



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

IRINGA REGION INVESTMENT GUIDE



2020



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



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ISBN: 978 - 9987 - 664 - 17 - 7

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ABBREVIATIONS AND ACRONYMS

AGOA	African Growth Opportunity Act
AEZ	Agro-Ecological Zone
AMCOS	Agricultural Marketing Cooperative Societies
ASDP	Agriculture Sector Development Strategy and Programme
BOT	Bank of Tanzania
BRELA	Business Registration and Licensing Agency
CSO	Civil Society Organisation
DC	District Council
DIDF	District Irrigation Development Fund
DP	Development Partner
EAC	East African Community
EBA	Everything-But-Arms
EPZ	Export Processing Zone
EPZA	Export Processing Zone Authority
ESRF	Economic and Social Research Foundation
EU	European Union
ECGS	Export Credit Guarantee Scheme (ECGS)
FAO	Food and Agriculture Organisation
FBO	Faith-Based Organisation
FCC	Fair Competition Commission
FYDP	Five-Year Development Plan
GDP	Gross Domestic Product
ICSD	International Centre for Settlement of Investment Disputes
ICT	Information Communication Technology
IIDS	Integrated Industrial Development Strategy
IMF	International Monetary Fund
ISO	Industrialisation Support Organisation
ITC	International Trade Centre
JV	Joint Venture
LGAs	Local Government Authorities
MoA	Ministry of Agriculture
MIGA	Multilateral Investment Guarantee Agency
MIT	Ministry of Industry and Trade

MoLF	Ministry of Livestock and Fisheries
MoW	Ministry of Water
MW	Mega Watts
TNBC	Tanzania National Business Council
NBC	National Bank of Commerce
NEEC	National Economic Empowerment Council
NEMC	National Environmental Management Council
NGO	Non-Government Organisation
NIDF	National Irrigation Development Fund
PMO	Prime Minister's Office
PO-RALG	President's Office - Regional Administration and Local Government
PPCP	Public-Private Community Partnership
PPP	Public-Private Partnership
RALG	Regional Administration and Local Government
RAS	Regional Administrative Secretary
RIFO	Regional Investment Facilitation Office
REA	Rural Energy Agency
RECs	Regional Economic Communities
SADC	Southern Africa Development Community
SDL	Skills and Development Levy
SEZ	Special Economic Zone
SIDO	Small Industry Development Organisation
SIDP	Sustainable Industrial Development Policy
SOEs	State-Owned Enterprises
SMEs	Small and Medium-size Enterprises
TAFMA	Tanzania Animal Feeds Manufacturers' Association
TANESCO	Tanzania Electric Supply Company
TANROADS	Tanzania National Roads Agency
TANTRADE	Tanzania Trade Development Authority
TAZARA	Tanzania - Zambia Railway Authority
TBS	Tanzania Bureau of Standards
TC	Town Council
TCCIA	Tanzania Chamber of Commerce, Industries and Agriculture
TDU	Textiles Development Unit
TIA	Tanzania Investment Act

TIC	Tanzania Investment Centre
TIN	Taxpayer Identification Number
TMDA	Tanzania Medicines and Medical Devices Authority
TMEA	Trade Mark East Africa
TPB	Tanzania Postal Bank
TRA	Tanzania Revenue Authority
TRIMs	Trade-related Investment Measures
TV	Television
TTCL	Tanzania Telecommunication Company Limited
FM	Frequency Modulation
BBC	British Broadcasting Corporation
TBC	Tanzania Broadcasting Corporation
ITV	Independent Television
TZS	Tanzanian Shillings
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
VAT	Value-Added Tax
VETA	Vocational Education and Training Authority
WB	World Bank
WTO	World Trade Organisation

DEMONSTRATION OF COMMITMENT FROM THE HIGHEST LEVEL OF GOVERNMENT



"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 Iringa Region, the home of Ruaha National Park, the largest park in Tanzania and East Africa. Iringa Region is determined to promote investments and make the region a new business hub for central, eastern and southern African countries. This investment guide seeks to realise the regional and national development visions. The guide has been made in line with the overall investment policy, development vision and development plans of Tanzania. It outlines and presents available investment opportunities at regional and council levels to hasten realisation of “sustainable development” as aspired in the regional vision.

The purpose of this investment guide is, first, to provide potential domestic and foreign investors with investment information relating to Iringa Region’s unique available investment opportunities and, in doing so, attract them to invest in the region and in accordance with the aspirations of the Regional Secretariat and local government authorities (LGAs). Second, the guide is expected to foster Iringa’s regional competitiveness and visibility in areas where it has strengths and emerging economic potentials. Third, to promote and advertise productive capacities in key primary and industrial sectors and, in so doing, exploit the already promising high strengths of the region. Fourth, to foster environmentally friendly investments that add value to the region’s many primary commodities in order to sustainably augment the regional GDP growth by stirring broad, inclusive and resilient economic participation of local communities into the growth and industrialisation initiative of the Government. Fifth and lastly, to contribute towards realisation of Tanzania’s vision to become a middle-income country while ensuring improved well-being of the people of Iringa Region.

The Iringa Regional Administration together with the five local government authorities, namely Iringa Municipal Council, Iringa District Council, Mufindi District Council, Kilolo District Council, and Mafinga Town Council, pledge to provide investors with a conducive business environment through, among others, the requisite political support, special incentives, supportive social

and economic services, and after-care services. Investors needing further details on the selected strategic and viable opportunities should not hesitate to contact relevant officials whose contact information is included in this guide.

The preparation of this guide was participatory and involved key stakeholders from the Government and private sector in the region. In the process of preparing this guide, the team of experts from ESRF received full cooperation from the regional team under the Regional Administrative Secretary (RAS), Ms. Happiness W. Seneda and from the district teams under district commissioners, municipal director, town director and district executive directors. I am grateful for their distinguished participation and contribution as part of their commitment to the accomplishment of this guide. On behalf of the Regional Secretariat, I am indebted to express my sincere gratitude to both the United Nations Development Programme (UNDP) for their financial support and the Economic and Social Research Foundation (ESRF) for their technical support in producing this guide. I would like to specifically acknowledge Dr. Daniel Ngowi and his team of experts, namely Dr. Jackson Madulu Nkuba, Mr. James Kasindi, Mrs. Margareth Nzuki, and Mr. Mussa M. Martine for their commitment and technical support that collectively resulted in the publishing of this guide. It is not easy to mention everyone but let me extend my deep appreciation to all individuals who in one way or another took time and gave effort to make this investment guide a reality.

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



Hon. Ally S. Hapi
Regional Commissioner
Iringa Region, Tanzania

PREFACE



I am deeply honoured to welcome investors and tourists to Iringa Region. Iringa's beautiful landscape is peppered with giant baobabs, elephants, abundant plains, wildlife and one of the only places in eastern and southern Africa you will see Greater *Kudu* (*Tragelaphus strepsiceros*). The region has prepared an investment guide as a formal commitment of the

Regional Government to supporting expected investors in the reflected priorities that focus on improving the level of investment in the region.

The region has prioritised a large assortment of investments of your choice, ranging from agro-processing, crop and livestock production, manufacturing of various industrial products from the region's large natural resource endowments that include various minerals, timber and precious stones as well as investments in socio-economic activities such as sports stadiums, condominiums, modern hotels, conference centres, private schools, hospitals and any profitable investment of your choice that is beneficial to the region and to the country as well.

The guide is meant to assist in the execution of the development pathway of the region as well as attain national aspirations to become a middle-income industrialised country. The guide provides essential regional information to prospective local and foreign firms and individuals; it is also meant to attract them to make investment decisions in favour of any of the five local government authorities in order to stimulate both business and enterprise growth.

The guide has five parts: part one gives reasons for investors to choose Iringa Region as an investment destination; part two presents the socio-economic profile of Iringa so as to equip potential investors with general information about the region which may be essential in making investment decisions; part three presents priority investment opportunities in the region; part four highlights the specific issues relating to facilitation, processes, requirements,

and incentives for investment in Tanzania in general and Iringa Region in particular; and part five provides important contacts in Iringa Region that will help potential investors in making follow up for opportunities in which they want to invest.

The regional leadership is committed to providing political support, attractive incentives and support services for investors who set up investments in the region. In this regard, the region has established a Regional Investment Facilitation Office (RIFO) to provide one-stop investment facilitation to all investors. In addition, information included in this guide and the region's unique tourist attractions can be accessed electronically through the following websites: www.iringa.go.tz, www.uwekezaji.iringa.go.tz and www.karibukusini.iringa.go.tz.

I therefore take this opportunity once again to warmly welcome you to invest in Iringa Region. The regional leadership assures you of continued support to make your investments productive, profitable and prosperous for our mutual benefit.



