle, sheep, and goats

Investment rationale	<ul style="list-style-type: none"> ▪ In 2015 the region had 171,041 herds of cattle; 272,147 goats; 222,420 pigs, and 30,625 sheep; ▪ A proportion of these numbers of livestock is available for slaughter every year; ▪ The existing abattoirs are not only small but also inefficient, particularly with respect to meeting supply requirements for meat processing and tanneries; and ▪ Ensuring skins and hides are properly prepared for supply to leather industries/tanneries in the region and beyond.
Available support	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels; ▪ Good infrastructure, including road and communication networks, electricity supply and ready markets; and ▪ LGAs' health and veterinary departments to provide guidance on proper procedures for establishing livestock processing facilities.

K. Beef Processing

Overview of opportunities for beef processing

Key features 	<ul style="list-style-type: none"> ▪ Medium-scale beef processing and packaging factory; ▪ Different beef products (e.g. sausage) could be made in addition to standard meat cuts such as sirloin steak, T-bone etc.; and ▪ Separate facilities needed for commercial processing and packaging of pork, a popular livestock kept by farmers in Ruvuma Region.
Preferred locations	<ul style="list-style-type: none"> ▪ Tunduru DC stocks 33.3 percent of the region's herds of cattle and 15 percent of the number of goats in the region. It is a high contender for establishing a meat-processing factory, and it could outsource supplies from Namtumbo DC (8.8 percent) and Songea DC/MC (16.2 percent); and ▪ Mbinga is a next suitable location, with 24.6 percent of cattle and 46.2 percent of goats. It can conveniently

Overview of opportunities for beef processing

	<p>source additional stocks from Songea DC/MC (16.2 percent of regional cattle) and Nyasa DC (12.6 percent of cattle and 14.5 percent of goats).</p>
<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ In 2015 the region had a total of 171,041 herds of cattle; 272,147 goats; 222,420 pigs, and 30,625 sheep; ▪ A proportion of these numbers of livestock is available for slaughter every year; ▪ High demand for quality meat in the region by both domestic consumers and tourists; ▪ Ruvuma Region is strategically placed to target markets in Mtwara and Lindi regions, as well as in neighbouring Mozambique; ▪ The facility at Peramiho is not adequate to cater for the growing demand for processed and properly packaged beef; ▪ Ruvuma Airport provides an appropriate transport system for beef products to be transported to selling outlets within Tanzania and in the EAC market; and ▪ There is opportunity to sell some of the beef cuts to markets outside East Africa.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels; ▪ Good infrastructure, including road and communication networks, electricity supply and markets; and ▪ Completion of construction of TANESCO's backbone transmission power line from Makambako to Songea through Njombe.

L. Processing of Milk into Various Dairy Products

Overview of investment opportunities in dairy industry

Key features



- There is a need for establishing some small-scale and medium-scale milk processing plants in Mbinga, Songea and Tunduru.



Overview of investment opportunities in dairy industry

Preferred locations	<ul style="list-style-type: none"> ▪ Mbinga, Songea, Namtumbo and Madaba are main producers of milk but will need to get extra supplies from other districts; and ▪ Ideally the investor should (i) start with medium-scale factory requiring less than 1500 litres per day; (ii) be prepared to work closely with LGAs in organising small-scale livestock keepers to adapt modern dairy keeping practices.
Investment rationale	<ul style="list-style-type: none"> ▪ More than 33,168 litres of surplus milk were sold into the market in 2015, produced from indigenous cows (13,068 litres) and improved dairy cows (20,100 litres); ▪ Most of the produced milk is sold unprocessed to consumers, hence the failure to meeting demand for various dairy products such as cheese, yoghurt, etc.; ▪ An assurance of market for surplus milk is likely to stimulate more investments in dairy farming; and ▪ Songea Airport provides an appropriate transport system for dairy products to be marketed outside the region.
Available support	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels; ▪ Land for setting up factories is available in all LGAs; ▪ Health departments and TBS to provide support in meeting statutory obligations/conditions for processed food products; and ▪ <i>VAT Special Relief on Project Capital Goods</i>: VAT exemption on meat insulated and milk cooling tanks and aluminium jerry cans used for storage and collection of milk in dairy industry.

M. Honey Processing and Packaging

Overview of investment opportunities in honey industry

Key features



- By-products from honey not well preserved; and
- Need to invest in modern methods of honey processing and dealing with by-products such as wax.

Overview of investment opportunities in honey industry

Preferred locations



- Madaba DC: Mdogota and other areas such as Ifinga, Wino and Matetereka;
- Namtumbo DC: 75 percent of Namtumbo is forest (miombo wood lands in 15 villages that are most suitable for bee keeping. Additionally, other village forest areas include Mchomole, Kilimasera, Milonji and all 15 villages in Sasawala Division;
- Tunduru DC: Mwambesi and Mischela forests and Legezamwendo (permitted natural reserves);
- LGAs have set aside land for industries;
- Will get extra supplies of crude honey from other districts; and
- Ideally, the investor should be prepared to work closely with LGAs in organising small-scale bee keepers to adopt modern hives and improved bee keeping practices.

Investment rationale

- Madaba DC leads in installed bee hives (72.8 percent) and production of honey. In 2017 the district produced about 3 tonnes of honey;
- Followed by Mbinga and Namtumbo Districts in honey production;
- Most of the produced honey is sold semi-processed to consumers;
- Market for by-products such as wax; and
- An assurance of market for honey and wax is likely to stimulate more investments in beekeeping.

Available support

- Policy and political support at national, regional and local government levels;
- Land for setting up factories is available in all LGAs;
- Associations of Beekeepers supported by Government, and various programmes by development partners; and
- Health departments and TBS to provide support in meeting statutory obligations/conditions for processed food products.

3.3.2 Commercial Agricultural Production

The second phase of Agricultural Sector Development Programme (ASDP-II) has, among its cornerstones, the need to improve farm productivity so that

more output is obtained from the same production unit. The approach to be used is through direct investment by private sector commercial farmers and in partnership between smallholder farmers and Government.

Summary of main opportunities for commercial farming in Ruvuma Region

<p>Key features</p>	<p>Land is for private sector investors to engage in:</p> <ul style="list-style-type: none"> ▪ Commercial large-scale farming of perennial crops such as coffee (Mbinga DC); ▪ Expanding cashew farming beyond the traditional LGAs (Tunduru and Namtumbo DCs) to other LGAs such as Madaba and Songea DCs; ▪ Commercial farming of annual crops such as maize, sesame, sunflower, and Soya beans; ▪ Commercial intensive farming of horticultural crops ▪ Pioneering with new commodities such as cocoa, vanilla, and pineapples; ▪ Commercial bee keeping; ▪ Commercial livestock keeping for beef and dairy products; ▪ Commercial poultry farming; ▪ Commercial production of certified improved crop seeds; and ▪ Commercial services for livestock health facilities, such Artificial Insemination (AI) and vaccination services.
<p>Preferred locations</p>	<ul style="list-style-type: none"> ▪ See details below for each specific commodity.
<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ Need for a well-designed and participatory planned sustainable development approach where Government can easily support and/or provide public goods such as electricity, communication facilities, water, roads, and security to investors.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Strong support by national and regional authorities; ▪ Ruvuma Region has established a dedicated system for assisting and encouraging new and existing investors in primary production by ensuring that there are no land disputes in case of land bought from villagers; and

Summary of main opportunities for commercial farming in Ruvuma Region

- The Land Zone Office is based at Mtwara and works closely with the Ruvuma Regional Secretariat.

1. Irrigation Infrastructure and Contract Farming

Only 3.7 percent of the land most potential for irrigation was utilised in 2015. Investment in drip irrigation and greenhouses is highly preferred and expected in order to conserve water resources in line with the Strategic Environmental Assessment (SEA) for Ruvuma Regional Development Plan (2015-2025).

Overview investment opportunity in irrigation infrastructure development

Key features




- Starting new irrigation schemes in the identified valleys;
- Introducing drip irrigation and green houses to conserve water;
- Rehabilitation of old irrigation schemes under PPP operational arrangements; and
- Increasing efficiency of utilisation of the schemes by introducing double or triple cropping per unit area per year.

