

TANGA REGION INVESTMENT PROFILES

1. TANGA CITY COUNCIL

Tanga City is located on the shores of the Indian Ocean in north east Tanzania, has a land area of 474 square kilometres and had a population of inhabitants in 2013 (Population and Housing Census, 2012). It was known to Shirazi Persians over a thousand years ago, had thriving trade links with Asia and the Middle East in the 13th Century, and became a continental gateway, including for the colonial activities of Omani Sultans, the Germans and British. During the past century and half, it developed functions as a transport, commercial, administrative, military and urban-industrial hub and as an important engine of the Regional and National economies.

The City is the fourth largest population agglomeration, second largest port, third largest industrial centre in Tanzania, and also the headquarters of Tanga Region, Tanga District and Tanga City Council. It has among the best economic and social infrastructure in the country, and is well connected by road, rail and telecommunications with large markets in Eastern and Central Africa. There also are institutes in medical and livestock research, the largest Regional hospital and five companies offering financial services. An airport provides air services to other urban and tourism centres in the country. Nearby across the channel lie the islands of Pemba and Zanzibar.


Tanga City Council seeks to reassert Tanga City's role as an engine of economic growth despite the reversals due to the collapse of the sisal industry and the setbacks in industrial production during the 1970s'-1990s'. The main purpose of Tanga City Council is to deliver development and socio-economic services that will raise income per capita and empower the Tanga population through better use of locally available resources. Its mission is to assist investors in their investment activities. An emerging "public-private partnership" in development underpins its economic revival. More investment is the instrument for consolidating and strengthening this process.

The investment opportunities and specific projects in various sectors are as follows:

PROFILE AND MAIN AREAS OF INVESTMENT OPPORTUNITIES

1.1 Land allocated for Housing estates and commercial complex

Product	Construction of housing estate or commercial complex at Chuda area.
Potential target areas	The site is located at Chuda area at City Centre and measures 14,181 square meters under the ownership of Tanga City Council. The site is about 300 meters from Tanga Regional Commissioners' offices and easily accessible.

	
Market situation	Tanga is the growing City with high demand of accommodation.
Target market	Employees from different institutions, individuals,
Future expectations	Demand will tend to be high due to various offices opened and operated in Tanga and this is due to various economic potentials available. This investment will then solve to some extent problem of housing (accommodation) in Tanga
Energy and communication	The site has all necessary facilities including electricity, road and water. There also available communications (telephones).
Quality demands	Expecting is to deliver services with high quality which will meet International standards of real estates
Other expected investment	To improve availability of other services like Internet café, shops/markets and communication services
Type of investor	Strategic Investor with capital to construct housing estate/commercial complex, experience and operational strategy

1.2 Infrastructure development in Bus and Lorry stand:

Product	Developing infrastructure and facilities for passengers and other passenger users including bank services, hotels and shops.
Potential target areas	Kange bus stand and lorry park 5km from City Centre. The area has a total of 70,000 m ² . (40,000 m ² for bus stand and 30,000 m ² for Lorry stand
Market situation	There will be a high demand of such facilities because currently there is no such services
Energy and communication	The site has all necessary facilities including electricity, road and water. There also available communications (telephones).this site is adjacent to main road (Tanga – Segera road). There is

	opportunity of producing electricity from other sources like gas and diesel rather than the electricity produced by TANESCO.
Target market	Demand for newly constructed stand facilities will be high and the target group are passengers, people around drivers and other workers of the buses and lorries
Market imperfection	There are several expenses required to initiate the development of the infrastructure and facilities supporting the stand.
Quality demands	High quality Hotel services with International standards, peace and security
Type of investor	Strategic Investor with capital to construct housing estate/commercial complex, experience and operational strategy

1.3 Gofu Industrial Area

Product	The area is suitable for establishment of small industries for production of different goods like clothes, oil, food storage etc.
Potential target areas	The area is part of industrial area located at Majengo. It is located about 1.5 km from the City centre. It occupies about 7,289 square meters.
Energy and communication	The site has all necessary facilities including electricity, road and water. There also available communications services (telephones and internet).
Target market	The target market is the population of Tanga city, neighbouring Districts and Regions including Zanzibar and Pemba as well as neighbouring Countries
Transport	Easily Transportation of goods and resources due to availability of good road network, harbor and rail
Quality demands	Quality goods which meet International standards of the goods produced
Future expectation	Constructions of godown for storage of products and raw materials
Type of investor	Private sector with capital to invest in Industrial business is invited

2 MUHEZA DISTRICT

INVESTMENT OPPORTUNITIES

INTRODUCTION

Muheza is one among eight Districts of Tanga Region, it has total area of 1,974 square kilometers and population of 204,461 people (2012 census), and it is divided administratively into 4 divisions, 33 Wards and 135 Villages.

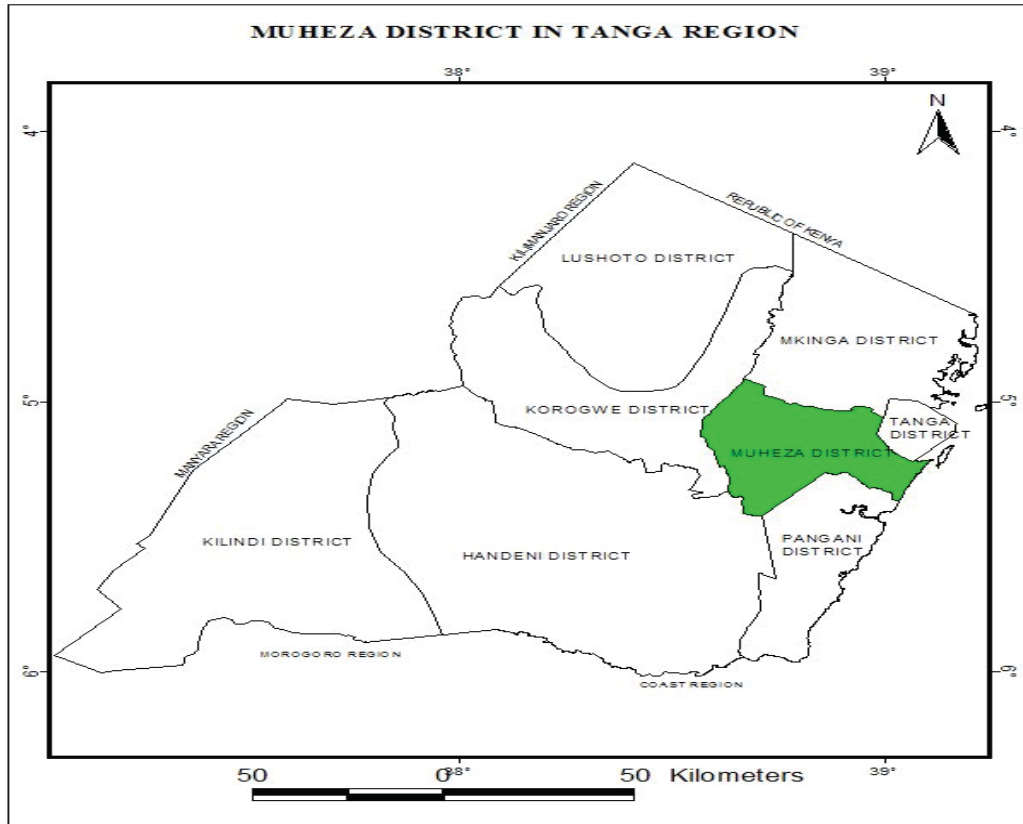
Location and climate

Muheza District is located in north-east Tanzania, North East it bordering with of Tanga City, Mkinga on the North, Pangani in the South and Korogwe District in West as shown in the Figure I below.

The climates range from hot and humid in the Coastal plains to temperate in the mountains. December to March is usually hot with temperatures of around 30° C. During May to October temperatures fall to about 24° C to 28° C., nights become much cooler in the Usambara.