Ms Happiness William Seneda
Regional Administrative Secretary
Iringa Region, Tanzania

EXECUTIVE SUMMARY

Iringa is one among the 31 administrative regions of the United Republic of Tanzania with five local government authorities (LGAs): Iringa Municipal Council, Iringa District Council, Mufindi District Council, Kilolo District Council and Mafinga Town Council. Iringa Region enjoys the country's conducive investment and trade policies, political stability and well-prepared development frameworks based on the National Development Vision 2025, which provides a conducive environment for domestic and foreign investors.

The region's projected population stands at 1,122,131 in 2019 of which 82 percent depends on agriculture as the main source of livelihood. Agriculture sector also contributes about 75 percent of the regional income. Other economic activities and potentials include commerce, manufacturing, mining and tourism.

The region is close to Dodoma City, Tanzania's capital to the north, and well served with tarmac road from the country's commercial centre and Dar es Salaam Port to the north-eastern side. Further, the region has easy access to Malawi, Zambia and other southern African neighbouring countries such as Democratic Republic of Congo, through the Tanzania-Zambia Railway Authority (TAZARA) railway line and a durable highway road on the south. It also has investor-supportive infrastructure, including relatively good road network, electricity supply from the national grid, good supply of clean water and an airport that facilitates travel of passenger and cargo to all domestic destinations and export markets through Dar es Salaam. The region's spectacular tourist attractions offer a unique opportunity to domestic and foreign investors to be developed for mutual benefit of the investor, the region and the country.

Interested parties are invited to invest in the identified priority investment areas, such as establishment of star-rated tourist accommodation facilities; international conference centre; pulp and paper production; fruit and vegetable processing; production of packaging materials for both primary and secondary processing industries; avocado processing; sugarcane farming and processing; dairy heifers production farm; solid wastes management; safety matches and toothpick production; ceramics, tiles and melamine production;

agro-waste charcoal briquettes plant; adhesive industry; organic farming of horticulture crops; processing of forest produce; sunflower production and processing; quarrying for stones products; construction of a shopping mall and modern markets; animal feeds manufacturing; tea production and processing; building tourist hotels and camp sites; construction of health care facilities; establishment of private schools and vocational training institute; and construction of modern sports and recreation facilities.

DISCLAIMER

This guidebook was published to provide potential investors with access to essential information regarding investments and investing in Iringa 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. Depending on the nature of investment, potential investors are expected to conduct feasibility studies and/or environmental impact assessment for detailed information.

Materials in this guidebook should therefore be used only for the intended purposes and not for defence in a legal dispute or any other matter of that nature.

The guide is presented in good faith and in cognisance of the 2018 Amendment to the Statistics Act (2015). Where a datum point used in this guide unknowingly contradicts an official statistic, it should be deemed an error and the official statistic should be taken to be the correct version.

REASONS FOR INVESTING IN IRINGA REGION

1.1 Iringa Region in the Broader Tanzanian Context

Iringa is one of the 31 administrative regions in the United Republic of Tanzania. The region has five local government authorities, which are: Iringa Municipal Council, Iringa District Council, Mufindi District Council, Kilolo District Council and Mafinga Town Council. Iringa Region enjoys 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, literate and skilled workforce, strategic location, abundant natural resources, unique tourism attractions, supportive infrastructure (good roads, electricity and water supply, and telecommunication services) and internal political stability, presents an attractive investment opportunity to investors.

Tanzania has abundant natural resources, including agriculture land, water bodies such as lakes and rivers, springs, mineral resources, tourist attractions including biodiversity and unique landscapes, such as Mount Kilimanjaro, Ngorongoro Crater, Serengeti National Park, Ruaha National Park, Udzungwa National Park, Kitulo National Park, Isimila historical sites, Kalenga Museum, Katavi National Park, Kalambo Falls, Lake Ngozi, Sao Hill Forest Plantation, Ngwazi and Mtera dams; 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, land-locked countries. Several measures have been taken to create a business environment conducive to encouraging local and foreign investment. The country has created a stable and attractive macro and micro-economic climate with single-digit inflation. Furthermore, there are on-going reforms in fiscal and monetary policy, as well as improvements in the business climate through legal and regulatory reforms aimed at streamlining procedures and freeing business from unnecessary bureaucracy.

Tanzania has sustained an average economic growth rate of 6-7 percent 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 country has also managed to contain inflation rate below the 5-percent target for the last ten years.

Iringa is one of the good performing regions in the country, with a GDP of TZS 3.68 trillion and per capita income of TZS 3,162,357 in 2018, which is above the national average, and ranked third out of 26 Tanzania mainland regions. The region's economic growth is largely fuelled by agriculture, industry and forestry products.

The Government recognises the role of the private sector (both local and foreign) and other strategic partners as the engine of growth and poverty reduction, as well as the drivers of economic transformation. This important role of the private sector has been further emphasised in the second Five-Year Development Plan (FYDP II: 2016/17-2020/21) by recognising that the realisation of the goals and targets of FYDP II hinges on, among others, 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

The Government of Tanzania has reviewed its policies and regulations in order to attract local and foreign private investment. This is evidenced by the recent (2018) development of the Blueprint for Regulatory Reforms to Improve the Business Environment. The recommendations of the Blueprint are being implemented; they include merging similar functions of regulatory institutions, abolishing nuisance taxes and fees, improving dialogue between Government and private sector, and enacting one comprehensive legislation to encompass changes that will significantly simplify doing business in the country. Specifically, the Government removed 118 nuisance taxes in 2018/19 and 54 in 2019/20; reviewed the National Investment Promotion Policy (1996) and Tanzania Investment Act, 1997; merged some of the functions from the former Tanzania Food and Drugs Authority (now called Tanzania Medicines and Medical Devices Authority-TMDA) to the Tanzania Bureau of Standards (TBS), among others.

The country has adopted 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 investments. Trade development instruments that Tanzania has adopted include establishment of 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 Special Economic Zones Act of 2006 authorised the establishment of special economic zones (SEZs) to encourage Greenfield investments in light industry, agro-processing industry and agriculture. The Export Processing Zones Authority (EPZA) governs export processing zones and special economic zones. The Government has encouraged local and foreign investors to take advantage of the investment opportunities under EPZA for their benefit 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 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
- iii) Service provider's licence: for investors who are providing services, including banking, insurance, and information and communication technologies (ICTs) and utilities to EPZ and SEZ investors within the respective zones.

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 issued by EPZA. More information can be found on the website www.epza.go.tz; and email address is info@epza.go.tz.

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 through the Africa Growth Opportunity Act (AGOA); Europe through Everything-But-Arms (EBA); Asia (e.g. India and China), and Middle East, all done through special bilateral trade and investment agreements and arrangements.

Tanzania is also a member of two major regional economic communities (RECs), namely the Southern African Development Community (SADC) and the East African Community (EAC). With the upcoming of the SADC-EAC-COMESA Tripartite, Tanzania is linked to COMESA as well. The regional economic communities are growing stronger, and so investors in Tanzania will have the advantage of accessing both domestic and regional markets as well as the export markets in the European Union, 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 about 58 million people, growing at a rate of 2.7 percent per annum, and a growing middle-income class. Both EAC and SADC are growing stronger, and so investors in Tanzania will have the advantage to access domestic, regional and international markets.

Briefly, the following are among the reasons why one should invest in Tanzania:

- a) There is a high degree of investment security because of unparalleled political stability that is strife-free without ethnic division, democratic rule of law that respects diversity of opinion and a strong tradition of constitution and rule of law
- b) The country has maintained business-friendly macro-economic stability with low inflation (around 5%), stable exchange rates supported by unrestricted and unconditional transfers of profits, loan repayments, emoluments, royalties, fees and charges
- c) There is a commitment to ensuring simplified bureaucracy, streamlined through the acclaimed services of the Tanzania Investment Centre (TIC), which is a one-stop facilitation agency of Government registering projects and serving registered investment projects
- d) The Government of Tanzania is committed to, and has successfully undertaken, economic liberalisation measures commended by the World Bank and IMF with business-supportive legislation continually being improved through genuine dialogue between the Government

-
- and the private sector
- e) There is a well-balanced package of incentives to investors with additional negotiated benefits to strategic investors
 - f) The economy is rapidly emerging as the most effective entry point and gateway for trade into eastern, southern and central Africa
 - g) There are lucrative investment opportunities in infrastructure, and value-adding facilities that are among the fastest growing segments of the economy
 - h) The Government is committed to ensuring investment guarantees and settlement of disputes. Investments in Tanzania are guaranteed against political risks, nationalisation and expropriation
 - i) 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 Bank, Citibank, Exim, Stanbic, ABSA Bank (formerly traded as Barclays Bank), KCB Bank, Bank of Africa, Azania Bank, Citibank, Akiba Bank, Bank ABC and Diamond Trust Bank, have invested in Tanzania. Banks with branches in Iringa region are CRDB Bank, NBC Limited, National Microfinance Bank Limited, and TPB Bank. Investors in Iringa can also access facilities of development financing institutions such as Tanzania Agricultural Development Bank (TADB) and TIB Bank. There is one community bank licensed to operate in the region, the Mufindi Community Bank, based at Mafinga.