Preferred locations

- Songea DC: A total of 179,120 ha within river valleys of Mtopesi (400 ha belonging to Mr Lutengano for sugarcane farming); Mdundialo (40.5 ha also for sugarcane farming, belonging to Mr Seleman Hamza); Ruhila, Mgugusi, Njalila and Luwawazi (including sugarcane irrigation at Magwamila—to compete with Mulukulu Scheme);
- Songea MC: 960 ha (including land in Lilambo Ward-550 ha);
- Madaba DC: 865.2 ha;
- Mbinga DC: 3,554 ha;
- Mbinga TC: 1,200 ha (e.g. Kikunga, Mtandazi, Lihununa, Ndongosi and Lumeme rivers);
- Namtumbo DC: 1,500 ha;

Overview investment opportunity in irrigation infrastructure development

	<ul style="list-style-type: none"> ▪ Nyasa DC: 6,570 ha; and ▪ Tunduru: 3,339 ha, including sites at Mkotamo, Wenje, Lukumbule, and Naikula.
<p>Investment rationale</p> 	<ul style="list-style-type: none"> ▪ The region is endowed with a potential area for irrigation prospects of about 197,108.2 ha, but in 2015 utilised only 7,385.3 ha or 3.7 percent; ▪ Most of the potential land is undeveloped for irrigation; ▪ The region's agro-processing agenda will succeed if supply of agricultural products as outlined above is increased; and ▪ There are untapped irrigation potentials in the said areas; small farmers have not been able to fully utilise the irrigation potentials due mostly to lack of financial and technical capacities.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels for local and foreign investment; and ▪ The current supply is unlikely to meet demand for processing the said horticultural produce, and hence the need to promote investment to increase supply.


2. Oilseeds Farming

Overview of investment opportunities in oilseed production

Key features




- There is room to open more land for cultivating these crops on a commercial scale;
- Contract farming with smallholder farmers to raise yield per unit area and also raise the quality of oilseeds from groundnuts and sunflower;
- Invest in commercial large-scale production of sunflower and groundnuts; and
- Both models are possible: where an investor can have some demonstration farms and support smallholder farmers with technical inputs and access to markets for their produce.

<p>Preferred locations</p> 	<ul style="list-style-type: none"> ▪ Songea Municipal Industrial Area, Mwanamonga (121.4 ha virgin land), and Mangúá (161.9 ha, virgin land) are ready for sale. Indicative price: in 2018 it is about TZS 500,000 per acre; ▪ Mbinga DC: Kigonsera Village (approx. 27.1 ha) and Nkurumusi area (approx. 80.9 ha); ▪ Tunduru DC: coconuts and sesame farming in Lukumbule (Nakapanya Ward, Mchoteka Ward in Nalasi Division) and Semvuyanke Village; ▪ Namtumbo DC: in most areas there is high potential; ▪ Nyasa DC: sunflower in Tingi Malungu Village (5,661 ha) and Liparamba Village (3,369 ha); and sesame at Luhuhu (30,529 ha) and Ruhekei (50,760 ha); and ▪ Madaba DC: sunflower at Lutukila Village, Gumbilo and Mtyangimbole (approximately 202.3ha of pristine land), Itombololo and Mkongotema.
<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ Now, oilseed crops occupy 35 percent of annually cultivated land area, with sesame taking 22.7 percent of farmed area, followed by sunflower (9.6 percent) and then groundnuts (2.7 percent). Cultivation is done mostly by subsistence farmers; ▪ Tunduru is endowed with coconuts for oil production; ▪ The region has the potential to produce larger amount of sesame, groundnuts and sunflower, if the market for these products is assured and stimulated by investments in agro-processing factories; ▪ Local knowledge and interest increased production make take-off easier -there is already some interest by inhabitants of the region in cultivating oilseed crops; and ▪ Impact of assured markets will likely stimulate more investment in commercial farming of oilseed crops.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ LGAs have shown commitment to provide conducive environment for acquiring land for large-scale farming and/or facilitating contract farming with smallholder farmers; ▪ Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and ▪ Policy and political support at national, regional and local levels.

3. Horticulture: Vegetables and Fruits

Overview of the production opportunities in horticultural sector

<p>Key features</p> 	<ul style="list-style-type: none"> ▪ Introducing commercial and modern farming of vegetable crops, including tomatoes, onions, green/red/yellow pepper, cucumber, water melons, pineapples, mangoes, avocado, and French beans by smallholder farmers; ▪ There is room to expand area under cultivation of these crops and/or modernise the existing cultivated land; and ▪ Supplying horticultural products to domestic supermarkets and exporting some of the stocks to neighbouring countries and overseas.
<p>Preferred locations for investment</p>	<ul style="list-style-type: none"> ▪ Songea DC (179,120 ha); Songea MC (960 ha, including land in Lilambo Ward - 550 ha); ▪ Madaba DC: 865.2 ha; ▪ Mbinga DC: 3,554 ha; ▪ Mbinga TC: 1,200 ha; ▪ Namtumbo DC: 1,500 ha; ▪ Nyasa DC: 6,570 ha; and ▪ Tunduru DC: 3,339 ha, including sites at Lelolelo, Nalowale, Kitanda and Masonga areas.
<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ Most of the farming of vegetable crops is undertaken by smallholder farmers who do not apply improved farming methods; ▪ Increasing market for vegetables and fruits due to an increased proportion of enlightened and middle-income working class; ▪ Expanding market in neighbouring countries; and ▪ Link with the established processing and packaging plants being established.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Tanzania Horticultural Association (TAHA) is dedicated to helping farmers engage in commercial horticultural production; ▪ Government has removed taxes on imported equipment for greenhouses and drip irrigation, which is now being encouraged in order to ensure production throughout the year;

Overview of the production opportunities in horticultural sector

- Districts have made commitment to attract investments in producing raw materials to feed the established industries as per Government motto; and
- Policy and political support at national, regional and local levels.

4. Legumes Farming: Soya beans and Pigeon Peas

Overview of investment opportunities for legumes

Key features



- Investing in commercial large-scale production of soya and pigeon peas, possibly using the existing paddy farms as a second crop; and
- Enter into contract farming with smallholder farmers to raise yield per unit area and raise the quality of legumes, especially pigeon peas and soybeans in highly demanded in the Indian and Chinese markets.

Preferred locations

- Songea DC: A total of 179,120 ha;
- Madaba DC: 865.2 ha;
- Mbinga DC: 3,554 ha;
- Mbinga TC: 1,200 ha;
- Namtumbo DC: 1,500 ha;
- Nyasa DC: 6,570 ha; and
- Tunduru DC: 3,339 ha.

Investment rationale

- There is already a confirmed demand for legumes in India and China; and
- The current level of production of legumes, such as soya beans and pigeon peas, is far below the demand in the local and export markets.

Available support

- LGAs are committed to provide conducive environment for acquiring land for large scale farming and/or facilitating contract farming with smallholder farmers;
- Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and
- Policy and political support at national, regional and local levels.

5. Cashew Commercial Farming

Overview of investment opportunities in cashew production

Key features



- Expansion of farming of cashews in the traditional producing LGA of Tunduru; and
- Commence production on other LGAs such as Madaba, Songea and Nyasa.

Preferred locations for expanded growing of cashew trees

- Madaba DC: Madaba, Mkongotema, Lutukila and Mbangamawe (except in 3 wards, 5 can support cashew in a total of 8 villages);
- Songea DC: Rusonga area has over 40468.6 ha suitable for cashew farming;
- Tunduru DC: At Mtyangibole, Isingo and Matumbi; also noticed increased production from 8,072.6 tonnes in 2014/15 to 9,788.1 tonnes in 2015/16; and
- Namtumbo DC: Lusewa suitable with mature trees; others are Mchomoro, Magazini, Kikuyu, and Lisimonji. It is possible to later establish factories at 3 industrial areas: VETA-Soluti (6.5 ha); Lusenti Mahengo (10.1 ha); and Mandepwende (40.5 ha) - need some compensation.

Investment rationale

- Suitable land is available for investment in large-scale commercial production of cashew trees in areas with ideal climatic and soil conditions;
- The region has the potential to produce more cashew nuts because land is available and the market for coffee is growing; and
- Local knowledge and interest: easier for take-off in increased production because there is already local knowledge in cashew planting and raising seedlings.

Available support

- National campaign to produce more cashew nuts in response to increased global demand;
- CBT supports commercial cashew;
- Naliendele Research Centre; and
- LGAs are committed to provide conducive environment for acquiring land for large-scale farming.

6. Large-scale Commercial Coffee Farming

Overview of investment opportunities in coffee production

Key features



- Opening new coffee farms in Mbinga DC, Nyasa DC, Songea DC and Madaba DC;
- Adopting irrigation farming to enhance productivity
- Supporting existing smallholder farmers to produce more coffee from existing farms by investing in new technologies and husbandry practices; and
- Two models are recommended:
 - Own land developed for fresh plantation of coffee and applying modern farming methods such as drip irrigation; and
 - Investor can have some demonstration farms and support smallholder farmers in block farmers on their own land with technical inputs and access to markets for their produce.