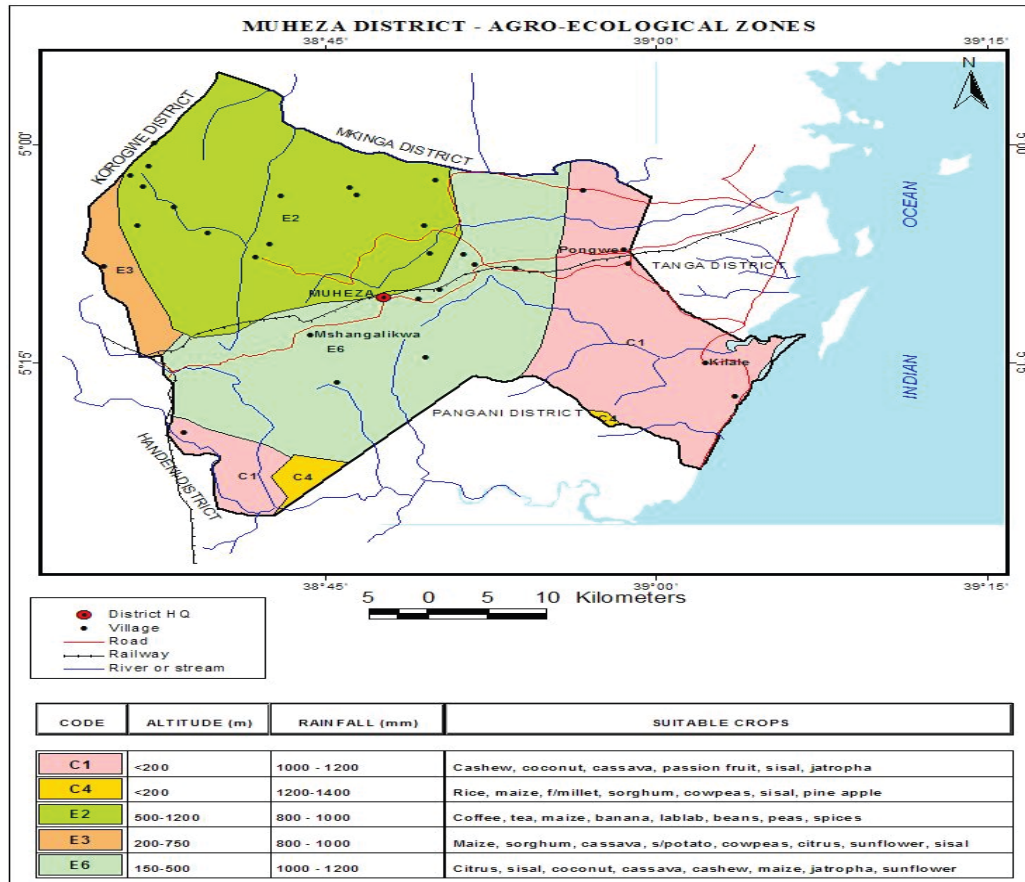
Mountains and both its highlands and foothills have variable local conditions dictated by their altitude and exposure to the sun and the prevailing winds from the Indian Ocean.

Air masses from the Indian Ocean are the main source of rainfall. The coast generally receives between 1,100mm and 1,400mm of rain fall a year, two rain seasons the long rains (**masika**) from February to May; and short rains (**vuli**) from October to December. Rainfall is critical for agricultural production, which is the mainstay of Muheza District's economy and livelihood.



2.1 Agro – Ecological Zones

Muheza District has marked spatial differences in rainfall amount and temporal pattern, geology, landform and soil type, it can be divided into 5 District agro ecological zones with different land use potentials and cropping possibilities (Map 2 – C1, C4, E2, E3 and E6). Most of the zones have two rainfall seasons with sufficient length allowing grow of variety of crops. Consequently most settlement is concentrated in such zones. These include the coastal plains with the potential for earning a livelihood from fishing on the Indian Ocean shoreline and the upland and foothills of the Eastern Usambara Mountains. The drainage systems of this District consisting of the Pangani, Zigi and Mkulumuzi rivers flow into the Indian Ocean and dissect the lowlands.



Zone C1: Lies East and South of District below 200m, this zone receives rains 1000mm – 1200mm, it has two growing season: from March to June and September to December. There is low soil fertility, low water holding capacity and low altitude below 200 meters. Main crops grown are cassava, jatropha, sweet potatoes, cashew nuts, pineapples, citrus, passion fruits, sisal and coconuts.

Zone C4: Lies East and South of the District below 200m. Receives rain between 1200mm – 1400mm twice a year, the growing seasons are from March to June and October to December; soil type is low soil fertility, medium water holding capacity and low altitude. Main crops in this zone are Maize, Rice, Millet, Sorghum, Cow peas, pineapple, groundnuts, sisal, citrus, sunflower.

Zone E2: It lies northwest of District 500m – 1000m. Rains are between 800mm – 1000mm twice a year and the growing seasons from February to June heavy rains and from October to December light rains. The soil is Medium soil fertility, high water holding capacity and high altitude. Main crops in this zone are Maize, Arabica Coffee, Tea, Cocoa, Round potatoes, Bananas, Pyrethrum, Lablab, Beans and Spices (cloves, cardamom, cinnamon, black popper, ginger).

Zone E3: Located 200 – 750m west of District, rainfall is 500mm – 1000mm; once a year from November to April. The soil is Medium soil fertility, high water holding capacity, medium altitude; Crops grown are Maize, sorghum, cassava, coffee, tea, sweet potatoes, cowpeas, citrus, sunflower and sisal.

Zone E6: Located 150 – 500m North and Central part of District, rainfall is 100mm – 1200mm, the growing seasons from March to May. The soil is moderate to low soil fertility and low to medium water holding capacity. Grown crops are Millet, citrus, coconut, cassava, cashew nuts, maize jatropha and sunflower.

The economy of the District

Livelihoods and the economy of Muheza District is dominated by agriculture and natural resource based activities like forestry, fishing and mining. In 2002 census, they accounted for about 89% were farmers, 107% were livestock keepers, 1.1% were fishermen, and the rest were mainly involved in forestry. Mining provided employment to only 0.08% of the labour force.

Commerce and Trade including street vending was the third most important source of livelihood engaging about 5.3% of the labour force. Other occupations and sectors included public administration and social services like education and health care occupying 2.4%.

The retile soil and good rainfall allow a variety of crops to be grown as state above. Some of these crops including oranges and spices (cloves, black pepper and cinnamon) are export.

Reasons to invest in Muheza District

The District has a relatively well developed agricultural base of intensive small holder production of food crops and estate production of cash crops like sisal and tea for export. It has economic advantages from its location on the transport, communications and power supply corridor linking Tanga City to other urban centers in coastal and northern Tanzania. The District is rich in natural resources from its mountain, coastal and marine habitats. The people of Muheza have industriously used their resources to provide food, fuel and other raw materials to neighboring districts and regions as well. The natural resource and location advantages need to be put in us for alleviation poverty and fostering socioeconomic development of a growing population. Appropriate investments are necessary to achieve economic growth, improve house hold incomes and the well being of people.

Thus, the Muheza District council has identified a number of types and areas for investment opportunities in the district through consultation and participatory survey.

The following are the selected sectors with investment opportunities and their Investment Profiling Matrices.