1.3 Specific Attractive Investment Conditions in Iringa Region

a) Road transport

Iringa Region is well served with relatively good road networks of main tarmac roads and all-weather passable feeder roads. Iringa is the entry point to the Southern Highlands Zone from the eastern, northern and central parts of the country.

b) Civil aviation and air transport

There is an established Iringa Airport that caters for daily flights using medium and small planes for passengers and cargo to domestic destinations. There are also small airports for non-scheduled air transport services operating in Ruaha National Park and Mafinga Town Council.

c) Telecommunication and media coverage

Iringa Region enjoys wide coverage of cellular telephone services in urban and rural areas. These include TIGO, VODACOM, AIRTEL, HALOTEL, TTCL and ZANTEL. New mobile users are attracted to subscribe to available companies in the region to facilitate their business communication and operations.

Iringa Region also enjoys media diversity including print media in Kiswahili and English such as Daily News, *Habari Leo*, Sunday News, The Guardian, *Nipashe*, just to mention a few. Radio stations (with local, national and international coverage) include Nuru FM, Radio Ebony FM, Radio Free Africa, Radio One, Clouds FM, Radio Maria, Generation FM, TBC Taifa, TBC FM, and BBC. There are television stations such TBC, Star TV, ITV and Channel Ten. The media is able to cover most districts and offers up-to-date information about Iringa Region.

d) Financial institutions

Iringa has a Bank of Tanzania (BoT) branch, which provides various monetary, economic and financial services to the banking sector, such as ensuring the existence of a financial system that provides smooth, efficient and effective financial services to the economy. The Bank guarantees credit to small and medium enterprises (SMEs) through the Export Credit Guarantee Scheme (ECGS).

The region enjoys other banking services from the National Bank of Commerce (NBC), National Microfinance Bank (NMB), CRDB Bank, TADB, DTB, EXIM, MUCCOBA, ACCESS, ABSA, Mkombozi Commercial Bank, and TPB Bank.

e) Power supply

Iringa Region is connected to the national electricity grid. All councils are served with electricity in urban areas and most rural areas have access to electricity. The Rural Electricity Agency (REA) has been mandated by Government to ensure all rural areas have access to electricity.

f) Attractive climate condition

The region has a very good tropical climate, with temperature ranging between 10°C in May/June and 25°C in October; ample rainfall and good topography.

g) Availability of skilled and non-skilled labour

The region has a large number of young, energetic and skilled labour. Investors can source any skilled and non-skilled labour from the region partly because of the large yearly output of graduates from universities, vocational training institutes and other tertiary learning schools and colleges. The region is also endowed with a culture of hard-working people.

1.4 Suggested Priority Investment Areas in Iringa Region

Interested parties are welcome to invest in the following suggested priority investment areas, which are more detailed in Part Three of this guide.

1.4.1 Summary of Regional Level Priority Investment Opportunities

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

1. Establishment of star-rated tourist accommodation facilities
2. Establishment of an international conference centre
3. Diversified pulp and paper production
4. Fruit and vegetable processing
5. Production of packaging materials for both primary and secondary processing industries
6. Establishing avocado processing plants
7. Sugarcane farming and processing
8. Breeding of heifers for dairy farmers

1.4.2 Summary of Council Level Priority Investment Opportunities

1. Solid wastes management
2. Production of safety matches and toothpick
3. Ceramics, tiles and melamine production

-
4. Establishment of agro-waste charcoal briquettes plant
 5. Manufacturing of adhesives
 6. Organic farming of horticulture crops
 7. Processing of forest produce
 8. Sunflower production and processing
 9. Quarrying for stones products
 10. Construction of shopping mall and modern markets
 11. Animal feeds manufacturing
 12. Tea production and processing
 13. Building tourist hotels and camp sites
 14. Establishment of health care facilities
 15. Construction of private schools and vocational training institutes
 16. Establishment of modern sports and recreation facilities.

1.5 The Guide's Target Groups

This guide targets mainly prospective national and international 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. Specifically, the following are the beneficiaries of the guide:

- Investors with various capital endowments prepared to invest in small, medium and large industries. They include those interested in production (medium-to-large farms/estates), value adding and marketing entities as registered local and foreign companies or registered cooperatives, such as farmer agricultural marketing cooperative societies (AMCOS) and graduate cooperatives intending to invest in Iringa designated industry and business areas);
- Prime Minister's Office (PMO-Investment)
- Government ministries, agencies, institutions, local government authorities, EPZA and state-owned enterprises (SOEs), for example those responsible for agriculture, industries, trade, finance, and international cooperation
- 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
- Academicians, researchers and extension service providers

-
- Institutions such as the Tanzania National Business Council (TNBC), Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), pension and provident funds investing in agriculture and industries, and other support institutions
 - Institutions overseeing the management of quality and safety management issues, such as Tanzania Bureau of Standards (TBS) and Tanzania Medicines and Medical Devices Authority (TMDA)
 - Organisations providing productive capacities, information and data, monitoring and evaluation and other business support services. Such organisations are Textiles Development Unit (TDU), Business Registration and Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Fair Competition Commission (FCC), National Economic Empowerment Council (NEEC), Tanzania Trade Development Authority (TANTRADE), industry support organisations (ISOs), agricultural and industrial extension services providers, Tanzania Investment Centre (TIC), etc.
 - Selected civil society organisations (CSOs), non-government organisations (NGOs) and development partners (DPs), such as the Food and Agriculture Organisation (FAO), United Nations Development Programme (UNDP), World Bank (WB), United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), European Union (EU), United Nations Industrial Development Organisation (UNIDO), and TradeMark East Africa (TMEA).

PART TWO

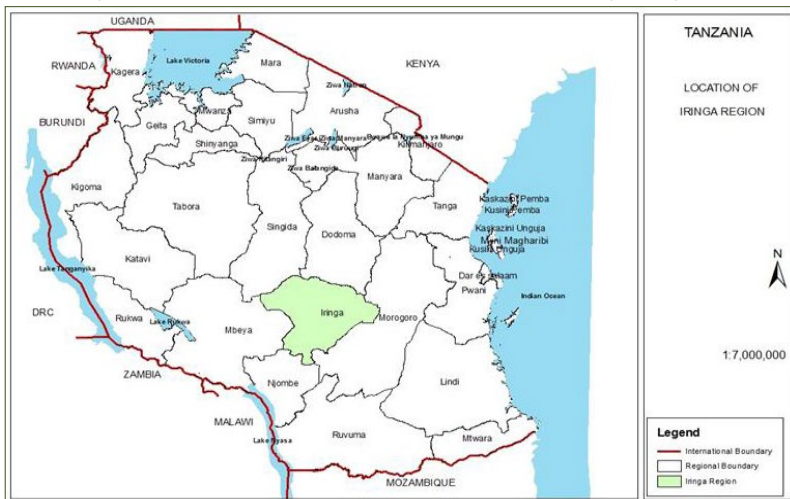
SOCIO-ECONOMIC PROFILE OF IRINGA REGION

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

2.1 Geographical Location

Iringa Region, homeland to the second largest national park in Africa, Ruaha National Park, is strategically located to attract domestic and foreign investors. The region is located in the southern highlands zone of Tanzania Mainland, below the equator and between latitudes 60° 55' and 90° 00'. Longitudinally, it is situated between 330° 45' and 360° 55' east of Greenwich. Iringa Region borders five regions, namely Morogoro Region in the east, Njombe Region in the south, Dodoma and Singida regions in the North and Mbeya Region in the west.

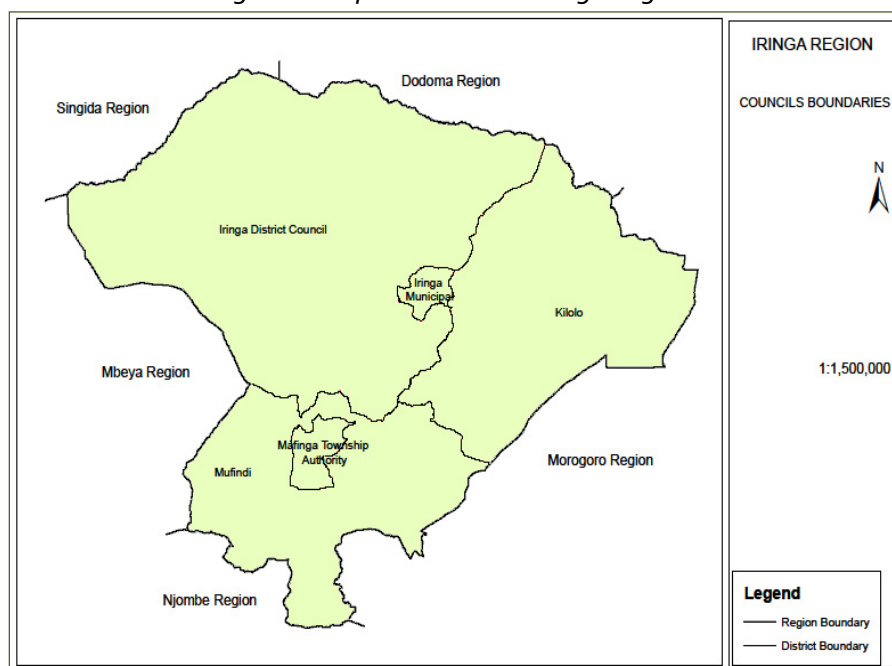
Figure 1: Map of Tanzania and Location of Iringa Region



2.2 Administrative Units

Iringa Region has five local government authorities, which are Kilolo District Council, Mufindi District Council, Iringa District Council, Iringa Municipal Council and Mafinga Town Council. The region is also sub-divided into 15 divisions, 106 wards, 359 villages, 1,867 hamlets and 222 local administrative units.