Preferred locations

- Mbinga DC: Mihango Village - Kigonsera (over 1,000 ha) and Nkurumusi area (approximately 80.9 ha); Kihungu and Kikolo areas;
- Nyasa DC: Mpepo Division (5,736.6 ha), Upolo (813 ha), Ndondo (20.2 ha) and Malungu (40.5 ha). New factory can be set up at Kingilikiti Ward;
- Madaba DC: Land available at Maweso Village, Matetereka Ward and Wino Ward;
- Songea DC: Lusonga area with over 40468.6 ha, Kizuka and Ndongosi; and
- Mbinga TC: Luhangai, Mbangamao, Kikolo, and Lipilipili have suitable land for coffee farming.

Investment rationale

- Suitable land is available for Investment in commercial large-scale production of coffee in areas with ideal climatic and soil conditions;
- The region has the potential to produce more amount of coffee because land is available and the market for coffee is growing; and
- Local knowledge and interest: easier for take-off in increased production because there is already local knowledge in coffee planting and raising seedlings.

Overview of investment opportunities in coffee production

Available support

- CBT;
- Mbinga Cooperative Society;
- Existing coffee curing plants;
- LGAs have shown commitment to provide conducive environment for acquiring land for large-scale farming and/or facilitating contract farming with smallholder farmers;
- Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and
- Policy and political support at national, regional and local levels.

7. Bee-keeping and Manufacturing of Modern Bee-hives

Overview of investment opportunities in manufacturing of bee-hives and bee-keeping support

Key features



- Need to invest in modern bee-hives for honey trapping;
- Establish a factory for beehives; and
- Can operate through cooperatives and groups of bee keepers to modernise their beehives.

Preferred locations


- Songea DC: Liganga Forest, Litowa Forest, Muhukuru Forest, Kilagana Forest, and Matimila area;
- Madaba DC: Wino, Matetereka, Matumbi and Ndogota areas (e.g. Magimbo and Ifinga villages);
- Mbinga DC: Lipembe miombo woodlands (323.7 ha);
- Namtumbo DC: 75 percent of Namtumbo is miombo woodlands forest. Most suitable locations are all the 15 villages some of them set aside to engage in bee keeping within Mchomolo Natural Forest; and
- Tunduru DC: Bee keeping can also be introduced in Tunduru as an integrated approach in controlling wildlife from Selous National Park straying into villages and destroying crops.

Overview of investment opportunities in manufacturing of bee-hives and bee-keeping support


<p>Investment rationale</p>	<ul style="list-style-type: none"> ▪ Madaba DC, with 72.8 percent of regional beehives, is the only one with a relatively high proportion of modern beehives compared to traditional hives. Honey production is estimated at 3 tonnes per year; ▪ The numbers of traditional hives in Mbinga DC and Namtumbo DC, are double and thrice the number of modern hives, respectively; ▪ Most of the produced hives will be sold to associations and individuals; and ▪ Market for modern bee hives available in other districts.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ LGAs have some reserved natural forests for the purpose; ▪ Timber for making beehives is available in LGAs; ▪ Ideally, the investor should be prepared to work closely with LGAs in organising small-scale bee keepers to adopt modern hives and improved bee keeping practices; ▪ Land for setting up factories is available in all LGAs; ▪ Sokoine University is setting up some presence in Madaba that will most likely provide some much-needed expertise in beehive making; and ▪ Associations of beekeepers supported by Government; while development partners support various bee-keeping programmes.

8. Beef Fattening and Dairy Farming

Overview of investment opportunity in beef fattening and dairy farming

<p>Key features</p> 	<ul style="list-style-type: none"> ▪ There is potential to buy some indigenous cattle and fatten them before selling them at a higher price; and ▪ The investment should go hand in hand with the establishment of fattening lots.
<p>Preferred locations</p>	<p>The following LGAs confirm the availability of ranching land:</p> <ul style="list-style-type: none"> ▪ Songea DC has assigned some 8,711 ha at Magwamila and 20,000 ha at Mpepai for cattle fattening and dairy farming; and

Overview of investment opportunity in beef fattening and dairy farming

	<ul style="list-style-type: none"> Madaba DC has made available Government land at Lutukila Village (12 ha) - also added 54,000 ha - for cattle fattening, and at Ngadinda Village (6,000 ha owned by Ministry of Livestock and Fisheries but open for sub-letting).
<p>Investment rationale</p> 	<ul style="list-style-type: none"> In 2015 livestock sold through formal auctions as follows: 14,881 cattle; 21,529 goats; 17,998 pigs and 225 sheep; Poultry sold amounted to 366,345 chickens; Only 20,000 dairy cows in whole region; High demand for quality meat in the region by both domestic consumers and tourists; Meat industries (like all other industries) will generate employment to the people of the region; and Road network to Mtwara Port and Lake Nyasa cargo vessels provide appropriate transport systems for fattened animals to be transported live to customers within Tanzania, Indian Ocean islands and in the EAC market.
<p>Available support</p>	<ul style="list-style-type: none"> Policy and political support at national, regional and local government levels; Good infrastructure, including roads and communication networks, and markets.

9. Lake Fisheries, Aquaculture, Hatcheries and Fish Feeds

The relatively low harvests from Lake Nyasa are attributed to relatively smaller fishing vessels that cannot reach far from the shores. Opportunity is therefore available to manufacture modern fishing boats.

Overview of the opportunity: boat making, deep lake fishing, aquaculture and manufacturing of fish feeds

Key features



- Manufacturing of modern boats using already built facility at Mbamba Bay Port;
- Installing fish cages in suitable sites along Lake Nyasa
- Developing fish ponds;
- Hatcheries to produce fingerlings to farmers using fish cages and fish ponds; and
- Manufacturing fish feeds and supply to fish farmers.

Overview of the opportunity: boat making, deep lake fishing, aquaculture and manufacturing of fish feeds

Preferred investment areas



- Mbamba Bay area (Lake Nyasa fisheries);
- Nyasa-Kilosa Division in Lundo Island: 400 species of ornamental fish;
- Tunduru DC (for fish from River Ruvuma) and fish farming at Masonga Ward, Kitanda, and Mchoteka; and
- Namtumbo DC: Fish farming at Mkongo, Mtakuja, Msindo, Likuyu, and Mwangaza sites owned by village governments.

Investment rationale

- Fishing from the Tanzanian side is relatively at lower levels due to low investments;
- Fish farming at household level could easily increase household incomes as well as improve nutrition; and
- A workshop has already been built; what is now needed is investment in equipment and expertise.

Available support



- Some institutions such as the ESRF are already providing training in aqua culture;
- Support by National Fish Policy 2015: Government has strongly supported investment in aquaculture training, with degree programmes at Sokoine University of Agriculture and the University of Dar es Salaam, and skills training at Mbegani Fisheries Development Centre and FETA; and
- Tanzania will be one of the beneficiaries (along with Uganda and Kenya) of a major EU-funded project (up to EUR10 million) - Support to Promoting Aquaculture in the East Africa Community.

10. Poultry Farming

Overview of Investment opportunities in poultry farming

Key features



- Establishment of chick hatcheries for supply to poultry farms;
- Establishment of poultry farms; and
- Supply of incubators and brooding machines.

Preferred locations

- Suitable in all the LGAs without exception.

Overview of Investment opportunities in poultry farming

Investment rationale	<ul style="list-style-type: none"> ▪ In 2015 some 366,345 chickens were reported to have been sold through formal channels; ▪ The climate of Ruvuma Region in all the districts is ideal for raising chicken for meat and eggs; ▪ Chicken feed made from by-products of processed fish, oilseeds, maize and paddy, are easily obtained from within the region; ▪ Increasing urban population in Ruvuma Region, Tanzania and the EAC region offers a ready market for poultry, meat and eggs; and ▪ Increasing purchasing power of the population also means more people will be able to purchase chicken meat, which is usually more expensive compared to beef.
Available support	<ul style="list-style-type: none"> ▪ National Livestock Policy (2006) supports animal feeds processing; and ▪ Existence of Tanzania Animal Feeds Manufactures Association (TAFMA) which provides a common forum for all animal feeds manufacturers in Tanzania.