Available Investment opportunities

The District has identified three areas for investment as follows:-

1. Agro processing investment
2. Spices production and marketing
3. Dry Port

Agro-processing Industries

Proposed Products	Establishment of spice processing plants
Potential target areas/Locations	Available land at Chartur Estate Kibanda Ward (Lot Na. 12329, CT 9059 to be resurveyed Production capacity is 1,228 tons per annum Cloves – 77, Cardamom – 756, Cinnamon – 106, Black pepper – 229, Ginger - 60
Ancillary Investment	<ul style="list-style-type: none"> - Accessible by railway lines which connected to the central line. - The area which is connected to the rest of East African high ways - Presence of Indian Ocean which can facilitate sea transport approx 35km from Tanga Harbor. Electricity from the national grid is available
Proposed Products	Establishment of fruit processing unit
Potential target areas/Locations	Available land at Chartur Estate Kibanda Ward (Lot Na. 12329, CT 9059 to be resurveyed Current production is 80,000 tons per annum of citrus
Ancillary Investment	<ul style="list-style-type: none"> - Accessible by railway lines which connected to the central line. - The area which is connected to the rest of East African high ways - Presence of Indian Ocean which can facilitate sea transport approx 35km from Tanga Harbor. Electricity from the national grid is available

Transportation and Storage of goods

Proposed Products	Construction of dry Port
Potential target areas/Locations	Available land at Chartur Estate Kibanda Ward (Lot Na. 12329, CT 9059 to be resurveyed The area is potential for a construction of a Regional harbor
Ancillary Investment	<ul style="list-style-type: none"> - Accessible by railway lines which connected to the central line. - The area which is connected to the rest of East African high ways - Presence of Indian Ocean which can facilitate sea transport approx 35km from Tanga Harbor. Electricity from the national grid is available

4. KOROGWE DISTRICT COUNCIL

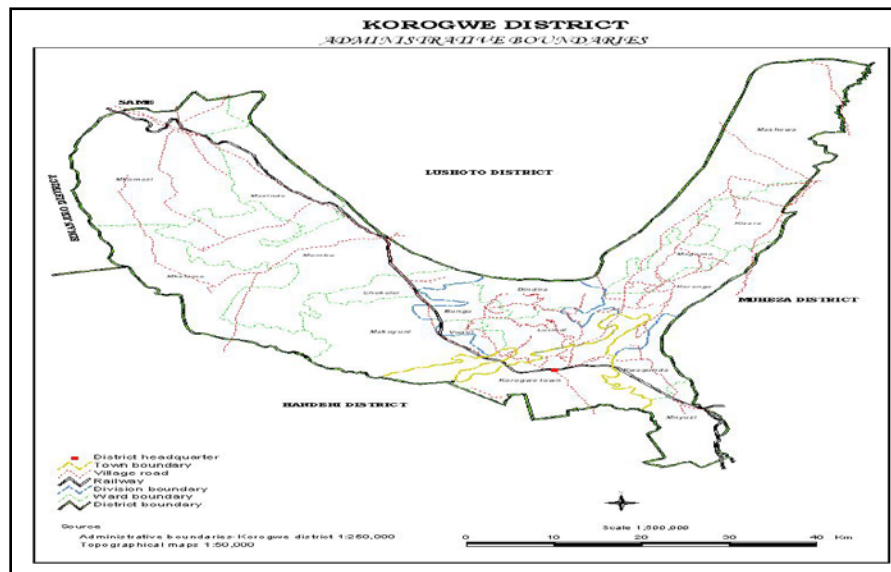
1.1 Introduction

Korogwe District is one of the eight Districts within Tanga Region and is centrally located, well connected to the other region, northern and the central-coastal areas of Tanzania.

Korogwe District has an area of 3,756 square kilometers, whereas the Korogwe District Council covers 3,544 square kilometers, about 13% of the total land area of the Region, and lies in the latitude 4°15' and 5°15' South, and in the longitudes 38°0 and 38°45' East.

1.2 The Administration

Administratively it is divided into four Divisions namely Mombo, Bungu, Magoma and part of Korogwe Divisions; **20** Wards, **122** Villages and **610** “Vitongoji”. Among those Wards, Mombo Ward constitutes Mombo Township Authority effective from the year **2005** with **20** “Vitongoji”.



1.3

According

2012

and Housing Census the Council had a population of 242,038 people including 118,544 males and 123,494 females

Population

to the year

Population

1.4 Vision and Mission

The vision: To ensure maximum utilization of investable resources in Korogwe District for wealth creation and uplifting the quality of life in Korogwe, Tanga Region and Tanzania as a whole within a short period of time (i.e. by the year 2025).

The Mission: To provide adequate management and facilitation of potential investors and build capacity for the proper services delivery of and other support to ensure sustainable development in the District.

1.5 Investment Policy

The Investment Policy Objective of the District Council is;

Attract investors to ensure their maximum utilization and development of Korogwe District, Tanga Region and National to reduce poverty within the communities.

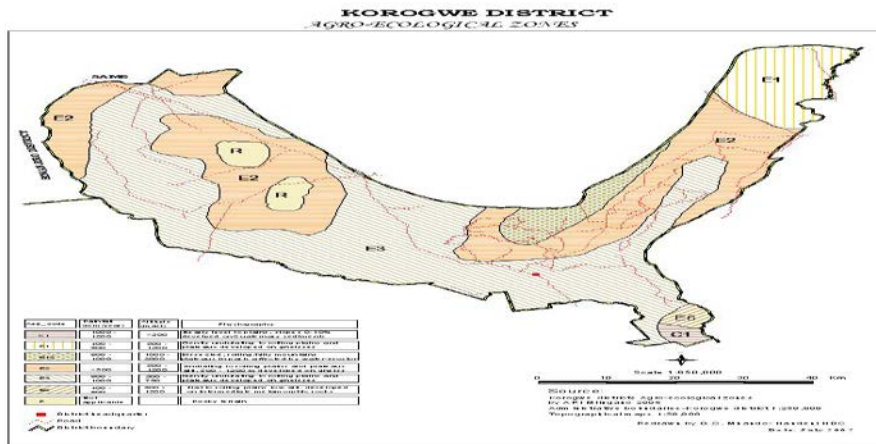
1.6 The Agro-Ecological Zones

The variations in the topography and climate provide different cropping possibilities which can be defined into three major agro-ecological zones. Most of the district has loamy, sandy and clay soils while the natural vegetation is predominantly of the tropical type. These zones are the Mountainous, low wetlands, and Semi-Arid Zone (Map 3). An Irrigation zone can also be identified along the major rivers. Each zone, however, has similar topography, climate and cropping possibilities.

The mountainous zone occupies about 25% of the district area, lies between 900-1500 meters above sea level, has a temperate climate and between 1000-2000mm of annual rainfall. The zone is ideal for growing bananas, beans, potatoes, temperate fruits, coffee, tea and cardamom. Livestock are also reared. Since the slopes are gentle, there are few erosion problems. This zone is over part of the Western Usambara Mountains includes Bungu Division, and some of Magoma division (Kizara ward).

The Low wetland zone occupies about 35% of the district, lies between 600-800 meters, is hot-humid, and has an average rainfall between 800-1000mm per year. Several rivers, including the Pangani and Lwengera, drain this area to provide irrigation potentials. The main food crops grown are maize, paddy, beans, cassava and potatoes while the cash crops cultivated include cashew nuts, cotton, sisal and tropical fruits like mangoes, oranges and tangerines. Livestock (exotic and indigenous) is also reared for milk and meat. The zone covers Korogwe (Ngombezi ward) and some of Magoma divisions, Mombo division (Makuyuni ward)

Map 3



The Semi-Arid Zone occupies about 40% of the district.

Lies between 400-700 meters above sea level and has less than 600 mm of mean annual rainfall. The crops grown are millet, cassava, beans, paddy, sisal, cotton, sunflower, and cashew nuts. The zone covers Mkomazi, Mazinde, Mkalamo, Mombo and parts of Mashewa wards.

The Irrigation zone extends through parts of the Low Wetland and Semi-Arid zones which are drained by the major rivers. Paddy is the main crop in these river valleys and cultivation depends on drawing water from the rivers. Some irrigation is also found locally in depressions among the mountainous zone and is used to grow vegetables like tomatoes, onions and cabbage.