Figure 2: Map of Councils in Iringa Region



2.3 Land and Water Area

Iringa Region covers an area of 35,743 square kilometres and it occupies about 4.1 percent of Mainland Tanzania land area of 883,343 square kilometres, out of which 3,385 square kilometres are covered by water bodies. As Table 1 shows, Iringa District Council has the largest area (19,055 sq km or 58.9%), followed by Kilolo District Council (6,797 sq km or 21.0%) and Iringa Municipal Council (330 sq km or 1.0%).

Table 1: Land and Water Areas Distribution (sq km) by Council, Iringa Region, 2019

Council	Land Area	Water Area	Surface Area	Percent of land Area	Percent of Water Area
Iringa District Council	19,055	1,359	20,414	58.9	40.2
Mufindi District Council	5,241	929	6,170	16.2	27.4
Mafinga Town Council	936	17	953	2.9	0.5
Iringa Municipal Council	330	2	331	1.0	0.1
Kilolo District Council	6,797	1,078	7,875	21.0	31.8
Total	32,358	3,385	35,743	100.0	100.0

Source: Regional Commissioner's Office, Iringa, 2019

2.4 Iringa Region Population

Iringa's population is projected to being 1,122,131 in 2019 from 941,238 people in 2012. Iringa District has the largest population followed by Mufindi District, Kilolo District, Iringa Municipality and Mafinga Town during the 2012-2019 period (Table 2).

Table 2: Iringa Region Population

Iringa Councils	Actual Population - 2012 Population Census			Projected Population for Year 2018			Projected Population for Year 2019		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Iringa District	254,032	123,243	130,789	293,815	143,297	150,518	300,571	146,938	153,633
Mufindi District	246,090	116,499	129,591	285,013	136,199	148,814	291,919	139,614	152,305
Iringa Municipality	151,345	71,932	79,413	181,474	86,976	94,498	186,140	89,259	96,881
Kilolo District	218,130	105,856	112,274	249,496	122,472	127,024	255,787	125,676	130,111
Mafinga Town	71,641	34,522	37,119	85,374	41,600	43,774	87,714	42,754	44,960
Total	941,238	452,052	489,186	1,095,172	530,544	564,628	1,122,131	544,241	577,890

Source: National Bureau of Statistics, 2019

2.5 Iringa Population Density

Iringa Region population density in 1988 was 25 persons per square kilometre but has since increased to 52 persons per square kilometre in 2018, which is

slightly higher than the national average of 49 persons per square kilometre for Tanzania Mainland.

2.6 Climate, Soil, Vegetation and Topography

2.6.1 Climate

Iringa Region, as part of Southern Highlands of Tanzania, experiences long rainfall and short dry seasons with, more often, cool fairly moderate winds. Total rainfall of the region ranges between 500 mm and 1,600 mm per annum with high geographical, seasonal and annual variation. The rainy season is from November to May followed by dry and cold season from June to September.

The temperature in Iringa Region varies according to change in altitude and time of the year. The Temperatures range from 10°C in May/June to 25°C in October. There are also temperature variations observed between day and night – temperatures may rise up to 28°C in the afternoons and sometimes going down to a chilly 10°C during evenings and nights.

2.6.2 Soils

Iringa Region is characterised by two major superficial geological deposits: these are the red/yellow, well drained and highly weathered and the leached clay soils in high-altitude areas. The region is also embraced with intermediate clay soils, which are moderately drained and leached. They are located in the midlands of the region while the lowlands are occupied by highly fertile red brown loams. Most of the farmlands are on sandy loams with some black cotton soils, which characteristically host Acacia woodlands.

2.6.3 Vegetation

Iringa Region is clustered into three different geographic vegetation zones, which are miombo woodlands, savanna and mountain forest. The vegetation forms the western woodland slopes, giving way to grassland patches at 2,200 metres above sea level and moist forest on the wetter eastern slopes, while rivers drain eastwards into Ruaha River. The forest is upper montane at high altitudes with forests at lower altitudes. The region has also large reserve of

secondary forest cover following logging and extensive areas of rock outcrops that are covered in lithospheric lichens and orchids.

2.6.4 Topography

Topographically, Iringa Region is located to the northern part of the southern plateau of Tanzania, which is at an altitude ranging from 900 metres to 2,300 metres above sea level. The region is surrounded by major scarp of up to 800 metres high above sea level, forming the eastern part of the Great Rift Valley. The region has prominent features of land escarpment in Iringa District Council/Municipal and Kilolo District with massive outcrops or rocky peaks (tors) of granite and metamorphic rocks alternatively known as inselbergs. The region is generally dominated by the Udzungwa Mountains separating Iringa and Morogoro regions in the east. The northern parts of the region are relatively flat, high plains cut by the eastern arm of the Great Rift Valley in which the Great Ruaha River flows. The region is further characterised by the presence of a big plateau portion which forms the common landform of the region. The only permanent rivers in the region are Little and Great Ruaha and Lukosi.

2.7 Agro-Ecological Zones (AEZ)

Iringa Region is classified into three different agro-ecological zones: highlands, medium and lowlands, based on prevailing climatic conditions as well as geological features.

2.7.1 Highlands Zone

This zone lies at an altitude of 1,600 to 2,700 metres above sea level with less than 15°C. It is characterised by high rainfall with annual mean precipitation ranging from 1,000 mm to 1,600 mm falling in single season from November through April or May. The dry and cold season occurs from June to September. The zone is generally mountainous



with plains dissected by many seasonal streams. The zone covers the eastern parts of Iringa District Council, Kilolo District Council, Mufindi District Council and Mafinga Town Council. The soils are red/yellow, well drained and highly weathered and leached clay soils. Main crops grown are maize, bananas, peas, tea, wheat, sweet and round potatoes, temperate fruits, sunflower and beans. Livestock keeping is largely practised, which includes cattle, pigs, sheep, goats and poultry. Fishing is also practised.

2.7.2 Midlands Zone

This zone lies at an altitude of 1,200 to 1,600 metres above sea level. Temperatures range from 15°C to 20°C. The zone enjoys moderate rainfall with an annual precipitation of between 600 mm and 1,000 mm. The area is characterised by a gently undulating plateau with isolated hills, rock outcrops and dissected by many streams in the central parts of Iringa Region covering parts of Mufindi, Iringa and Kilolo districts. The midlands are occupied by intermediate clay soils, which are characterised by being moderately drained and leached. Crops grown here are mainly maize, cowpeas, sweet potatoes, beans, sunflower and fruits. Livestock keeping includes cattle, dairy farming, sheep, pigs, goats and poultry.

2.7.3 Lowlands Zone

The zone is predominantly undulating, flat and has a fair annual rainfall regime of between 500 mm and 600 mm. It is situated at an altitude of 900-1,200 metres above sea level and has temperatures varying from 20°C to 30°C. This zone covers the low-lying northern parts of Iringa District along the Ruaha River. The lowlands are dominated by red/brown loams and are fairly fertile. The zone is suitable for growing drought resistant crops like sorghum, millet, cowpeas, sunflower, sesame, cassava, groundnuts, paddy, bananas, vegetables and tropical fruits. The zone is free from tsetse flies and hence suitable for livestock keeping including cattle, goats, sheep and donkeys. Fishing activities are mainly confined to Mtera Dam and at a small scale along Ruaha River.



2.8 Drainage System

Iringa Region is generally dominated by Udzungwa Mountains, which separate Iringa and Morogoro regions in the east. These high plains are cut by the eastern arm of the Great Rift Valley, through which the Great Ruaha River flows. The region is further characterised by the presence of big plateau portion, which forms the common landform. The northern parts of the region are relatively flat. Iringa Region forms part of the Indian Ocean drainage zone. The Great and Little Ruaha rivers join the Rufiji River outside the region to form part of the Rufiji River Basin. The central plateau of the region divides the catchment into northern drainage and southern drainage. The rivers draining north all merge into the Great Ruaha and those draining south join Rufiji and Kilombero rivers.