11. Support Services for Increasing the Stock of Improved Stock of Beef and Dairy Cattle

Overview of investments opportunities in AI for improved cattle stock

Key features 	<ul style="list-style-type: none"> ▪ Artificial Insemination (AI) centres in collaboration with LGAs (under PPP model); ▪ Mobile Veterinary Services (MVS) for outreach to recently entered and now resident Maasai and Sukuma pastoralists; ▪ Production and supply of heifers to farmers; and ▪ Establishment of a dairy farm in addition to those owned by Roman Catholic Nuns in Madaba and Peramiho.
Preferred locations	<ul style="list-style-type: none"> ▪ Nyasa DC has set aside 20.2 ha at Mpepo.
Investment rationale	<ul style="list-style-type: none"> ▪ Achieving high productivity with more milk per animal will augur well with the new investments in milk processing industries.

Overview of investments opportunities in AI for improved cattle stock

Available support

- Livestock policy and development programmes support expansion of dairy farming; and
- Government is determined to support private sector efforts to improve productivity through better cross breeding.

12. Introduction of Cocoa, Vanilla, Pineapples and Sugarcane

These commodities do not have established track records in the region⁶:

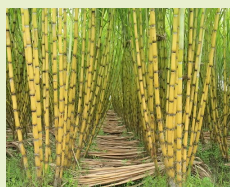
Overview of investment opportunities in cocoa, pineapple and sugarcane farming

Key features



- Starting cocoa farms: cocoa is among the commodities produced in neighbouring districts of Kyela, with similar agro-ecological conditions to those in parts of Nyasa, Mbinga and Madaba districts;
- Pineapples and vanilla farming: although not grown in large numbers, pineapple and vanilla can do well in most parts of the region, especially Madaba, Namtumbo, and lower parts of Tunduru; and
- Sugarcane farming in Madaba and Songea Districts.

Preferred locations



Subject to soil suitability results, land could be availed for the two crops in:

- Madaba DC: sugarcane- potential area at Hanga and Lutukila rivers feeding into Luhuhu (approximately 1000 ha), and at Gumbilo and Mtyangibole areas (300 ha owned by village governments). Farmers are already organised but need capital injection;
- Songea DC: Sugarcane farming in Liganga Ward, Mdundwala Basin at Mtopesi (Mr Lutengano has 161.9 ha, needs partnership), and in Ruvuma and Luhila river basins;
- Mbinga DC: vanilla and pineapple farming; and

⁶ These ideas were flashed by the Regional Commissioner during the final debriefing meeting

Overview of investment opportunities in cocoa, pineapple and sugarcane farming

	<ul style="list-style-type: none"> Nyasa DC: cocoa and vanilla farming.
Investment rationale	<ul style="list-style-type: none"> The market for fruits is expanding; Land for production is available; and Investors are welcome to use research results on soil suitability from Uyole and Naliendele agricultural research centres.
Available support	<ul style="list-style-type: none"> ASDP-II supports introduction of new commodities; Research stations at Uyole and Naliendele; and Government is determined to support private sector efforts to improve productivity by supplying better yielding crop varieties.

3.3.3 Natural Resources Beneficiation

1. Forest Plantations, Saw Mills and Furniture Making

Overview of investments opportunities in forest plantations and timber products

Key features




- Establishment of modern saw mills; and
- Establishment of furniture factory.

Preferred areas

- Namtumbo DC has the largest area (540,036.6 ha);
- Tunduru DC has 323,125 ha of forests. A factory can be built at Malumba Ward (one can get more than 80.9 ha from Namasakata, Nampungu, and Nalasi village governments). Additional 20.2 ha are available at Mlingotini Mashariki Ward;
- Songea MC: 7,632 ha;
- Madaba DC: Wino, Matetereka, and Matumbi (status: SUA occupies 10,000 ha at industrial area, 10,000 ha at Ifinga is for TFS, and Wino Wood 10117.1 ha). Mkongotema and Uwima have also about 25,000 ha;

Overview of investments opportunities in forest plantations and timber products

	<ul style="list-style-type: none"> ▪ Mbinga TC: Around Mount Lihumbe (about 183 ha available), and Luangai Hills (about 200 ha); and ▪ Nyasa: Upolo, Mpepo and Malungu villages can provide approximately 121.4 ha (buying is also possible).
Investment rationale 	<ul style="list-style-type: none"> ▪ In 2015 had a total of 1,283,870 ha of natural forest reserves; ▪ It is one way of generating employment for youth; ▪ Sawdust can be used for charcoal making; and ▪ Tree planting is also big business: for example, in Mbinga TC all 29 streets and 49 villages need re-forestation.
Available support	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels; and ▪ Increase of excise duty on imported furniture (2017/18 Budget Speech).

3.3.4 Service Sector: Land Use Services, Hotels, Recreational Facilities and Transport Logistics

1. Land Use Plans and Real Estate Development

Most of the land in the region is not surveyed and has no title deeds. It also lacks land use plans except in limited parts of urban areas. The Government has formalised outsourcing of such services from private companies who can provide the much-needed skilled human resource and modern equipment for land surveying, i.e. Geographical Positioning System (GPS) and geo-system or programme used for drawing maps.

Overview of investment opportunities in surveying and land titling and real estate development

Key features



- Surveys to demarcate and prepare maps for different uses, such as commercial, business and farms;
- Preparation of title deeds of the surveyed land; and
- Real estate development.

Overview of investment opportunities in surveying and land titling and real estate development

Preferred locations



All LGAs need this service but mostly needed as a matter of urgency in the newly created LGAs, namely:

- Nyasa DC: Likwilu housing area (about 3.2 ha); Kilosa-Juu (about 2.02 ha), Kilosa Mhalo Beach (about 1.6 ha). These are surveyed planned areas, so they have to be compensated; and
- Namtumbo DC: Land owned by District Council: VETA Suluti (planned area for housing estate: 4.01 ha); and Lusenti Mahengo (2.8 ha).

Investment rationale

- Producers in need of warehouses to mitigate negative effects of seasonal price fluctuations; and
- Need for more professional storage facility.

Available support

- National policies allow private sector operators to complement Government efforts;
- Songea Regional Land Office and Mtwara Zone Land Office to support;
- National Association of Land Surveyors; and
- Ardhi University to support in newest technologies in surveying and mapping.

2. Social Services Parks in all LGAs

Overview of investment opportunities in development of parks for social services

Key features



- Social services cluster: Passenger transportation stations; well-being centres; learning centres (pre-primary, primary and secondary schools and vacation training centres); shopping malls; and modern and specialised hospitals;
- Mbamba Bay Port: A site has already been identified, and land owners have been compensated to pave way for the construction of an expanded and modern port;
- Hospitality industry: hotels, restaurants, recreation centres, and tourism;

Overview of investment opportunities in development of parks for social services

	<ul style="list-style-type: none"> ▪ Market centres: modern markets in all LGAs; and ▪ Commercial business and trade services centre: business centre; financial and insurance centre; trade centre with an agro-commodity exchange; supply chain service centre; and cold chain trucks.
<p>Investment rationale</p> 	<ul style="list-style-type: none"> ▪ Need for a well-designed and participatory planned sustainable development approach where Government can easily support and/or provide public goods such as electricity, communication facilities, water, roads, and security to investors; ▪ Need of public and private investments in urban planning and urban infrastructure development to have well planned towns in line with laws and regulations; and ▪ Ruvuma Region must take advantage of its strategic geographic position to develop industries that can produce goods at competitive costs for penetrating and accessing the EAC, SADC and COMESA trading blocs through land, water and air ways.
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Strong support by national and regional authorities; ▪ Ruvuma Region has established a unit dedicated to investment promotion to work closely with the TIC Zone Office based in the region; and ▪ Government has promised to solve the problem of electricity supply in due course.

3. Health Care Facilities: Hospitals, Health Centres and Dispensaries

Overview of investments opportunities in health facilities

Key features



- One dispensary serves 3-5 villages/*mitaa* (against a target of 1:1 ratio); and
- One health centre serves 5-10 wards (against the policy of 1:1 ratio).

Overview of investments opportunities in health facilities

Preferred locations	<ul style="list-style-type: none"> ▪ Tunduru: Kadewelee area ideal for hospitals; and ▪ All LGAs want to have private owned hospitals to supplement Government centres.
Investment rationale 	<ul style="list-style-type: none"> ▪ District hospitals are under-equipped and understaffed; ▪ New Government district hospitals are being planned for Nyasa and Madaba districts so investors should find out what additional facilities might be needed in LGAs with established hospitals; ▪ There is shortage of good quality facilities in all LGAs; ▪ Purchasing power has improved and people can afford to get better services; and ▪ Universal health insurance has been introduced so health care facilities are assured of patients who can settle bills.
Available support	<ul style="list-style-type: none"> ▪ National health insurance scheme; and ▪ Government policy for universal primary health cover.