1.7 Reasons to Invest in Korogwe District

Korogwe District is part of the hinterland that feeds the major urban centers of the Tanga, Dar es Salaam, Coast, Kilimanjaro and Arusha regions. Its location, the availability of diverse natural resources, good infrastructure, amiable weather, plentiful labour and water supplies makes it an ideal area for investments in agriculture, livestock mining, tourism and business. Some of the investment areas are greatly underdeveloped, especially in irrigated paddy production, mining and ecotourism.

The scenic and ecological richness of the Usambara Mountains and the Pangani River tributary valleys, and the wildlife areas also offer many opportunities for investments in the development of ecotourism. The forests could support a much larger beekeeping industry. Investments in the mining of gemstones and industrial minerals also would stimulate an expansion of an underdeveloped sector and contribute to the diversification of the district economy.

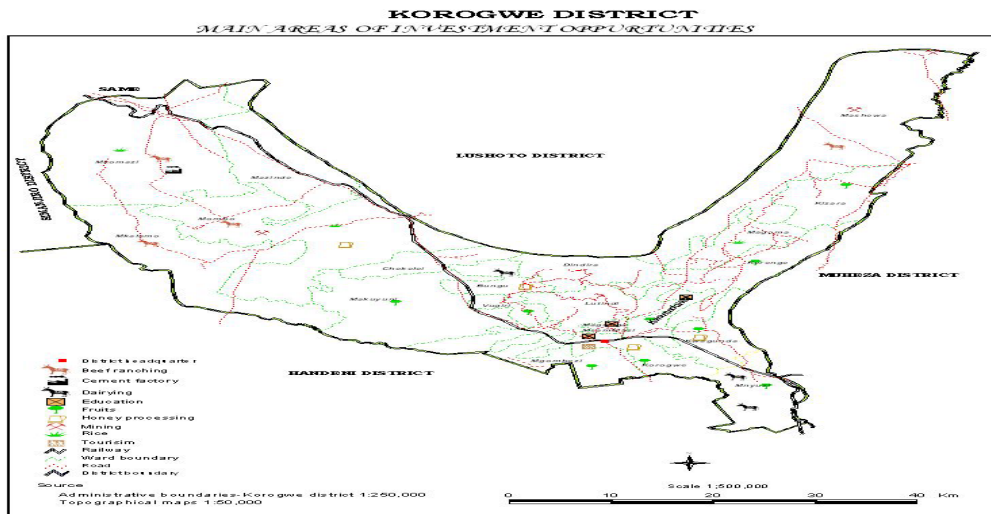
The Korogwe District Council has earmarked a number of specific types and areas for investment based on a survey and local consultations.

MAIN INVESTMENT OPPORTUNITIES AND AREAS

2.2.1 Introduction

The availability of diverse natural resources, good transportation infrastructure, hydropower from local generating stations, cheap and plentiful labour supplies and the location of Korogwe District between the major commercial and industrial areas of northern and coastal Tanzania provide many opportunities for investments in economic activities. In particular, the fertile soils and favorable climates of the mountains and the availability of plenty of water and irrigation potential in the drainage basins present several opportunities to further expand and diversify the district’s agricultural economy. The conditions to expand beef ranching and dairying are also favorable.

This chapter identifies the main investment opportunities and areas in Korogwe district. These include paddy cultivation, fruit growing and processing, dairying, beef ranching, honey processing and marketing, cement production, mining of gemstones and industrial minerals, development of tourism and hotels, education services.



2.2 PADDY CULTIVATION

Proposed product	Rice for Human Consumption. Mombo, Mkomazi, and Bwiko.
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The Potential Target area	19,286 Ha are available and suitable for irrigation. And 13,416 Ha need the establishment of Irrigation Infrastructure.
The Market situation Recommended	The market is available within the district, neighboring regions such as Kilimanjaro, Arusha, Pwani and Dar es Salaam. It can be exported to neighboring countries like Kenya and Uganda. The rice can be also be sold in bulk to institutions like schools, colleges, prisons and National service
Clients	A large number of individuals, traders and institutions.
Type of Investor Recommended	Require large- scale farmers in paddy growing who can also look for markets.



Mombo Irrigation scheme

2.3 FRUIT GROWING

Proposed product	Mangoes and oranges are being produced in the District; improved seedling varieties can obtained from farmers groups.
Potential Target areas	Makuyuni ward, Korogwe Mnyuzi, Kwagunda, Kerenge, Kizara ward, Vugir, Kwashemshi and Mgila
The Target Market	For the time being there is a domestic market, which is not paying. There is high spoilage of mangoes and oranges due to a lack of cold storage facilities. Beside local markets in urbani Korogwe and neighboring regions such as Kilimanjaro, Arusha, and Pwani; the reliable market is found in Dar es Salaam where there is high demand from consumers, hotels and super markets.
Future Expectation	The improvement of fruit varieties, sorting of fruits, cleaning and packaging in boxes of baskets. “Matenga” is highly needed the investors can contract villagers around the farms to grow the fruits for the plant by providing with them improved seedlings and extension services. The produce will be sold to the investor.

Type of investors recommended	A large scale farmer with capital which can run a fruit farm, the investor should also co-operate, or encourage farmers in the surrounding villages grow improved varieties and sell to the investor. The investor should also consider establishing fruit canning.
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Local fruits market

2.2.4 DAIRYING

Proposed product	Milk and all its products such as butter, ghee and cheese.
Potential Target areas	Hale, Mnyuzi, Bungu 1500Ha available for dairying.
Target Market	Milk production in Korogwe District is low and locally consumed. The District has 2,800 Dairy cattle
	The target markets are individuals in urban areas, institutions, hotels and super markets in Tanga, Kilimanjaro, and Dar es Salaam. All these are reliable markets.
Processing	The government is planning to provide milk to school children. The dairy animals will be kept on the farms, both machines and manual techniques will be used during the process of milking. The cream will be processed to get butter, ghee and cheese
Type of Investors Recommended	A large – scale dairy farmer who has capital and expertise to invest in intensive dairy farming and milk processing. The investor should also be willing to encourage the surrounding villagers to keep improved dairy cattle, and will buy milk from them

Area for dairying.



2.2.5 BEEF RANCHING

Proposed product	Beef and hides
Potential Target areas	Mkalamo 1000Ha. Mtoni Bombo 400Ha. Mkomazi 100Ha. Kweisewa 550Ha. And Changalikwa 250Ha.
Target Market	There is no meat from cattle which are kept under improved farm practices in the District. The only meat available is from indigenous cattle.
	The expected market from butcheries, super markets in Arusha and Dar es Salaam, hotels found in Dar, Arusha, Tanga and Zanzibar and new mining areas like Mining areas like Muheza and Handeni District.
Type of Investors Recommended	A medium – scale farmer with capital to invest in ranches with all necessary services including water supplies.