2.9 Productive Sectors

2.9.1 Agriculture (Crops)

Agriculture is the main source of livelihood for the majority of Iringa households. It is estimated that about 82 percent of the households are engaged in agricultural activities.

Iringa Region has an area of 3,580,434 hectares, of which 1,557,465 hectares or 43.5 percent is arable land suitable for crop production and livestock rearing. Of the available arable land, only 582,161 hectares or 37.4 percent is under crop cultivation and livestock keeping. Only a small portion of the remaining arable land of 975,305 hectares is used for other economic activities such as human settlements and natural forests.

Thus, there is ample agriculture land in Iringa Region for agriculture and livestock investments. Mufindi District Council has the

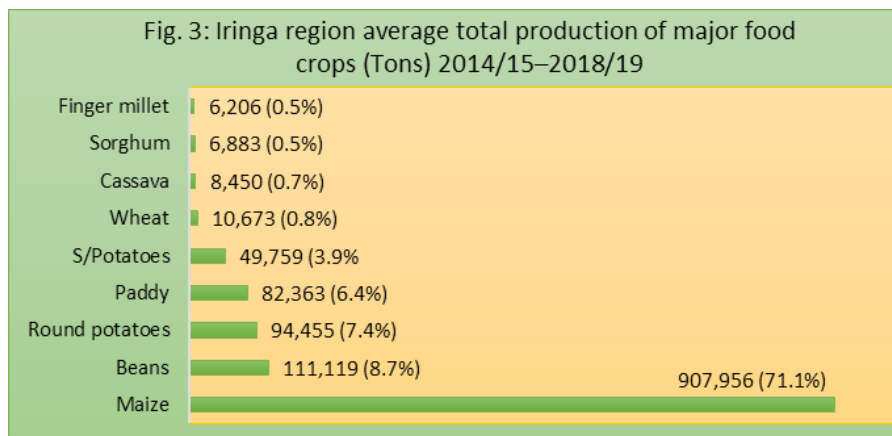


largest arable land (38.5%) for agriculture and livestock investments, followed by Iringa District Council (30.7%), Kilolo District Council (26.1%), Mafinga Town Council (4.2%), and Iringa Municipality (0.4%).

i) Major food crops

During the 2014/15 – 2018/19 period, major food crops cultivated in Iringa Region with average production per year in tonnes and percentage contribution in bracket are shown on Figure 3. Total average production of major food crops grown in Iringa Region during the period between 2014/15 and 2018/19 was 1,277,864 metric tonnes. Maize and beans are the lead crops mostly grown in Mufindi District Council (71.1%) and Iringa District Council (8.7%).

Round potatoes are mostly grown in Iringa District Council and Mufindi District Council, while paddy is mostly grown in Iringa District Council (7.4%) and Kilolo District Council (6.4%). The share of the remaining crops (sweet potatoes, wheat, cassava, sorghum, and finger millet) is less than 7 percent.



Source: Iringa RAS Office, 2019

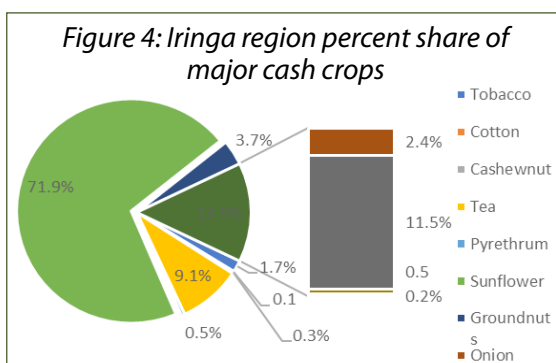
Table 3: Iringa region total production of major food crops (mt.)
2014/15 - 2018/19

Crop	2014/15	2015/16	2016/17	2017/18	2018/19	Average	Percentage
Maize	951,054	980,217	1,012,826	1,018,243	577,442	907,956	71.1
Paddy	88,037	89,500	94,817	85,750	53,710	82,363	6.4
Beans	97,935	106,580	136,088	120,712	94,280	111,119	8.7
Sorghum	9,741	9,831	10,917	313	3,611	6,883	0.5
Wheat	4,836	4,247	19,168	15,587	9,529	10,673	0.8
S/Potatoes	11,443	11,523	105,023	72,341	48,464	49,759	3.9
Round potatoes	18,736	20,592	132,240	130,783	169,922	94,455	7.4
Finger millet	6,415	6,792	6,795	6,071	4,959	6,206	0.5
Cassava	14,553	17,721	3,402	2,832	3,743	8,450	0.7
Total	1,202,750	1,247,003	1,521,275	1,452,632	965,659	1,277,864	100.0

Source: Iringa RAS Office, 2019

ii) Major cash crops grown in Iringa Region

Main cash include tea, tobacco, pyrethrum, sunflower, groundnuts, onion, tomatoes, coffee, cashew, cotton and avocados. During the 2014/15-2018/19 period, an average of 105,450 hectares were under cash crop production as shown in Figure 4: sunflower (71.9%), tomatoes (11.5%), tea (9.1%), onions (2.4%) and tobacco (1.7%).



Source: Iringa Regional Commissioner's office, 2019

Total annual average production of main cash crops for the period 2014/15-2018/19 was 202,303.3 metric tons as follows: tomatoes (55.7%), sunflower (19.9%), onions (12.4%), tea (8.8%) and 3.2 percent for the remaining crops.



iii) Horticulture crops

Iringa Region has good potential for growing a variety of high value horticulture crops such as avocados, grapes, mangoes, pineapples, apples, flowers, carrots, peas, onions and tomatoes. Large- scale farming investments are encouraged and the investor can easily

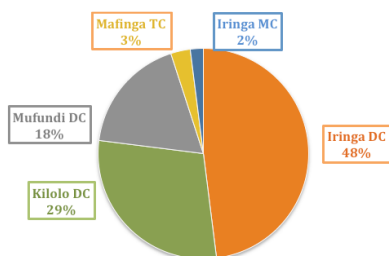
organise small-scale out-grower farmers to enable meet large-scale demand for processing and other value addition. The region has identified over 9,883 hectares suitable for fruits and vegetable farming in Mufindi District Council, Iringa District Council and Kilolo District Council.

iv) Irrigation agriculture

Iringa Region experiences only one type of rainy season, long rainy season which begins in December to mid-May of the following year. Therefore, irrigation is the best alternative and supplementary source of water in growing crops in dry areas and during periods of inadequate rainfall. Irrigation agriculture is facilitated

by availability of National Irrigation Development Fund (NIDF) and District Irrigation Development Fund (DIDF). Over 24,958 hectares have potential for irrigation in the region, with Iringa District Council accounting for 47.5 percent of the total area suitable for irrigation, followed by Kilolo District Council (29.5%); Mufindi District Council (17.7%) and Iringa Municipality (2.2%). In 2018/19 crops under irrigation included beans, watermelon, tomatoes, onions, and vegetables.

Figure 5: Iringa districts percent area suitable for irrigation



Source: Regional Commissioner's Office, 2019

2.9.2 Livestock

Livestock keeping is the second major economic activity in Iringa Region after crop production. Types of livestock kept in the region are cattle, goats, sheep, donkeys, pigs and poultry. More than 51 percent of households in the region

keeps at least one type of livestock. The estimated number of livestock in Iringa Region in 2018/19 were chicken (3,514,728), cattle (326,437), goats (163,247), sheep (61,904), pigs (102,259), and donkeys (5,492). Table 4 provides a summary of livestock population in 2018/19.



Table 4: Iringa region estimated livestock population by type and Council, 2018/19

Council	Cattle	Goats	Sheep	Pigs	Donkeys	Chicken
Iringa District Council	167,186	108,930	45,717	38,281	2,745	718,804
Iringa Municipal Council	9,412	4,770	1,524	5,612	289	2,164,723
Kilolo District Council	63,922	34,044	9,645	34,347	2,137	365,872
Mafinga Town Council	13,390	659	309	2,298	0	90,072
Mufindi District Council	72,527	14,844	4,709	21,721	321	175,257
Total	326,437	163,247	61,904	102,259	5,492	3,514,728

Source: Iringa RAS Office, 2019

Livestock keeping is a good business and earns keepers' substantial income. In 2018/19, indigenous cattle marketed were worth TZS 9.00 billion, of which TZS 3.26 billion was from sale of pigs; poultry sales were worth TZS 1.99 billion; beef cattle sales were valued at TZS 1.28 billion; goats valued at TZS 0.94 billion; dairy cattle valued at TZS 0.36 billion and sale of sheep was valued at TZS 0.28 billion.