4. Warehousing for Commodities and Industrial Inputs

Overview of investment opportunities in warehousing


Key features 	<ul style="list-style-type: none"> ▪ New warehouses for storage of agricultural commodities ▪ Cold storage facilities; ▪ Managing warehouses for storage of agricultural commodities, especially those under the Warehouse Receipt System; and ▪ Renovation of old warehouses owned by cooperatives and Government.
Preferred locations	<ul style="list-style-type: none"> ▪ Namtumbo DC: site near prisons area in Namtumbo Town and some designated areas for industries and warehouses.
Investment rationale	<ul style="list-style-type: none"> ▪ Ruvuma Region belongs to the so-called “Big Six Grain Basket Regions”; ▪ There is always surplus that lacks storage facilities, there by necessitating emergency measures by Government


Overview of investment opportunities in warehousing

	<p>to save grain stocks temporarily stored in the open;</p> <ul style="list-style-type: none"> Producers in need of warehouses to mitigate negative effects of seasonal price fluctuations; and Need for post-harvest technologies suitable for smallholder farmers.
Available support	<ul style="list-style-type: none"> Agricultural marketing policy and laws; and Commodity warehousing legislation.

5. *Tourist Hotels and Camp Sites*

Overview of investments opportunities in tourism services

<p>Key features</p> 	<ul style="list-style-type: none"> Building tourist hotels along the lake shores and at game reserves; Camp site and hotels; Surface transportation facilities of tourists; Water transport vessels; Helicopters for site seeing; and Cultural tourism centres.
Preferred locations	<ul style="list-style-type: none"> Nyasa DC: Pomonda Stone and Cave at Liuli Village; constructing hotels and zoos at Lundo Island; ornamental fishes with approximately 600 species, climbing Mt. Livingstone; Namtumbo DC: Three Wildlife Management Areas (WMAs) (Mbarangandu, Kisungile and Kimbanda); Wards: Mchomolo, Lusewa and Namtumbo; also adjacent to Selous National Park; and Tunduru DC: Chingoli and Nalika areas (engaging in guided tours, hunting, and recreation).
Investment rationale	<ul style="list-style-type: none"> Some districts with tourist attractions lack good tourist hotels, forcing tourists to travel long distances from the attractions; and In view of the above, district residences miss the opportunities to earn incomes from tourism.

<p>Preferred locations</p> 	<p>All LGAs have identified their preferred locations for hotels, natural and historical sites that can attract tourists:</p> <ul style="list-style-type: none"> ▪ Madaba DC: Gesamasoa and Ifinga (they are a category 2 reserves with high potential); ▪ Tunduru DC: Chingoli and Nalika areas (engaging in tour guides, hunting, and recreation); and ▪ Namtumbo DC: Likuyu Dam, Mgombasi Falls, Ruvuma River (hippos and crocodiles). Attractions: caves (e.g. Bikira Maria at Kitanda); wildlife; flowers; slave caves (slaughter of slaves); and Linore (with ancient mosque also used for tradition warship).
<p>Available support</p>	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels; ▪ Land will be made available for construction of hotels, camping sites and airstrips; in some of these investments, PPP arrangements are envisaged. Some of these arrangements will be through joint ventures between private citizens and potential investors but to be facilitated by district councils. Currently, local governments are allowed by law to undertake some investments in their areas with or without PPP; and ▪ Good infrastructure that includes road and communication networks, electricity and markets.

6. Sports Stadium and Recreation Centres

Overview of investments opportunities in sports and recreation facilities


<p>Key features</p> 	<ul style="list-style-type: none"> ▪ Only two stadia (Majimaji and Zimalimoto) at Songea MC; other towns have none; ▪ Multi-purpose facilities; and ▪ Single purpose facilities.
<p>Preferred locations</p>	<ul style="list-style-type: none"> ▪ Songea DC: a site at Peramiho Ward (40.5 ha) for development of a sports centre; ▪ Tunduru DC: some land is available at Mlingotini Ward; ▪ Madaba DC: some land is available; ▪ Mbinga DC: some land in Kigonsera Ward; and ▪ Nyasa DC: some land in Kilosa Ward.

Overview of investments opportunities in sports and recreation facilities

Investment rationale	<ul style="list-style-type: none"> Population increase and in need of recreational facilities; and Increased purchasing power so people can afford to pay entry fees for entertainment.
Available support	<ul style="list-style-type: none"> Policy and political support at national, regional and local levels with respect to the importance of sports, as well as cultural and recreation centres.

7. *Urban Transport System and Services: Bus Stations and Vehicle Parking Facilities*

Overview of investments opportunities in urban transport systems and allied services

Key features 	<ul style="list-style-type: none"> Construction of modern bus stations to facilitate passenger transportation; and Construction of parking lots for trucks in towns and trading centres to facilitate cargo transportation.
Preferred locations	<ul style="list-style-type: none"> Songea MC: special parking for lorries; and All LGAs need facilities in their headquarters and some growing urban centres.
Investment rationale	<ul style="list-style-type: none"> The towns are expanding very fast and are attracting more business transactions and trade with the rest of Tanzania; The number of trucks has increased due to ferrying coal from Ruvuma Region to Tanga and Mtwara regions, and to neighbouring countries of Kenya, Uganda and Rwanda; The dynamics of passenger transportation have also changed after the completion of Mbinga-Songea-Tunduru-Lindi-Dar tarmac road. More pressure for such facilities is expected after completion of Mbamba Bay to Mbinga road; and Economic activities are already increasing, as evidenced by increasing GDP and GDP per capita.

Overview of investments opportunities in urban transport systems and allied services

Available support

- Political support from national, regional and local levels; and
- Songea MC has allocated land for the construction of the International Bus Terminal.

8. Modern Markets, Shopping Malls and Conference Facilities in Towns

Overview of investments opportunities in marketing and shopping facilities

Key features



Construction of the following facilities in response to increasing population and growing economy of the region:

- Shopping malls and offices;
- Conference halls;
- Markets for livestock;
- Business complexes;
- Classic restaurants and meeting rooms; and
- Kids playing facilities.

Preferred locations

- In all LGAs, starting with those which have already identified land for such investments;
- Songea MC: Tanga Ward (16.2 ha), Makingida (sports park), Mkuzo Social (Hall) Centre at Mfaranyaki;
- Mbinga TC: Area still under planning/design stage and will be ready end of 2018. But there are recreation centres at Soko-la-Wakulima area at Mbinga-Mji 'A' (approximately 300 sq.m - 50x60);
- Tunduru DC: Some unspecified amount of land available at Mlingotini Ward, Kadewele Ward (Diasi Village) and Biasi area (near planned new bus terminal);
- Tunduru DC: At Lukumbule Border area (Tanzania - Mozambique border); and
- Nyasa DC: Kilosa area.

Investment rationale


- Existing markets are inadequate: to decongest the current ones whose capacity is overwhelmed by increased population;
- Shopping malls will generate employment to the people of the region;

Overview of investments opportunities in marketing and shopping facilities

	<ul style="list-style-type: none"> Value added agro- products from investments on horticultural both for domestic, regional and international markets; and Increased domestic and foreign revenues.
Available support	<ul style="list-style-type: none"> Policy and political support at national, regional and local levels; Land is available for construction of shopping malls; and Good infrastructure, including road and communication networks, electricity supply and markets.

9. Solid Waste Management and Utilisation for Biogas Production and Organic Fertiliser

Overview of investment opportunities in recycling of urban and farm solid wastes

<p>Key features</p> 	<p>Growing urban centres such as Songea MC and farm residues, as well as by-products from agro-processing all do generate thousands of tonnes of organic matter that could be transformed into:</p> <ul style="list-style-type: none"> Electricity through combustion and steam-driven turbines; Bio-gas; and Charcoal briquettes (from farm waste). <p>A site for a waste recycling project has been identified in Songea Municipality and Mbinga TC.</p>
Preferred locations	<ul style="list-style-type: none"> Songea MC produces the highest amount of urban waste, while other LGAs generate more farm waste. This means, depending on project feasibility study and technology for waste processing, all LGAs are good candidates for this type of investment; Songea MC generate about 100 tonnes per day; and Mbinga DC: for coal briquettes - enough stock available.
Investment rationale	<ul style="list-style-type: none"> Alternative source of energy for domestic and commercial uses; Initiative to reduce climate change effects;


Overview of investment opportunities in recycling of urban and farm solid wastes

	<ul style="list-style-type: none"> Increasing the life span of landfill; Reducing green house effects; and Creating job opportunities.
Available support	<ul style="list-style-type: none"> Policy and political support at national, regional and local government levels for clean energy.