Ranching Area. (1000Ha. at Mkalamo)



Proposed product	Honey as jam, traditional medicine, also used for brewing beer; Beeswax which is used to manufacture candles
Potential Target areas	Korogwe district has several forests which provide good condition for beekeeping; these are Bungu, Makangara/Mkwajuni, Kwagunda, and Mombo.
Target Market	The District produces about 5050 kg year. About 60 percent of the harvested honey is used. The main buyers are small traders who sell it in urban centers.
Processing Chain	Honey is processed by using local or traditional methods. There is a need for modernizing the process in order to expand production and improve quality.
Type of Investors Recommended	A very strategic investor with capital and enough information of markets. He/She must be willing to form a joint venture with beekeeping. associations like WVT, TFCG, Anglican Church, etc

2.2.6 HONEY PROCESSING

Forest for bee keeping at Bungu



2.2.7 INDUSTRY – CEMENT FACTORY

Proposed product	Cement for construction
Potential Target areas	Mkomazi area along Dar es Salaam – Arusha road. More than 100 hectares available
The Market situation	Markets for cement and lime are available; for government/private institutions/ individuals and for export.
Raw materials	The raw materials like Gypsum are easily available
Processing Chain	This will depend on the type of product to be manufactured.
Infrastructure	Tarmac road, Railway and electricity available.
Type of Investors Recommended	Investors with enough capital and experience with the industry; interested investors should also be able to provide social services, and environmental protection

Area for Cement industry (Mkomazi 100 Ha available)



2.2.8 SMALL SCALE MINING

Proposed product	Gemstones e. Ruby, tourmaline, sapp line, red garnet, rhodolite, amethyst; Industrial minerals eg Gypsum,
Potential Target areas	Mashewa area, Mavumbi, Mombo, Tamota, Uмба River valley- Kalalani
Raw materials	The market for gemstones is very large within and outside of the country.
Future Expectations	Assistance to small miners to use modern tools and safe production methods

Processing Chain	This will depend on the type of minerals to be exploited
Type of Investors Recommended	Investors with capital able to acquire equipment which will be used in mining; investor who can encourage or make a joint venture with a registered group of small scale miners who already occupy plots within the area

2.2.9 TOURISM AND HOTEL DEVELOPMENT

Proposed product	Hotels having the conference and seminar rooms.
Potential Target areas	Mashindei Hills on the way to Lutindi, Area between Mazinde and Mkomazi (20Ha.) and Kalalani for Tourism and camping sites (200 Ha)
The Target market	Many seminars, workshops and various meetings are being held in Korogwe town. All of them have to be held at places (available hotels and bars) which are not designed to satisfy the need of such activities.
Type of Investors Recommended	Investors with a capacity to invest in reasonably priced good quality hotels with modern facilities and excellent services.

Tourist attractions



2.2.10 EDUCATION

Proposed product	Schools and colleges of various levels Pre- primary and primary schools, Vocational centers, Boarding secondary schools university.
Potential Target areas	Mazinde (20ha) Mkalamo (20Ha.)
Target Market	Presently, there is only one English medium Pre- primary and Primary school There is neither a university nor Vocational centre There are three community based day secondary schools whose capacities are not adequate to accommodate all the selected standard seven leavers to join secondary schools
Type of Investors Recommended	Any one with the capacity to invest in vocational training centers, university, pre- primary and primary schools and secondary schools

Mazinde 20 Ha Available.



Environment and Sanitation area (15 Ha available) at Mkomazi.



KOROGWE TOWN COUNCIL
PROFILE AND MAIN AREAS OF INVESTMENT OPPORTUNITIES

3.1 INVESTMENT IN TRANSPORTATION AND LOGISTICS

3.1.1 DRY PORT

Proposed Products	Dry Port for Transportation, Bulk Cargo Storage and Handling yard including containers, fuel tanks, etc
Potential target areas/Locations	The Korogwe Town Council has allocated three plots for the Dry Port. The area is located at Old Korogwe Ward on the Eastern of Korogwe. The first plot is 3.6Ha at 38° 29' E and 5° 09' S. The second plot is 14.8Ha at 38° 29' 30'' E and 5° 09' S. The third plot is 17.93 Ha at 38° 29' 45'' E and 5° 09' S. Distance from each plot to the railway is 25m. Distance from rail links to Tanga Port is 94 km and 350km to Dar es Salaam. To the West a road network provide linkage to Mnyuzi/Muheza District from Korogwe Town.
Ancillary Investment	Expanded and Improved Bus/Passenger Terminal and Station in Investments Korogwe Town centre. Tarmac roads to Handeni and Kilindi. Upgrading of Railway line and facilities, Fire and Ambulance Services. Truck/Trailer Parking Terminal.

3.2 INVESTMENT IN TOURISM

3.2.1 HOTELS, RECREATION DEVELOPMENT AND SHOPPING CENTER MATRIX

Proposed Products	Hotels with Conference & Seminar Facilities, Sports and Recreation Facilities.
Potential Target Areas/Locations	Korogwe Town in Old Korogwe Ward. An area of 10Ha and 2.6Ha at 38° 27' 45'' E and 5° 09' S are allocated for hotels and shopping centre.

3.3 INVESTMENT IN EDUCATION SECTOR

3.3.1 INFRASTRUCTURE DEVELOPMENT: EDUCATION AND HEALTH TRAINING MATRIX

Proposed Products	Pre-Primary and Primary Schools; Boarding Secondary and High Schools; Vocational and Professional Training Centres; University
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3.4. INVESTMENT IN INDUSTRIAL SECTOR

3.4.1 AGRICULTURE AND AGRO PROCESSING: PADDY, FRUITS AND VEGETABLE PRODUCTION

Proposed Products	Milling/Packing Maize and Rice Flour Canning vegetables and fruit including making jams, marmalades, chutneys, pickles, etc. Bottling Beverages e.g. beer, sodas, carbonated and mineral waters, fruit juices, wines and liquor. Making breakfast cereals, edible starch, etc
The Location/Potential target areas	Korogwe Town Industrial Area for establishing factories/plants. Central location 50 Ha of land is available at Msambiazi-Mtonga Industrial area. The surveying processes are underway

3.4.2 AGRICULTURE AND AGRO-PROCESSING: MILK PROCESSING MATRIX

Proposed Products	Packed Milk, Milk Powder, Butter, Cheeses, Yogurts (plain and flavoured), Milk Shakes, and Ice Creams.
The Location/Potential target areas	Korogwe Town Industrial Area for establishing factories/plants. Central location 50 Ha of land is available at Msambiazi-Mtonga Industrial area. The surveying processes are underway.

3.4.3 AGRICULTURE AND AGRO-PROCESSING: MEAT AND ANIMAL PRODUCTS PROCESSING MATRIX

Proposed Products	Fresh Meat, Sausages, Smoked Meats, e.g. beef, mutton, chicken, duck Modern Abattoir and Holding Pens Animal By-Products e.g. bone meal, blood meal, glue Tanned Skins and Hides, feathers Compounding Animal Feeds.
Potential target areas and Locations	Korogwe Town Industrial Area for establishing factories/plants. Central location 5 Ha of land is available at Old Korogwe-Lwengera area. The surveying processes are underway.

Handeni District is one of the eight districts and lies in central and southern parts of Tanga Region. It is the largest district, covering an area of 7,080 square kilometres and is populating more rapidly than most other districts in the Region. Since the majority of its inhabitants are very poor, the Handeni District Council aims at alleviating poverty and improving, as rapidly as possible, the quality of life of the people of the District. Its mission is to promote and facilitate investment that will harness the rich and diverse natural resources found in the district to bring about rapid and sustainable economic and social progress.

This investment profile has been prepared to identify the specific types and locations of investment opportunities in Handeni District and as a source of information for investors, visitors and inhabitants of Handeni District. This first chapter briefly introduces the District, notes the methodology and approach used in compiling the profile and describes some of the physical characteristics, administration and population.

1.1 Location

Handeni District is located within the latitudes $4^{\circ} 55'$ and $6^{\circ} 04'$ S and between longitudes $37^{\circ} 47'$ and $38^{\circ} 46'$ E. It shares borders with the districts of Pangani to the east, Korogwe and Muheza to the north, Simanjiro (Manyara Region) to northeast, Kilindi District to the west and Bagamoyo (Coast Region) to the south (Map 1). The district is best accessed from the south by the Chalinze – Segera tarmac highway, and by all weather earth-gravel roads from Korogwe in the north. Handeni town is the districts' headquarter.