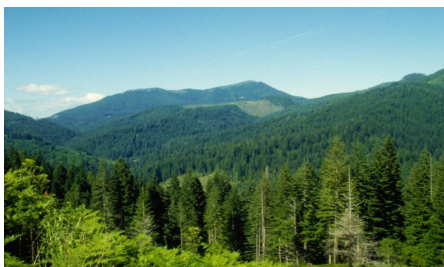
2.9.3 Natural Resources

The natural resources sector is comprised of various sub-sectors including forestry, fisheries, bee-keeping, wildlife and mining. The sector is very important through its contribution to the social and economic development of the region. Apart from economic gains, the sector also plays an important role in the maintenance of climate stability, conservation of water sources and soil fertility, controlling land erosion, and as a source of wood fuel, industrial materials and non-wood products such as honey and bee-wax.

i) Forestry

The favourable climatic condition of the region supports both natural and plantation forestry. The total area under forest cover in Iringa Region is 1,369,392 hectares, which is equivalent to 38.3 percent of the region's total land area of 3,574,298 hectares. Iringa District has the largest forest cover (1,307,436 ha, equivalent to 95%), followed by Mufindi District (29,516 ha, equivalent to 2.2%), and Kilolo District (22,924 ha, equivalent to 1.7%). The smallest area under forest cover is in Mafinga Town (789 ha, equivalent to 0.1%).

Iringa Region also encourages plantation forestry for domestic and foreign investors. Recent statistics show that about 164,548,016 tree seedlings were under production, of which 73.3 percent was grown in Kilolo District.



ii) Beekeeping

The vegetation type of Iringa Region is dominated by miombo woodlands, which makes it potential for beekeeping activities. Production of honey and wax has been increasing in the last two years due to mass campaigns done

by Government and private sector on the importance of beekeeping not only in the region but also in the country as whole. Use of modern bee hives and community awareness towards beekeeping are also a potential economic venture for their livelihood.



iii) Fisheries

In Iringa Region fishing is mainly carried out in Mtera Dam, which is located in Iringa District Council, as well as in Ngwazi and Nzivi natural dams situated in Mufindi District Council; tilapia and catfish are the dominant species. There is a great potential for investment in fish farming, spot fishing as well as cage culture particularly in Mtera Dam.

Fishing and fish farming activities are considered to be good business for substantial income as well as revenue generation, as it plays a great role in raising the regional and national GDP. In 2017/2018 a total of 2,245.35 metric tonnes of fish were harvested, which was worth TZS 156,207,281; and in the year 2018/19 a total of 2,551.30 metric tonnes of fish generated revenue worth TZS 343,759,448.

2.9.4 Mining Sector

Iringa Region has yet to play a significant role in mineral production, though there are number of mineral deposits. Kilolo District Council is the only district endowed with lime located in Ilula Ward, aggregates in Uhambingeto Ward, and fine sand in Ihimbo Ward. Nevertheless, little is known about the actual potential of the minerals in these sites. As a result, its contribution to the region's economy is still negligible compared to agriculture and livestock activities.

The region has several mineral deposits that have not yet been exploited. Those known so far include lime (Kilolo District Council); gold deposits in Idete, Bomalang'ombe, Udekwa and Mahenge (Kilolo District Council), in Pawaga, Ipokera, Tanangozi, Nyakavangala and Ulata (Iringa District Council)

and in Kilosa (Mufindi District Council). Gemstones are also found in Idete, Udekwa Bomalang'ombe and Mahenge (Kilolo District Council).

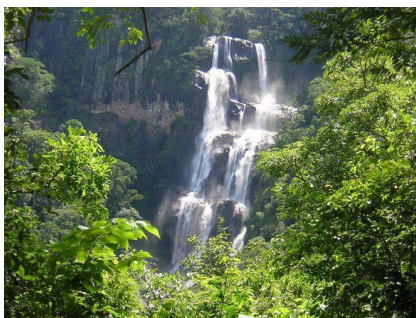
Iringa Region has ample opportunities of mineral mining and value addition, for example jewellery making (e.g. lapidary, cutting, polishing, etc.) as well as supply of mining services, such as drilling, airborne geophysical surveys; laboratory services, or refining.

2.9.5 Tourism

Iringa Region cordially welcomes domestic and international tourists to view the unparalleled attractions in the region. The famous Ruaha National Park, the second largest national park in Africa and Udzungwa Nature Reserve, which are endowed with unique flora and fauna worldwide, add Iringa Region to the list of best world tourist destinations. Tourism activities in the region include game viewing, photographic tourism, walking safari, hiking, researching and camping, which are permitted activities in national parks and in game-controlled areas, while trophy hunting is only permitted in game controlled and reserve areas outside national parks.



Sanje Crested Mangabey



Sanje Waterfalls in Udzungwa National Park

The worlds' renowned toads that are not found anywhere else in the world are found in Kihansi River in Iringa Region. Tourists love to see this world scenic marvel.

Other little-known sites with marvel attractions to visitors, some of which are best viewed from above using parachutes, are in the Ruaha and Udzungwa national parks. Tourists visiting Iringa Region also love to visit Tanzania's birds'

paradise with more than 571 species and some of them are known to be migrants from within and outside Africa. Ruaha is believed to have high concentration of elephants than any other national park in East Africa. It is also a place where magnificent mammals like Kudu, Sable and Roan antelopes can easily be spotted in Miombo woodlands. The park is also a habitat for endangered wild dogs.



Great Kudu (Tragelaphus strepsiceros)



Kihansi Spray Toad

Other animals in the park include lions, leopards, cheetah, giraffes, zebras, elands, impala, bat eared foxes and jackals. Apart from large animals, the park is also habitat to a number of reptiles and amphibians such as crocodiles, poisonous and non-poisonous snakes, monitor lizards, agama lizards and frogs. The park is characterised by semi-arid type of vegetation, baobab trees, Acacia and other plant species.



Over 1,650 plant species have been identified in Ruaha National Park; the park is also among the preferred lodge by foreigners and visitors, who also like to view Nyundo Grave. Iringa Region has also 34 historic sites that attract visiting tourists, but most are known only to the local people in the region.



2.9.6 Energy Sector

Iringa Region uses various sources of energy for lighting, cooking as well as for industrial and other uses. These sources include reliable supply of electric power from the national grid, charcoal, firewood and others. Potential investments are available for generation of hydro-electricity from the region's rivers, namely Ruaha, Lukosi, and Mpanga. The region has also good and strong winds in Mbigili (Kilolo District Council) and Ismani (Iringa District Council) that are potential for power generation. Mwenga Hydropower Station, based in Mufindi District, produces 4 MW; some 32 villages (with 4,206 customers) are supplied with electricity from this source and expansion is still going on to reach more customers.

Like most of Tanzania, Iringa Region relies on biomass energy mostly in the form of fuel wood or charcoal for cooking and heating. In 2018, wood energy demand accounted for over 80 percent of the region's overall energy supply and demand and almost 95 percent of that demand came from the household level. About 10 percent of the energy supply is electricity from the national grid, which households use mainly for lighting and industrial purposes.

Tanzania is moving towards ensuring all urban and rural areas are supplied with electricity. As of June 2017, Tanzania had an installed generation capacity of 1,513 MW, or 0.033 kW per capita, of which installed capacity in the main grid system amounted to 1,366.60 MW. The system is a hydro-thermal mix, constituting hydro 567.70 MW (41.54 %), thermal (natural gas) power plants 615 MW (45.0 %), liquid fuel 173.4 MW (12.69%) and biomass 10.50 MW (0.77%) mainly from Independent Power Producers (IPPs). The recently unveiled Julius Nyerere Hydropower Project (JNHPP), formerly known as Stiegler's Gorge Project, on Rufiji River will expand generation capacity by 2,100 MW, nearly doubling the current production of electricity, thus ensuring all households,

commercial and industrial users have access to reliable, stable and fairly low-cost supply of energy.

2.9.7 Industrial Sector

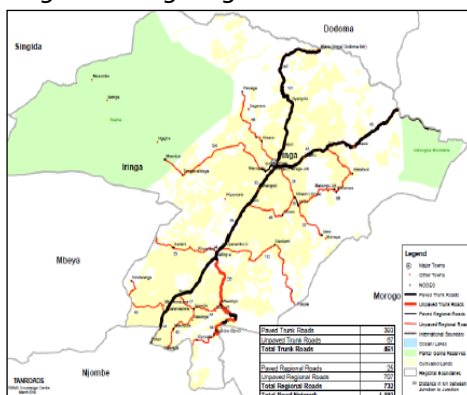
Iringa Region has many small-scale industries and very few medium and large-scale industries. Most establishments (1,153 or 56.8%) are involved in maize milling; others are cereal milling machines (1,135), carpentry (278), service industry garage (178), welding (160) and timber processing (133). At district level, Mufindi District Council has the largest number (606) of small-scale industries followed by Kilolo District Council (482), Mafinga Town Council (396), Iringa District Council (268), and Iringa Municipality (245).

2.10 Economic Infrastructure

i) Roads

The region has a fairly well-developed road network of 5,810.30 kilometres long and more than 70 percent of all roads are passable throughout the year (see Figure 3). Iringa Region is connected to the main truck road that runs from Cairo in Egypt to South Africa via Tanzania's capital, Dodoma City. The region is also connected by a good tarmac road to Tanzania's commercial centre, Dar es Salaam, through Morogoro.