3.3.5 Capacity Development

1. *Private Primary and Secondary Schools*


Overview of opportunities in primary and secondary schools

<p>Key features</p> 	<p>Construction of school buildings for:</p> <ul style="list-style-type: none"> Science-based secondary and high schools; English medium primary schools; and Pre-primary preparatory centres.
<p>Preferred investment areas</p>	<p>All LGAs are expressing requirement, but mostly in:</p> <ul style="list-style-type: none"> Songea MC: land at Tanga Ward (671.4 ha) and in Sinai Ward (Mr Issa Nyoni has 80.9 ha); Nyasa DC: Malungu area can donate land for a girls' secondary school; Madaba DC: There are surveyed plots on sale for those who will need; Namtumbo DC: VETA Suluti area, and privately-owned land (4.05 ha) for PPP or purchase from Mr. Mussa Sengo at Sabato area; Tundururu DC: Need to invite private surveying companies to team up with the Council on Public Private Partnership (PPP) arrangements Mbinga DC: Land available at Mloweka Street (but needs compensation); and LGAs have set aside some land for construction of education facilities.
<p>Investment rationale</p>	<ul style="list-style-type: none"> Pass rates in secondary schools is below optimal level; Human resource is a central element in agricultural and industrial development;

	<ul style="list-style-type: none"> ▪ Lack of adequately trained workforce may impede attraction of investments in Ruvuma Region; ▪ Quality education at primary and high school levels is a potential investment area; and ▪ There are investment opportunities in privately-owned primary and secondary schools.
Available support	<ul style="list-style-type: none"> ▪ Existing support for improvements of the education sector in the country; and ▪ Increased awareness of people on the importance of educating their children.

2. Vocational Training Centres

Overview of investment opportunities in vocational training centres

Key features	Establishing vocational training centres to offer skills needed in running factories, farms and other investments.
Preferred areas 	<p>All LGAs express the need for vocational training centres, although newly established LGAs highly need them:</p> <ul style="list-style-type: none"> ▪ Nyasa DC: land available at Kilosa Chini, Linda, and Mpepo Wards; ▪ Namtumbo DC: VETA Suluti (8.1 ha) and private land at Migelegele, Lusewa, Minazini, and Mgombasi; and ▪ Tunduru: All wards may offer sites except Mlingoti East and Majengo wards, which have no land available. For example, Nandembo and Sisi-kwa-Sisi has land but it is not surveyed.
Investment rationale	<ul style="list-style-type: none"> ▪ In 2015 some 6,564 young people completed Form 4, of whom less than 15 percent had pass marks for Division I-III to qualify for advanced level schooling and colleges; ▪ This implies 75 percent requires vocational type of training; ▪ Demand for skills development is high, particularly in the areas of primary value addition of horticultural and honey products; ▪ In relation to the point above, all districts in Ruvuma Region produce huge amount of horticultural products but with hardly any skills for value addition;


Overview of investment opportunities in vocational training centres

	<ul style="list-style-type: none"> There is also high demand for well graded and well packed fresh vegetables and fresh fruits; and There is also a high demand by secondary processors for quality and graded horticultural products.
Available support	<ul style="list-style-type: none"> Policy and political support at national, regional and local government levels.

3. *Medical Facilities: Health Centres and Hospitals*

There is still a need to invest in combating the prevalence of diseases such as malaria, Acute Respiratory Infection (ARI), pneumonia, diarrhoea, Urinary Tract Infection (UTI), clinical Acquired Immune Deficiency Syndrome (AIDS), etc.; and shortage of human resource (especially nurses) and medicines. Investment is needed in the construction of more health care facilities, e.g. health centres, and provision of instruments/medicines and training of health/medical personnel.

Overview of the opportunities in health care facilities

<p>Key features</p> 	<ul style="list-style-type: none"> Public policy targets to reaching one health centre per ward is far from being achieved; Investment in health centres in the region is badly needed; Possibility of a referral private hospital is most welcome; and Diagnostic centres are also needed.
Preferred locations	<ul style="list-style-type: none"> Songea DC requires 15 health centres; Mbinga DC and Mbinga TC both require 14 health centres; Mbinga DC has set aside 4.9 ha at Kigonsera Village for building a nurses training college; Namtumbo DC requires 3 health centres; and Nyasa DC requires 4 health centres.
Investment rationale	<ul style="list-style-type: none"> Ruvuma Region has an increasing population that requires medical care;

Overview of the opportunities in health care facilities

	<ul style="list-style-type: none"> ▪ The pace of public investments in expanding health care facilities is slower compared to the increasing human population and the target for one health centre per ward; and ▪ Relatively more demand for health services especially in the newly created districts.
Available support	<ul style="list-style-type: none"> ▪ Policy and political support at national, regional and local government levels; and ▪ District hospitals available in all LGAs except in Nyasa (where 44 ha have been identified and drawings are ready for approval) and Madaba (with plans to start process of construction during the 2018/19 financial year).

3.4 Investments with National Scope

1. *Marine Transport*

Although marine transportation can be considered to have improved in Ruvuma Region compared to previous years, there is still demand for more vessels to take cargo and passengers.

Overview of investments opportunities in the marine transportation

Key features	<ul style="list-style-type: none"> ▪ Water transportation of passengers and goods is an expanding opportunity to increasing population and improving economic conditions of the people in Ruvuma Region and around Lake Nyasa; ▪ Introducing more scheduled vessels between Ruvuma and major towns; ▪ Introducing boats for water sports; and ▪ Introducing tourist cruise ferries/ships.
Investment rationale	<ul style="list-style-type: none"> ▪ Need to offer competition to existing vessels; ▪ Low capacity of existing vessels plying between lake shore towns; and ▪ Demand for commodities produced in Ruvuma to be supplied in towns in neighbouring Malawi.



Overview of investments opportunities in the marine transportation

Available support

- Marine transport policy and laws protect air transport business;
- Patrol boats in place; and
- New radar system to ensure the lake is secure and safe.

2. Finance and banking Services

Although there are about five financial institutions with a national scope that provide financial services in Ruvuma Region, none of them provide long-term development finance suitable for industrial investments.

Overview of investment opportunities in the banking sector

Key features



- In need of new banks or improvements in existing banks:
 - Banking facilities in support of agricultural and livestock production;
 - Banking facilities to support agro-processing industries and other industrial and service sector investments;
 - Banking facilities to support manufacturing based on the region's natural resources; and
 - Trade financing facilities.

Investment rationale

- The Tanzania Agricultural Development Bank (TADB) is a national bank dedicated to support long-term agricultural investments in the agricultural sector. It cannot handle all the applications and so there is a need for additional support from the private sector;
- The Tanzania Investment Bank (TIB) offers long-term development financing for industrial development. It cannot handle all the bankable projects; and
- Most of the banks offer commercial loans that are not suitable for long investment financing.

Available support

- Licensing of financial institutions is done by the Bank of Tanzania;
- Finance and banking policies provide attractive conditions for the banking sector;
- Monetary and fiscal policies have led to macro-economic stability with controlled inflation rates; and
- Security to businesses and banks throughout the region.

FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES

Most of the policies and laws, unless specified, are applicable nationally for specific sectors. LGAs, through the blessings of the city, town or district full Councils, are mandated to enact by-laws and notices that must also be endorsed by the Minister responsible for that sector, although most of the time the Minister responsible for Regional Administration and Local Government (RALG) is responsible for gazetting such by-laws and notices. Below is a summary of issues related to facilitation, processes, requirements, and incentives for investment in Tanzania in general, and in Ruvuma Region specifically.

4.1 Supportive Policies and Legal Environment

The key investment policies, laws, strategies, plans and programmes that are promoting investment in the region are presented below.

4.1.1 Policies, Legal, Institutional and Regulatory Considerations

A. Key policies

Policies to guide investment promotion and interventions in Ruvuma Region's relevant areas are: National Investment Promotion Policy (1996); National Agricultural Policy (2013); National Livestock Policy (2006); Sustainable Industrial Development Policy (SIDP) (1996-2020); National Trade Policy for Competitive Economy and Export-led Growth (2003); National Microfinance Policy(2000); National Forest Policy (1998); Bee Keeping Policy (1998); Small and Medium Enterprises Development Policy (2003); National Land Policy (1995); National Environmental Policy (2017); The Mineral Policy of Tanzania (2009); Tanzania Mining Industry Investor's Guide (2015); and Ruvuma Region Authority Development Plans as well as the political will of the region to attract investors.