1.3 The Methodology and Approach Used in Compiling the Investment Profile

The following methodology and approach were used in compiling the investment profile:

Reviewing secondary data provided in the District socioeconomic profile and Council situation reports (stake holders' valuations), Census and other reports

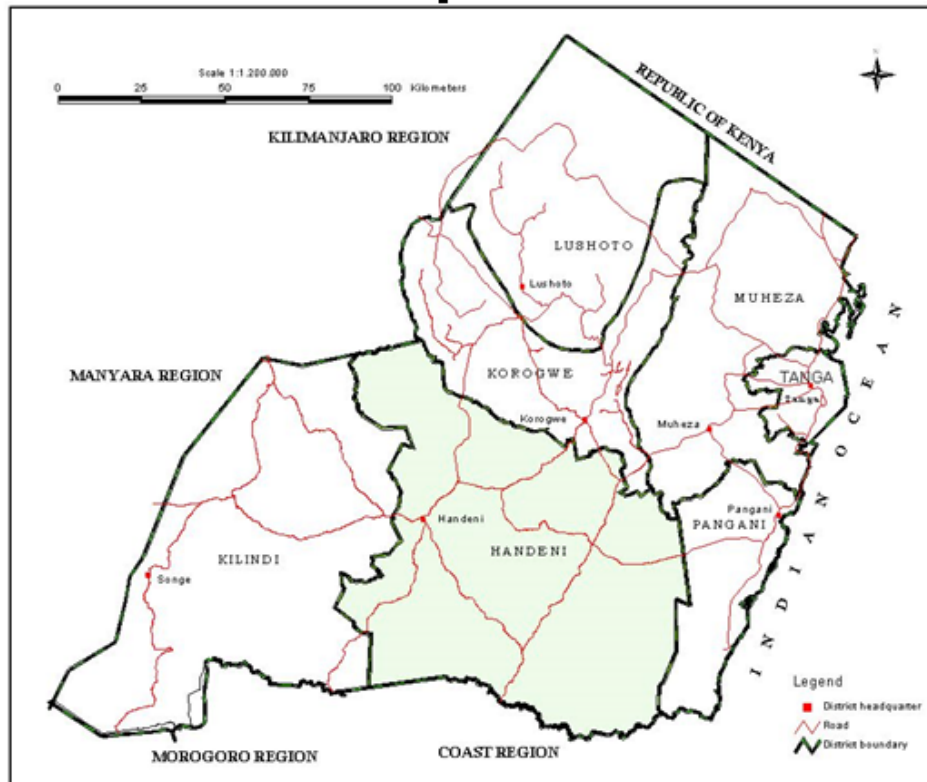
Observations during field visits to different areas in the District

Interviews and discussions with different groups met in the target areas in the *villages*.

Interviews and discussions with key informants in the areas – District Commissioner, Council Chairman, Councilors and Ward Executive Officers', Heads' of Departments and District staff specialists.

The comparative advantage criteria was applied in identifying potential investments, specifically the advantages that Handeni District has vis-à-vis other areas that could equally attract investment in the region and the country. These included:

Map 1: Handeni District – Location and Regional Setting



Ecological conditions

Natural resources availability

Location and accessibility

Infrastructure

Human and institutional resources

Direct investment and market linkages

Investment incentives and facilitation

These criteria and other relevant information were incorporated in defining Investment Profiling Matrices (IPMs') for specific types and locations of investment opportunities in Handeni District. The profiling matrix also noted the type of products and the locations, raw materials, power, transportation and labour availability, the market situation and future expectations, the production

chain and quality standards, other supportive ancillary investments, and the recommended type of investor/investment.

Other factors considered were resource conservation and environmental management, projected future populations and their resource needs, social equity and extreme poverty, and the protection of those vulnerable economically and socially, for example the disabled and orphaned, the elderly and female headed households.

1.3 Topography, Drainage and Climate

Handeni District has no coastline and the terrain, which lies between 600 – 1,200 metres above sea level, is generally undulating with scattered high rising hills and upland areas mainly towards the western parts of the district (Map 2). Msangazi, Manyuzi and Mligaji rivers flow east into the Indian Ocean and form the main drainage.

Most of the District has the coastal type of climate which is generally characterized by high temperatures and humidity. Average temperatures vary from 27°C to 30°C and it is cooler in the inland, higher areas during the night where temperatures may be 15-18°C. The cooler season is during June and September, while the hottest one is between December and March.

The south-easterly Monsoon winds from the Indian Ocean are the main source of rainfall. There are two rain seasons but thunderstorms may also occur at any other time of the year. The short rains (*mvuli*) fall from October to December, and the long rains (*masika*) from mid-March to June. The dry season is between July and September. Mean annual precipitation is 800mm to 1500mm in the lower altitude areas and rain shadowed areas in the lee of the mountains in the northern and north-western areas may have about 400mm only and a single rainfall season.



Handeni Meteorological Station

While evaporation rates are also high, the amount of rainfall received per year is enough to support the growth of crops such as cassava, maize, beans, coconuts, cashew nuts, ground nuts, citrus fruits, bananas, millets and sorghum. Livestock can also be reared although tsetse infestation and drought remain major hazards.

Profile and Main Areas of Investment Opportunities

1. Industries: Meat and Animal Products Processing Matrix.

Proposed Product	Fresh Meat, Sausages,Smoked Meats, eg.beef,mutton,chicken,Modern abattoir and Holding pens,Animal by Products eg.bone meal, blood meal,glue tunned skins and Hides,feathers compounding Animal feeds
Potential target Areas and Locations	Kwenjugo-Konje area 21.6 Ha for establishing factories/Plants.
Raw Materials	Locally Produced Livestock and Cattle from Handeni Town Auction Market ,Locally available Maize cobs,Sunflower seed cakes from lake zone,Parking Materials from Tanga,Dar Es Salaam etc.
Power and Energy	Hydro-Electricity from Pangani Falls,Petrol/Diesel,Solar and Bio-gas energy
Labour Sources	Lacally Available at low costs
Market Situation	Markets Available for fresh meat within the Handeni Town Council,Tanga city,Dar Es Salaam Regions,Pemba and Zanzibar.Export Potentials to neighbouring Countries of Kenya Coast,Uganda and Komoro .Hides/Skins to Local leather works,and Export to Europe and China.Bulk Sales to Institutions like Schools,Colleges,Prisons and National Service ,etc
Clients/Market Chain	A large number of individuals, Shops/Traders, Markets, Groceries, Super markets,Bars/Hotels and Institutions.
Transportation	Truck Transportation on Tarmac roads from Handeni Town to all major urban centres in Tanga, Coast, Dar Es Salaam, Kilimanjaro, and Arusha regions.
Quality Standards	Fresh and High Quality, Preferably with minimum use of antibiotics for internal and export markets. Well sorted and graded, Cleaned, Safely processed and packaged,Stored and Transported.
Ancillary Investments	Freezing/Cooling Chambers for Products, Stores, Bio Chemistry analysis Laboratory, Plants for Compounding Feeds, Expert advice from Livestock Research Centre and Sokoine University of Agriculture.

Type of Investors recommended	Require Industrialist with experience in food processing and Marketing
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2. Infrastructure Development: Education and Health Training Matrix

Proposed Product	Pre-Primary and Primary Schools, Boarding Secondary and High Schools, Vocational and Professional Training Centres, University
Portential Target Area	Chanika Mdoe for Mr. Hassani Gwando 8,700 m2, Permit No.149 Block E, has lease of 33 years.
Power , Energy and Telecommunications	Hydro-Electricity, Petrol/Diesel are available, Potential to generate Solar and Bio-Fuel gas.Good Telecommunication Services provided by TTCL, VODACOM,TIGO,ZANTEL and ZAIN
Labour Sources	Recruitment of teaching/training Professionals from all over Tanzania and Internationally where needed.
Market Situation/Recommendation	-High/Rapidly expanding local and regional demands for all types and levels of affordable and quality education, health and Professional Training services. -Use existing education /Training facilities as a nucleus to develop educational, health and professional training institutions to serve national, regional and local needs.
Clients/Marketing Chain	Local, regional and national students and professional trainees.
Transportation	-Tarmac roads to commercial and industrial centres of northern and coastal Tanzania. -Feeder roads into nearby Districts eg.Kilindi,Lushoto,Korogwe etc.
Quality Standards	-High quality and well equipped Schools, hostels, colleges and centres. -Student and Professional development Counseling Services. -IT and Laboratory Centres and Training.
Ancillary Investments	Fire and Ambulance Services, Sports and Recreation Facilities, Libraries and Laboratories, training Workshops, Computers and books, Programmes for Apprenticing in local and regional education and health facilities Professional firms etc. Grants and Scholarships.
Type of investors recommended	Local and Foreign joint ventures, NGO's, Community Organizations, Donor Governments.