Figure 6: Iringa region Roads Network



ii) Air transport

Iringa Airport is located 13 kilometres (8.1 miles) north-east of the municipality. The airport has recently undergone (or is currently undergoing) some reconstruction to enhance the runway and expand passengers' lounge in response to increased passengers' demand, especially from international tourists visiting the famous Ruaha National Park. There is also a smaller

airstrip within Ruaha National Park, which is still operational, serving smaller planes. Mafinga District Council has also an airstrip for small planes. The rehabilitation and upgrading of Iringa Airport aim at attracting domestic and foreign visitors



to the region, bring materials directly into Iringa, facilitate transportation of perishable commodities such as fresh fruits and vegetables, as well as meet increasing needs of industrial products that need to be transported through Iringa Airport. The development of the airport could also stimulate and support other economic activities in the region triggered by its drive to industrialise the local economy.

iii) Telecommunication services

Iringa Region is well served with Internet connectivity, telephone services (both cellular and land line telephone services) and postal services. The region is well served with a number of telephone companies, including Tanzania Telecommunication Company Limited (TTCL), Vodacom, Airtel, Tigo, and Halotel. Most urban and rural areas are well served with either all of these companies or a few among them and all districts in the region have a good network coverage. In 2017, the region had access to all national television stations such as ITV, TBC, Star TV etc., and one local television station located in Iringa Municipality. There are also six radio stations in Iringa Municipality apart from national radio stations. Iringa Municipality has seven Internet cafés and Kilolo District Council has one; there are also two sub-post offices in the municipality.

PART THREE

PRIORITY INVESTMENT OPPORTUNITIES IN IRINGA REGION

The investment opportunities identified by Iringa Region are grouped into two (2) categories - regional and council-level investment opportunities as follows:

3.1 Regional Level Priority Investment Opportunities

Based on availability of raw materials and/or availability of required infrastructure to support particular investment(s), Iringa Region has identified eight (8) key investment opportunities to be recognised and implemented at the region level. These include establishment of star-rated tourist accommodation facilities; establishment of an international conference centre; pulp and paper production; fruits and vegetable processing; manufacturing of packaging materials for both primary and secondary processing industries; avocado processing; sugarcane farming and processing; and dairy Heifers farming.

Regional level investment opportunities have two main attributes: first, it is their scale and scope, which transcend beyond those of individual local government authorities; and the opportunities are large enough to serve all local government authorities in the region. Specific details for each opportunity are given below:

1. Establishment of Star-Rated Tourist Accommodation Facilities

Overview of the Opportunity in Building Star-Rated Tourist Accommodation Facilities

Key features



- Iringa Region cordially welcomes investor(s) to construct and operate modern star-rated tourist accommodation facilities in the region
- Preferred locations are Iringa Municipality, where 1,700 hectares at Kihesa in Kilolo Ward have been set aside for this purpose
- A few important areas of consideration for this kind of investment include having a common area that will include a reception area (hall, lounge, lobby, main entrance, facilities for people with disability; a bar, a fine dining room, restaurant or breakfast room; a banquet or conference hall; restaurants; outdoor area or indoor area; entertainment, recreation or sports area; sanitary installation for common areas; public toilets for people with disability; etc.



Key investment rationale



- Iringa Region is becoming the southern Tanzania tourist hub in recognition of its spectacular tourist attractions as briefly detailed in this guide
- The region is neighbour to Dodoma City, the capital of the country, and can provide high quality accommodation and conference facilities to the growing population of the city and Iringa Municipality
- There are no star-rated tourist hotels in the southern tourism circuit, despite high demand for such facilities as numbers of high-end tourist market continue to rise.

Available support

- Committed and high political support at national, regional and local government levels
- Fairly good infrastructure (electricity and water supply, good road network, communication services and markets are available in the region
- NEMC to support investors to ensure they meet statutory environmental standards

Overview of the Opportunity in Building Star-Rated Tourist Accommodation Facilities

- The investor is urged to consider the internationally acceptable specifications for construction and operations of star-rated tourist hotels; such specifications can be found under the following link: <https://spip.gov.my/public/files/classification-guidelines.pdf>. The region has established a one-stop Regional Investment Facilitation Office (RIFO) to support investors and coordinate all investments in the region.

2. Establishment of International Conference Centre

Overview of the Opportunity: Establishment of International Conference Centre

Key features



- An investor is welcome to establish an international conference centre in Iringa Region
- As part of the growing conference tourism in Tanzania and around the world, the centre will provide services to business travellers attending meetings, seminars, workshops, conferences and conventions. Conference tourism is the largest and fastest growing segment of the modern tourism sector in the world
- The conference centre will be equipped with world-class facilities including computers, Internet services, halls and private meeting rooms, audio-visual, multimedia and telecommunication services. The facility will provide comfortable surroundings, good accommodation and fine cuisine
- The preferred location is Iringa Municipality, which has reserved 50 hectares for this investment.

Key investment rationale



- Iringa Region and Tanzania's southern tourist circuit do not have an international conference centre
- Iringa Region, being close to Dodoma City, provides an ideal location due to growing demand for such services



Overview of the Opportunity: Establishment of International Conference Centre

	<ul style="list-style-type: none"> Anticipated high rate of growth of tourist activities in the southern circuit to take advantage of the world-famous Ruaha, Udzungwa and other tourist attractions Availability of good supportive infrastructure – tarmac roads from Dar es Salaam and Dodoma, airport, electricity, water and other socio-economic services.
Available support	<ul style="list-style-type: none"> Committed and high political support at national, regional and local government levels National Vision 2025 and Second Five-Year Development Plan (FYDP II) promotes provision of conference tourism services A one-stop Regional Investment Facilitation Office (RIFO) to support investors and coordinate all investments in the region.

3. Establishment of Pulp and Paper Industry

Overview of Investment Opportunity in Pulp and Paper Industry

Key features 	<ul style="list-style-type: none"> A pulp and paper industry will produce a large number of paper products Preferred location is Mafinga Town The region has the largest forest cover in the country (over 3,574,298 hectares) with trees suitable for pulp and paper production Sustainable supply of forest produce is evidenced by tree seedlings grown in the region (exceeding 39,843,738 seedlings per year) under plantation and individual smallholders Establishment of pulp and paper industries will serve as market to people invested in tree planting The region has earmarked 300 hectares of land at Bumilahinga Ward in Mafinga Town Council for this investment.
Key investment rationale 	<ul style="list-style-type: none"> Mufindi Paper Mills Ltd located in Mufindi District, Iringa Region, is the only pulp and paper mill in Tanzania Mufindi Paper Mills is an integrated pine-based plantation and a 60,000-tonne per year pulp and paper mill that manufactures only a few products, namely virgin Kraft Liner and natural sack grades

Overview of Investment Opportunity in Pulp and Paper Industry

	<ul style="list-style-type: none"> Over 60 percent of the trees suitable for pulp and paper production is sold as timber for the construction industry Existence of a pulp and paper mill will increase demand for pine trees cultivation and raise incomes of tree planters, many of whom are small holders Demand for pulp and paper products is increasing, both in Tanzania, EAC, SADC and the rest of the world, which will earn the country foreign exchange.
Available support	<ul style="list-style-type: none"> Committed and high political support at national, regional and local government levels Fairly good infrastructure (electricity and water supply, good roads network, communication services and markets are available in the region NEMC and TBS to support investors to ensure they meet statutory environmental and hygiene standards TIC and regional/district authorities to support investors by acting as one-stop regional investment facilitation office to coordinate all investments in the region.

4. Fruits and Vegetable Farming and Processing

Overview of Opportunities in Fruits and Vegetable Farming and Processing

Key features



- Interested parties are cordially welcome to Iringa Region to invest in medium and large-scale farming and processing of fruits and vegetables for domestic and export market
- Preferred location is Mufindi District Council where 337,342 hectares in 27 wards have been allocated for this purpose
- Most fruits and vegetables grown in Mufindi and in many other districts in Iringa Region include tomatoes, avocados, grapes, apples, sesame, carrots, peas, beans, oranges, eggplant, okra, sweet pepper, and onions
- Annual Tanzania production of fruits and vegetables is 2.75 million tons but only 4 percent of this production is processed. Iringa Region is one of the leading fruits and vegetables producers, with fertile land and rivers that can provide avenue for irrigation horticulture production
- There is a significant potential for intensifying horticulture commercial farming and processing for the local market as well as for export markets.

Overview of Opportunities in Fruits and Vegetable Farming and Processing

Key investment rationale



- High demand for fresh fruits and vegetables not only in the region but in Tanzania as whole, EAC and SADC countries, as well as the rest of the world
- Value addition will reduce post-harvest losses. Available data shows that as much as 31 percent of produced fruits and vegetables are lost due to pest and diseases, inadequate sorting/grading, rough handling, lack of cold storage facilities, lack of adequate packing material, and processing capacity
- Secondary processing will add value and create employment as well as revenue for the region and the Government.