B. Key laws

The major laws and regulations that guide investment promotion and activities in Ruvuma Region are: Tanzania Investment Act (1997); Tax Legislations; Land Act (1999); Village Land Act (1999); Mining Act (1998); Tanzania Bureau of Standards Act (2009); Tanzania Food and Drugs Act (2003) and Regulations; Plant Protection Act (1997) and Regulations; The Mining Act (2010); The Mining Regulations (2012); and other sector Acts and relevant Ruvuma Region bylaws.

4.1.2 Strategies, Plans, and Programmes

The key strategies, plans and programmes are: Annual Regional Plans and Annual Reports; PO-RALG Reports; District Council Development Plans; FYDP II; Agricultural Sector Development Strategy and Programme (ASDP II) 2017-2022; Livestock Sector Development Programme (2011); Ministry of Industry Trade and Investment's Reports; and Integrated Industrial Development Strategy (IIDS 2025). Others are the National Rice Development Strategy; Tanzania Agriculture and Food Security Investment Plan; and Agricultural Growth Corridor in Tanzania.

The above policies, regulatory frameworks, strategies and plans support the investment climate in Ruvuma Region by sound frameworks that offer an appropriate environment, which encourages investments in the region. The key issue is for the regional leadership to make sure that the processes and requirements outlined below are interpreted and adapted earnestly at the regional and local level.

The leadership of Ruvuma Region is determined to be doing that and to ensuring speedy implementation of the prioritised investment opportunities and put in place a climate that is conducive to investing in the region.

4.1.3 Investment Options: Private, PPP, PPCP, and Joint Ventures

Investment options available in Tanzania include individual private sector investments, PPP, Public-Private Community Partnerships (PPCP) and Joint Ventures (JV).

A. Public-Private Partnerships

The Government recognises the role of private sector in bringing about socio-economic development through investments. PPP frameworks provide an important instrument for attracting investments. Indeed, PPP have been identified as viable means to effectively address constraints of financing, management and maintenance of public goods and services.

The public sector, through PPP, is encouraged to maximise synergies between the public and private sectors in mobilising and deploying resources. The PPP approach has been widely used in other countries to finance infrastructure and other long-term investment projects. The approach is a way to amalgamate public and private capital and expertise for public projects in which the private sector has interest in sharing ownership.

The PPP Act (2010) and PPP Regulations (2011) give areas of collaboration, which comprise of investment capital, managerial skills and technology. Additionally, PPPs can enable the Government to fulfil its responsibilities in efficient delivery of socio-economic goods and services by ensuring efficiency, effectiveness, accountability, quality and outreach of service.

The concept of PPP entails an arrangement between public and private sector entities whereby the private entity renovates, constructs, operates, maintains, and/or manages a facility in whole or in part, in accordance with specified output specifications. The private entity assumes the associated risks for a significant period of time and, in return, receives benefits and financial remuneration according to agreed terms. PPPs constitute a cooperative venture built on the synergy of expertise of each partner that best meets clearly defined public needs through the most appropriate allocation of resources, risks and rewards.

Most PPPs implemented in Tanzania are concession arrangements for running existing enterprises with limited provisions for rehabilitation and new investments. It is noteworthy that in the case of services, PPPs have been implemented successfully by Faith-Based Organisations (FBOs) in education, health and water sectors for many years. Private sector participation in areas previously treated as the monopoly of the public

sector has made major contributions to increasing the pace of growth and development in many countries.

B. Public-Private Community Partnerships

This is a variant of PPP in that it includes communities/villages where the nature of a project requires that community resources (such as land) become part of a project, which both the public (particularly LGAs) and the private sectors are interested to invest in.

C. Joint ventures

The Tanzanian Government encourages joint ventures between domestic firms or individuals and foreign investors. Many foreign firms have recently partnered with the National Development Corporation (energy), Tanzania Petroleum Development Corporation (bio-fuels), and the National Housing Corporation (real estate ventures).

4.2 Facilitation: Processes and Requirements

Ruvuma Region and Central Government have set and are striving to improve the investment climate to entice and facilitate investment in the region, and ensure speedy decision making. The region has the obligation to interpret and adapt these processes, requirements and incentives for investment to fit the region's investment profile and priorities. These processes and requirements are subject to changes towards improvements from time to time.

4.2.1 Lead Institution

TIC is a one-stop agency of the GoT established under the Tanzania Investment Act No. 26 of 1997 to promote, co-ordinate and facilitate investment in Tanzania. The Centre is a focal point for all investors and performs all liaison work for the investor from enquires right up to project start up.

The minimum investment capital threshold for an enterprise to qualify for registration under the Centre is not less than US\$ 500,000 if foreign or joint venture owned, and US\$ 100,000 for domestic investors. Under the one-stop facilitation agency, TIC assists all investors to obtain permits, licences,

approvals, authorisation, etc., required by other laws to set up and operate investment ventures in Tanzania.

TIC contacts are:

Headquarters: Executive Director, Tanzania Investment Centre, Plot no; 9A&B, Shaaban Robert Street, P.O Box 938, Dar-Es-Salaam, Tanzania, Tél: 255 22 2113365/116328-32 Fax: 255 22 2118253, Email: information@tic.go.tz

4.2.2 Main Institutions Dealing with Investment in Tanzania and Ruvuma Region

The main institutions dealing with investment issues in Ruvuma Region and Tanzania at large are: TIC, BRELA, TRA, TANESCO, TBS, Ministry of Industry, Trade and Investment (MITI), water supply companies in respective regions, municipal authorities in respective districts (on land issues), Ministry of Water (MoW), Ministry of Agriculture (MoA) and Ministry of Livestock and Fisheries (MLF).

4.2.3 Registration

Registration of an investment can be undertaken at the local BRELA and TIC district, regional or national offices and requires the following documentation: (i) Memorandum and Articles of Association; (ii) Certificate of Registration or Certificate of Incorporation; (iii) Investment Feasibility Study; (iv) Certificate of Incentives in the case of projects approved by TIC; (v) Partnership Agreement (deed), in the case of a partnership; (vi) Lease Agreement; (vii) Business Enquiry Forms; (viii) IT 21 forms for companies and IT 20 forms for individuals; and (viii) Company and Operators' Certification of Registration for Tax Payer Identification Number (TIN).

4.2.4 Central Government Taxes

The taxes involved in investment projects in Ruvuma Region are various, and include the following:

A) Corporate Tax

Corporate tax is charged at the rate of 30 percent for both resident and non-residents. In case of newly listed corporate to the Dar es Salaam Stock

Exchange, with at least 30 percent of its equity ownership issued to the public for three consecutive years from the date of listing, corporate tax is 25 percent for both resident and non-resident.

Further, corporate bodies with perpetual unrelieved losses for three consecutive years (excluding corporate bodies conducting agricultural business, provision of health care or education), corporate tax is 0.3 percent of annual turnover for resident corporate bodies. Other incentives under corporate tax include a reduced rate from normal 30 percent to 20 percent for a new entity dealing in manufacturing of pharmaceutical and leather products, and 10 percent rate for corporations investing in a plant for assembling motor vehicles, tractors and fishing auto boats.

B) Personal Income Taxes

Residents are subjected to personal income tax where total income exceeds Tsh. 2,040,000 per annual. Income of a non-resident employee of a resident employer is subject to withholding tax of 15 percent. The total income of non-resident individual is chargeable at the rate of 20 percent (the monthly income includes basic salary, overtime, bonus commission and other allowances).

The Skills And Development Levy (SDL) are payable by any employer who employs four or more persons; the rate is 4.5 percent of the gross wage. Exempted employers from SDL include diplomatic missions, registered education institutions, charitable organisations, farm employment, foreign institutions dealing with technical assistance and the United Nation Organisation and its agencies.

C) Withholding Taxes

Withholding taxes on dividends from corporations listed at the Dar es Salaam Stock Exchange are 5 percent for both resident and non-resident persons. Dividend from other corporations the rate is 10 percent. The rate withheld on interest is 10 percent, and on Royalties is 15 percent for resident and non-resident persons. Further, the rates withheld on management & technical services fees [mining, oil and gas] are 5 percent for residents and 15 percent for non-residents.

D) Value Added Tax (VAT)

VAT is a consumption tax charged at a single rate of 18 percent . Registration is compulsory for any business that has a turnover of more than TZS 100 million per annum. However, there is an exception to registration of those dealing with professional services, as they are required to be registered for VAT regardless of their turnover. Applicants for VAT registration should complete form Number VAT ITX245.02. E.