3. Hotel Development Matrix and Different Business

Product	High quality Hotel accommodation for Vistors and high quality business.
Target Location	Kwenjugo-Konje 89 Plots each with 1,200m2 for business and Hotel Development. .Chanika – Kivesa 5,789.5 Km2 owned by District C.C.M Office.
Labour Supply	Locally available
Water Supply	Available in Handeni Town
Power Supply	Available from TANESCO

Transportation	-Tarmac roads to commercial and industrial centres of northern and coastal Tanzania. -Feeder roads into nearby Districts eg. Kilindi, Lushoto, Korogwe etc.
Market Situation	There is no good quality business centre and hotel accommodations in the Town. The available business centres and guest houses is in adequate run and have few Services. Usually customers are business, Government and travelers and demand is increasing.
Future expectations	Handeni town is an expanding commercial and administrative centre. The growth of the economy, expansion of agriculture, tourism, agro-forestry and mining will create demand for more boarding and lodging facilities in the Town. -The planned high way development linking Morogoro Region to Korogwe through Handeni will bring transit traffic.
Market Imperfection /Distortion	The Present Accommodation and Business centres in the Town offer inadequate but relatively expensive services. The supply does not meet the demand.
Ancillary Investments	Additional Water and Power Supplies, Sanitation system, Secretarial and entertainment facilities
Quality demands	Hotel facilities and shops have to be of acceptable quality and reasonable prices to cater for all types of People.

LUSHOTO DISTRICT COUNCIL

10.1.1 INTRODUCTION AND BACKGROUND

Lushoto District is situated in the northern part of Tanga Region it lies within 4° 25' – 4° 55' latitude south of Equator and 30° 10' – 38° 35' Longitude East of Greenwich. The District has an area of 3,500 km² and accounts for about 12.8% of Tanga Region. It borders with Korogwe District in the south and Mkinga District further east, Same District of Kilimanjaro Region in the northwest, and Republic of Kenya in the northeast. Lushoto Town is the district headquarters and the population of Lushoto is estimated to 492,441 persons the largest for the eight districts in Tanga Region.

10.1.2 LOCATION AND CLIMATE

The District has an area of 3,500 km² and accounts for about 12.8% of Tanga Region. The Western Usambara Mountains dominate the landscape which lies between 300 – 2100 meters above sea level. The main physical features The highlands cover about 75% (2625 km²) of the total District area, with altitude of 1000 – 2100m

above sea level. The lowlands cover about 25% (875km²) of the total District area between altitudes of 300 – 600m above sea level.

The Mountains and their lower slopes occupy about 90% of the total land of Lushoto district. The slopes are moderately steep to very steep and there are many narrow valleys as well as rock outcrop in the terrain.

10.1.3 ADMINISTRATION

Lushoto district has 2 local authorities that is Lushoto district council and emerging Bumbuli district council. Lushoto district has 3 constituencies Mlalo, Lushoto and Bumbuli, 8 divisions, 44 wards 207 villages and 1669 hamlets. The predominant economic activity of Lushoto rural population over 94% is farming. A very small population engaged in natural resources sector 3.4% and other productive sectors.

10.1.4 INVESTING IN LUSHOTO DISTRICT

There are reasons to invest in Lushoto district including the following



- A good climate and fertile soil favor human settlements and agriculture.
- Transport and communication infrastructures
- Internal and external markets due to expanding population and their income.
- Wildlife and cultural diversity that offer considerable opportunities to invest in tourism.
- Existence of natural forests that favors the development of forests related activities such as beekeeping and honey production.

10.2.1 INVESTMENT OPPORTUNITIES

Lushoto district has different opportunities of investment due to its geographical location, among the areas of concentration identified as opportunities of investment area of the following.

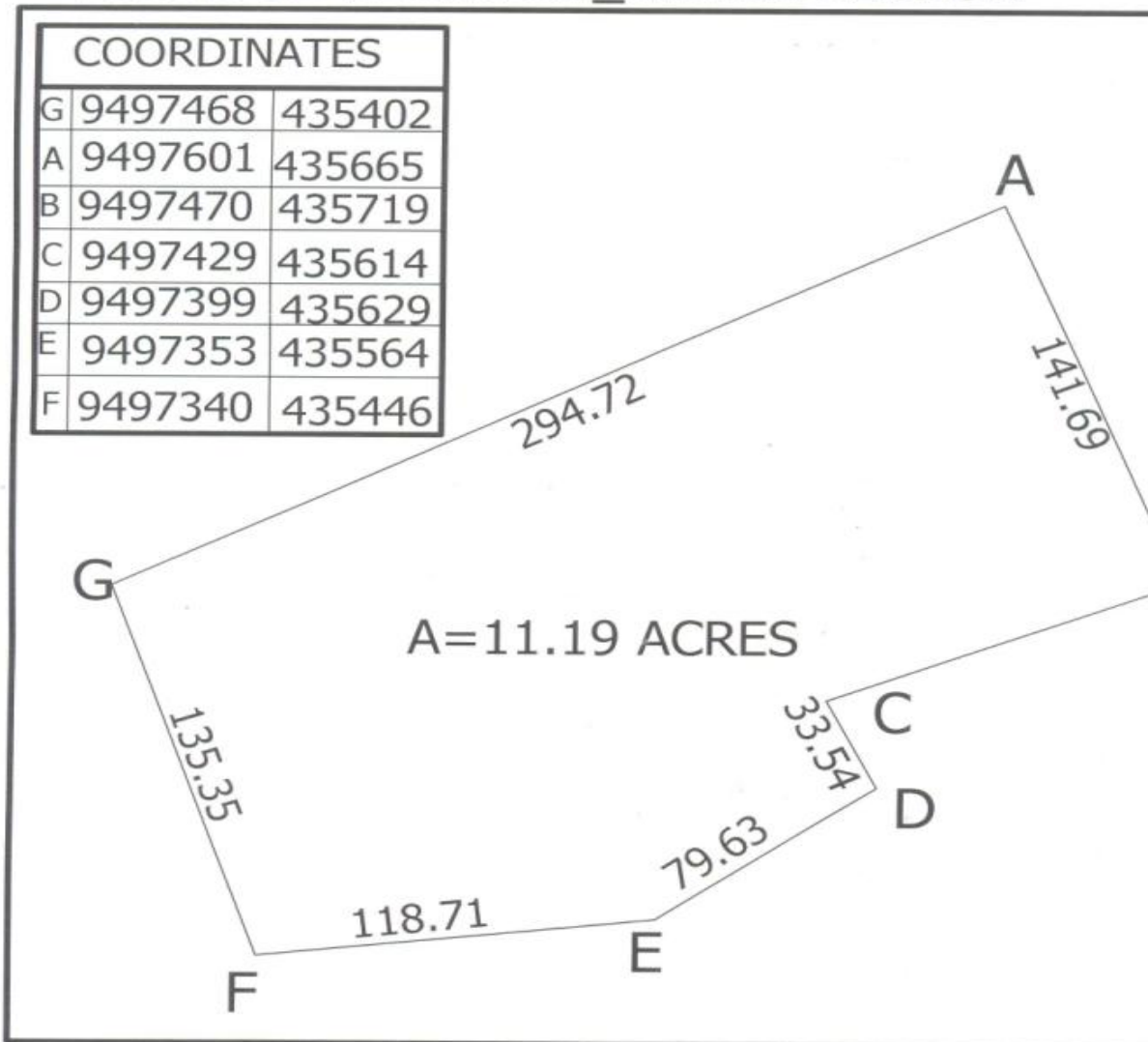
- Tourism
- Agriculture
- Business and Trade

2.2 Agriculture. Agricultural machinery and Inputs supply unit	
Proposed products	Construction of Rice milling machine, Establishment of Farm machinery center and Inputs supply unit
Potential target areas/Location	Lushoto district has allocated a plot for agricultural machinery investments; the area is located at Mng'aro ward at Mazinde village at the lower land part of the district, covers an area of 11.19 Acres, It lies at the following coordinate's 9497601N - 435665E at attitude of 400m above mean sea Level. This area is about 70km from Lushoto town via Mlalo and about 100 km from Lushoto town via Mombo.

Power and Energy, Telecommunications	Electricity power is not so far from the last point of installation (National grid) electricity service is locally available at Mlalo 21 km from the proposed area. The area is potential to generate solar and bio-fuel energy.	
The market situation and expectation	<p>This area is very potential on proposed activities because there is about 1,530ha which are utilized for Irrigation scheme and they are producing paddy, but their products have not added value because now farmers are selling paddy instead of rice due to lack of modern rice processing/milling machine, within investment farmers will be assured with the market of their added value crops.</p> <p>Activities in all schemes include land preparation, paddling, transplanting and harvesting are conducted manually causing inefficiency, if farm machinery centre is established there will be a machines and equipments for different activities such as tractor, plow, paddler, trans-planter, rotarvator and combine harvester, for hired. The system of supplying subsidized fertilizer and seeds to farmers in these irrigation schemes is very poor so</p>	
		
	<i>Paddy cultivation At Mng'aro Irrigation scheme</i>	<i>The proposed site for agricultural machinery investment</i>
The target Market	The targeted market for this investment starting with the farmers through subsidizing their manpower with machines, local and national consumer of the agriculture products, However the farmers will be capacitated in their capitals through contracting farming.	
Transportation	Three ways to reach an area from Lushoto town to Mng'aro via Mlalo gravel road, Tarmac road from Mombo to Mkomazi diversion captured by gravel road to Mng'aro and Korogwe via Mashewa to Mng'aro by gravel road. These ensure the accessibility to an area throughout the year. The area is well accessible from Lushoto Town via Mombo town with paved road and all weather gravel surfaced road via Mlalo.	
Marketing Chain	Local farmers, visitor and employment opportunities will be available to adjacent communities.	
Quality standard	Safe storage of rooms, three pre existing warehouses are available also efficient and affordable passenger facilities and services to reach an area.	
Ancillary investments	Improved transport services, expansion of capital to business people, improved truck/trailer parking terminal inward and outward movement of people will facilitate multi business development.	


Type of investor recommended	Local/foreign full equipped and experienced investors are invited; modal of operation is joint ventures between Lushoto district council and the investor. The policy of Private public partnership will be obliged.
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SITE PROPOSED FOR AGRICULTURAL MACHINERY INVESTMENT ACTIVITIES AT MASINDE MLALU LUSHOTO DISTRICT_TANGA REGION



DRAWN

BY WILLIAM MPELI

2.2 Business and Trade. Construction of shopping mall, business centre or commercial complex	
Proposed products	Shopping mall (wholesale and retail shops, saloons, banks and automatic teller machines (ATM), car parking, shops, conference hall, restaurants and offices e.t.c)
Potential target areas/Location	Lushoto district has allocated a plot for the construction of shopping mall at the central point of the town, the area is located at Lushoto ward in Lushoto town bordering with Lushoto market buildings, National microfinance Bank (NMB) this area lies along the road and owned by Lushoto district council with title deed. This area is located at the altitude of 1902M above sea level. It is accessible via tarmac road by bus or other motorized vehicles 169 km drive from Tanga, 358 km drive from Dar-es-Salaam. The proposed area is owned by Lushoto district council and its coverage is 800 square Meters.
	
Power and Energy, Telecommunications	The electrical power poles almost lies along the area (National grid) this will easier the installation to the building. Telecommunication services are abundantly through different service providers TTCL, Vodacom, Aitel, TiGO and Zantel.
The market situation and expectation	Lushoto is one of the fast growing District in Tanga region having a population of about 418,000 while Lushoto town has the population of 24,000 people more than that there is strong increase in the investment ventures to offer large demand for tourists and residents. The district has one major university and two colleges, instate all of which Lushoto town is their shopping area. However due to its scenic nature and historical background there are few areas available for the establishment/electing buildings as commercial centre which will stand as multipurpose building.
The target Market	The targeted market is small business people, entrepreneurs, financial institutions such as banks, consultancy firms, law chambers e.t.c.
Transportation	The area is accessible via tarmac road by bus or other motorized vehicles 169 km drive from Tanga, 358 km drive from Dar-es-Salaam or by using air strip situated at Tanga region.
Marketing Chain/Client	Local, regional That is to say the establishment of business centres in this area will stimulate multi business development for the entire district.

Quality standard	High quality accommodations and services, calm and scenic conducive surroundings.
Ancillary investments	Local recreation facilities, training and untrained personnel will be employed, conferencing equipments, reliable communication links.
Type of investor recommended	Local/foreign full equipped and experienced investors are invited; modal of operation is joint ventures between Loshoto district council and the investor. The policy of Private public partnership will be obliged.

PROPOSED SITE FOR THE CONSTRUCTION OF
A SHOPPING MALL AT LUSHOTO TOWN




= Proposed area of two plots
800 Square meters

Plot No 40A&40B
Extract from TP Drg

SKETCH MAP OF
AN INVESTMENT AREA

Prepared by Thierry Kayomba

2.3. Tourism and Hospitality	
Proposed products	Construction of Tourists accommodation facility and recreation centre such as lodge, tourists hotel, campsite e.t.c
Potential target areas/Location	Lushoto district has allocated a plot for accommodation facility investments; the area is located at Malindi ward owned by Malindi village council, This area is located at coordinates 9489598 Easting 421938 Nothing the area is 1902M above sea level along the way to Mtae where the famous Mambo view point existing just one and half Km from the central point of Malindi ward, Its coverage is 10.25 acres, owned by Malindi village.
	
	<p><i>Proposed area for investment</i></p> <p><i>The view of Mlalo historical township from the proposed area for investment</i></p>
Power and Energy, Telecommunications	Excellent global telecommunication powered by different network providers Vodacom, Tigo and Airtel. Electricity and other source of energy such as petrol, diesel and gas are locally available.
The market situation and expectation	Lushoto district receive not Less than 3000 tourists annually Malindi is the pathway of the tourists when they do recycling and walking safari towards different attractions including Mtae, However the need for the establishment of accommodation facility is very important in this area and the assurance of the market is in place.
Labour source	Locally available at low cost (skilled and unskilled)
The target Market	Inbound and outbound tourists, visitors from other parts of Tanzania and day trip visitors from Lushoto town and nearby district for acclimatization purposes.
Transportation	Accessibility to this area is through gravel road from Lushoto town to Mtae via Malindi half kilometer from Papaa mozee village.
Marketing Chain	Seminars, workshops, Holiday with pay, vacations, honey moaners picnics and various meetings are held in Lushoto, but the need to boost the existence of facilities is very high.
Quality standard	Highly modernized accommodation facility and recreation facilities
Ancillary investments	Reliable telecommunication and transportation links, multi recreation centers development, improved horticulture production in near small town, preferably organically produces, safety food processing will be improved.

Type of investor recommended	Local/foreign full equipped and experienced investors are invited; modal of operation is joint ventures between Loshoto district council and the investor. The policy of Private public partnership will be obliged. Investor with a capacity to invest in reasonably priced good quality accommodation facility eithe campsite, hotel or lodge.
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