A registered taxpayer is required to file a VAT return monthly. Under VAT, incentives include zero rate for all exports, VAT deferment on plant and machinery, VAT exemption of imported plant and machinery by local manufactures and processors of vegetable oils, textiles, pharmaceutical and skins and leather manufactured in Tanzania Mainland.

VAT returns are supposed to be filed at the 20th day of the month after a tax period. However, where the 20th day falls on Saturday, Sunday or public holiday, the VAT return shall be lodged on the first working day following Saturday, Sunday or holiday. For imports, VAT is payable at the time the import duty is due and payable in accordance with East African Community Customs Management Act, 2004.

Exports are zero rated under the VAT Act, 2014, which also provides for VAT exemption. Exempt supplies and imports are provided in the schedule to the VAT Act, Cap 148 r/w Finance Act 2017.

4.3 General Investment Incentives

Investors registered by Tanzania Investment Centre pursuant to Tanzania Investment Act,1997 (TIA, 1997)are accorded various investment fiscal and non-fiscal incentives as stipulated in various applicable tax and other laws.

Fiscal incentives under TIC include 100 percent import duty exemption on capital goods and 75 percent on deemed capital goods (regarding deemed capital goods, investor shall pay 25 percent of import duty due) Deemed capital goods that are eligible for exemption are specified depending on the project sector. Additional fiscal incentives may be granted to investments that meet strategic investor status provided for under Section 20 of the TIA, 1997

Non-fiscal incentives include five automatic immigrant quotas granted to the project during its implementation period, whereby additional quota may be granted based on project size, technology or any other agreements with the Government

EPZA also provides incentive packages according to Export Processing Zones Act No. 11 of 2002.

Investments in Tanzania are guaranteed against nationalisation and expropriation. Tanzania is a member of both the International Centre for Settlement of Investment Disputes (ICSID) and MIGA.

***Please Note:** Information on Taxes and Investment incentives explained above are subject to periodic changes as the government keeps on improving investment climate in the country. Please contact Tanzania Revenue Authority (www.tra.go.tz) and Tanzania Investment Centre (www.tic.go.tz) for current updates.*

4.4 Access to Resources

4.4.1 Land for Investment in Tanzania

The Ministry of Lands, Housing and Human Settlement is mandated with land management in Tanzania. Land in Tanzania is under three categories, namely village lands, general lands and reserve lands.

According to the Land Act, the whole land of the United Republic of Tanzania is owned by the public and the President as a Trustee. This means that land in Tanzania is vested to the public, and citizens own land under leasehold tenure.

Section 20 of the Land Act No. 4 of 1999 specifically provides for a procedure to allocate/grant of land to non-citizens for investment purpose under the Tanzania investment Act, 1997. Land for investment purpose shall be identified, gazetted and allocated to the Tanzania Investment Centre, which will issue a Derivative Right of Occupancy to the investor. More information on acquisition of land for investment is available on www.ardhi.go.tz

4.4.2 Land for Investment in Ruvuma Region

Various parcels of land of different sizes have been earmarked by each district council in Ruvuma Region and set aside for specific targeted investment. Such land parcels have been listed in detail under Part Three of this Investment Guide.

4.4.3 Banking and Financial Services

The banking sector in Tanzania has been booming, growing in assets and in profits. Because of this, new merchant banks, commercial banks, *bureau de change*, insurance companies, a stock exchange and related financial units have entered the market.

There are four categories of banks, oriented towards different markets and clientele operating in Tanzania: local private banks, regional banks, international banks and multinational banks. Overall, the outlook for the banking industry in Tanzania is very positive and there are appealing opportunities for newcomers to the sector as investors and borrowers. Banks are found in all districts of Tanzania.

Tanzania's higher-than-average economic growth rate is fuelling the emergence of an educated middle class that aspires to achieve a more affluent lifestyle in which traditional depository, credit, insurance, and investment products play an important role. The growth of this middle class is expanding national demand for financial services from established providers and could represent a new opportunity for financial services companies looking for growth. Currently, there is a positive trend in lending to SMEs that is producing greater confidence in their growth potential among financial institutions, and more generally, in the economy as well, which is generating a positive spiral. In addition, the Government is also introducing new laws that are expected to enhance lending activities.

4.4.4 Labour

Ruvuma Region has surplus labour due to low employment. While some of the labour is unskilled, there are efforts to build a skilled labour force especially through vocational colleges. The region has nine vocational training centres,

and investors are welcome to build skills development institutions in every council.

4.5 Inclusion and Participation of the Private Sector

The region plans to stimulate its industrial and economic development base through attracting additional private and PPP investments in order to increase its value addition in key sectors like agriculture, as well as manufacturing, to strengthen competitiveness and to raise its GDP. The regional government and district authorities are ready and committed to provide a series of further support services and incentives to drive industrial development and growth in the short, medium and long-term plans.

According to the national policies it is the role of the public sector to provide basic enablers such as land, utilities, and infrastructure. These are normally supported and constructed using district, regional and national public budgets in addition to other resources or development partners' support. It is the private sector that is mainly supposed to play a major role in investing in the region in the production, transportation, storage, processing, and development of value chains and marketing of the products.

However, for the private sector to play its role effectively, Ruvuma Region authorities will create an enabling environment through provision of prerequisite infrastructure, incentives, formulation/review and enforcement of investment friendly policies, regulations, and procedures. Regional authorities will promote PPPs and PPCPs, and facilitate joint ventures between potential investors and local private investors.

Such partnerships and joint ventures are critical for the achievement of objectives of capital and technology intensive investments including build, operate and transfer approach. In addition, the private sector will be assisted in improving delivery, and enabled to thrive and be competitive by facilitating access to affordable input and output factors nationally and internationally.

PART FIVE

KEY CONTACTS IN RUVUMA REGION

This part provides important contacts in the region which will help potential investors in making follow up for the opportunities they want to invest in.

5.1 Key Websites

Office	Website
Ruvuma Regional Secretariat	http://www.ruvuma.go.tz
Songea MC	http://www.songeamc.go.tz
Mbinga TC	http://www.mbingatc.go.tz
Songea DC	http://www.songeadc.go.tz
Mbinga DC	http://www.mbingadc.go.tz
Nyasa DC	http://www.nyasadc.go.tz
Tunduru DC	http://www.tundurudc.go.tz
Namtumbo DC	http://www.namtumbodc.go.tz

5.2 Key Contacts

5.2.1 Regional Commissioner's Office

Office	Post Office Box	Telephone/ Mobile Phone	E-mail
Regional Commissioner (RC)	P.O. Box 74, Songea	+255 252602238 Fax: +255 252602144	ras.ruvuma@tamisemi.go.tz
Regional Administrative Secretary (RAS)	P.O. Box 74, Songea	+255 252602256 Fax: +255 252602144	ras.ruvuma@tamisemi.go.tz

5.2.2 Songea MC

Office	Municipal Director		E-mail
	Post Office Box	Telephone/ Mobile Phone	
Mayor	P.O. Box 14, Songea	+255 252602970 Fax: +255252602474	info@songeamc.go.tz
Municipal Director	P.O. Box 14, Songea	+255 252602970 Fax: +255252602474	info@songeamc.go.tz

5.2.3 Town Council

Office	Town Director		E-mail
	Post Office Box	Telephone/ Mobile Phone	
Mbinga TC	135, Mbinga	+255 25-2640664	ictsecurity@mbingatc.go.tz

5.2.4 District Councils

LGA	District Executive Director		E-mail
	Post Office Box	Telephone/ Mobile Phone	
Songea DC	995, Songea	+255 25 2602320	dedsongea@songeadc.go.tz
Madaba DC	10, Madaba	+255 762 880500	info@madabadc.go.tz
Mbinga DC	194, Mbinga	+255 252640005/4 Fax: +255 252640005	mbingadc@mbingadc.go.tz
Nyasa DC	90, Mbamba Bay	Cell: +255252952003 Fax: +255252952005	ps.ded@nyasadc.go.tz
Tunduru DC	275, Tunduru	+255 252680004 Fax: +255252680088	info@tundurudc.go.tz
Namtumbo DC	55, Namtumbo	+255 2526 75008 Fax: +255 252675008	ded@namtumbodc.go.tz







The United Republic of Tanzania
President's Office Regional Administration and Local Government

Ruvuma Regional Commissioner's Office
P.O. Box 74, Songea.
www.ruvuma.go.tz