Available support

- High political support from national, regional and local government level
- Relatively good supporting infrastructure, including road networks (though some are not tarmacked, they are passable throughout the year), electricity and water supply, and communication services
- NEMC and TBS to support investors to ensure they meet statutory environmental and hygiene standards
- TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitating office to coordinate all investments in the region.

5. Sugar Cane Farming and Processing

Overview of Opportunities in Sugar Cane Farming and Processing

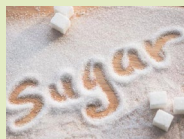
Key features



- Investors are cordially welcomed to invest in the construction of sugar-factory, build irrigation infrastructure (schemes) for production of sugarcane and enter into out-growers' contract farming
- Iringa Region has many areas suitable for growing sugarcane, including Iringa District, Kilolo District, etc.; based on availability of river valleys, suitable land, and conducive climatic conditions for cultivation of sugarcane
- Iringa District Council has set aside a total of 10,000 hectares at Maboga Ward while Kilolo District Council has set aside a total of 35,000 hectares at Mahenge, Ruaha Mbuyuni, Ibumu and Image wards.

Overview of Opportunities in Sugar Cane Farming and Processing

Key investment rationale



- Demand for sugar in the region, as well as in the fast-growing new capital, Dodoma City and other rural and urban areas in the country, is increasing
- Neighbouring countries such as Zambia, Malawi and Democratic Republic of Congo and other SADC countries offer lucrative markets
- The investment is supported by Government policy to transforming Tanzania into an industrialised, middle-income country.

Available support

- High political support from national, regional and local government level
- Relatively good supporting infrastructure, including road network (though some are not tarmacked, they are passable throughout the year), and communication services
- Assurance that investors will have access to electricity supply in investment site in case it is not available
- NEMC and TBS to support investors to ensure they meet statutory environmental and hygiene standards
- TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

6. Packaging Materials for Both Primary and Secondary Processing Industries

Overview of Opportunities in Making Packaging Materials

Key features



- Interested parties are welcome to invest in the production of packaging materials to suite various products produced and services offered in the region, Tanzania and surplus for export
- Preferred location for this investment is Mafinga Town Council, where 10 hectares of land have been earmarked at Changarawe Ward for this purpose
- Inadequate supply of quality packaging materials in the whole region for household use,, industrial goods and various agriculture produce has increased demand for this type of industry
- Shortage of packaging materials has limited the promotion of goods produced in the region.

Overview of Opportunities in Making Packaging Materials

Key investment rationale



- High demand for appropriate and quality packaging materials by households, current and future industries as well as for packing various agriculture produce
- Proper packaging materials will reduce post-harvest losses and extend shelf life of perishable produce, especially horticulture crops
- Appropriate packaging materials provide basic functions, namely simplified and easy-to-handle transportation, protection against external wear and tear, and the necessary legal information on usage and content
- The region is inviting investments in industries, markets, and shopping malls, all of which will require packaging materials
- Packaging provides an opportunity to put a brand name onto a product; this will help to separate a branded product from the 'faceless' and 'unbranded' competition, thus helping to attract more customers through the contact information on the labels.



Available support

- High political support from national, regional and local government level
- Relatively good supporting infrastructure, including road network (though some are not tarmac, they are passable throughout the year), and communication services
- Assurance that investors will have access to electricity supply in investment site in case it is not available
- TIC and regional/district authorities to support investor and act as a one-stop regional investment facilitation office to coordinate all investments in the region

7. Avocado Processing

Overview of the Opportunity: Avocado Processing

Key features



- Interested parties are invited to process avocados produced in Iringa Region
- Preferred locations are Kilolo District Council and Mafinga Town Council
- In 2018/19 Iringa Region had 455 hectares under avocado production. All the avocado produced were sold unprocessed and nearly 65 percent were spoiled due lack of processing capacity

Overview of the Opportunity: Avocado Processing



- All districts produce avocado, especially Iringa District, Kilolo District Council and Mafinga Town Council
- Kilolo District Council has earmarked 1900 hectares of land at Ukumbi and Nguruhe wards for this investment
- Mafinga Town Council has earmarked 20 hectares of land at Changarawe Ward for this investment.

Key investment rationale





- Nearly 65 percent of produced avocado fruits is spoiled due lack of processing capacity
- Construction of an avocado processing plant will create backward and forward linkages along the avocado value chain, as well as motivate producers to increase productivity and production. It will also create employment, especially to youth and women, as well as offer other social benefits to Tanzanians
- Avocados can be processed into various products such as juices, butter, cosmetic and medicinal products, which have high market prospects world-wide.



Available support

- High regional and district-level political support to investors in the region
- Government of Tanzania, through Ministry of Agriculture (MoA), Tanzania Revenue Authority (TRA), Prime Minister's Office (PMO), Tanzania Bureau of Standards (TBS), Ministry of Industry (MIT), Export Processing Zone Authority (EPZA), Small Industrial Development Organisation (SIDO), National Environment Management Council (NEMC), etc. is addressing various business-enabling environment issues, innovative technologies in value addition and trade facilitation
- Processing to add value and export business is encouraged in Government's resolve to become an industrialised country
- NEMC and TBS to support investors to ensure they meet statutory environmental and hygiene standards
- TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

8. Dairy Heifer Production Farm

Overview of the Opportunity: Dairy Heifer Production Farm	
Key features 	<ul style="list-style-type: none"> ▪ An investor is welcome to establish a dairy heifer production farm to supply heifers in the entire region and neighbouring regions, including the country's capital, Dodoma City ▪ At this farm weaned dairy calves will be reared to reach the maturity of dairy heifers ready for supplying the increasing number of new dairy keepers and replacing old, low productivity cows ▪ As shown in Part Two of this guide, in 2018/19 Iringa Region had 326,437 herds of cattle, which signifies the region has good weather for dairy keeping – especially in Iringa District and Kilolo District Council ▪ About 5,549 hectares of land have been earmarked at Udekwa, Mtitu, Ukwega, Boma la Ng'ombe and Ng'uruhe in Iringa District Council for this investment.
Key investment rationale 	<ul style="list-style-type: none"> ▪ There is high demand for dairy heifers in the region, in neighbouring regions and Tanzania in general ▪ Iringa Region has no dairy cow replacement scheme ▪ Well-grown dairy calves and heifers play an important role in the success of dairy farming ▪ Improved breed of dairy heifers will increase milk productivity and production ▪ Increased milk production will ensure raw milk supply to milk processing plants in Iringa Region and in the country.
Available support	<ul style="list-style-type: none"> ▪ Committed and high political support at national, regional and local government levels ▪ The Second Five-Year Development Plan (FYDP II) promotes the use of improved technologies in crop and livestock keeping production ▪ Agriculture Sector Development Programme (ASDP) II emphasises enhancing agricultural productivity and profitability for crops and livestock enterprises to ensure food and nutrition security, and to ensure adequate supply of raw materials to processing industries ▪ National livestock policy promotes value addition of dairy products; Tanzania Livestock Master Plan for 2017-2022 also supports this industry ▪ TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

3.2 Council Level Priority Investment Opportunities

At council level, interested parties are welcome to invest in the following industries: solid waste management; production of safety matches and toothpick; production of ceramics, tiles and melamine goods; construction of agro-waste charcoal briquettes plant; manufacturing of adhesive articles and goods; organic farming of horticulture crops; processing of forest produce; sunflower seed production and processing industry; quarrying (stone products); construction of shopping malls and modern markets; manufacturing animal feeds; tea production and processing, construction of tourist hotels and camp sites; provision of social services (i.e. health care facilities); establishment of private schools and vocational training centres; and construction of modern sport and recreation facilities.

Detailed information about council level investment opportunities is given below.

1. Solid Waste Management

Overview of Investment Opportunities in Management of Solid Waste

Key features



Iringa Municipal Council

- Interested parties are welcome to build solid waste recycling plants
- Iringa Municipality produces 108 metric tonnes of solid waste each day. About 22-25 metric tonnes of solid waste (only 20% of the waste produced) are disposed of at the land filling each day
- The Municipal Council has earmarked 100 hectares at Nduli Ward for this investment.

Key investment rationale



- Population of the municipal is increasing rapidly due to influx of tourists and investments in social and economic activities. This has led to production of substantial amount of solid waste
- Existing dump sites are unable to absorb all the waste generated.

Overview of Investment Opportunities in Management of Solid Waste

Available support

- High political support at national, regional and local government levels
- Policy support for collecting, compressing and recycling solid wastes
- Seventy-five percent (75%) import duty relief on project deemed capital goods, including equipment, utility vehicles and some building materials through TIC
- The region has established a one-stop Regional Investment Facilitation Office (RIFO) to support investors and coordinate all investments in the region.

2. Production of Safety Matches and Toothpick

Overview of Investment Opportunities in Production of Safety Matches and Toothpick

Key features



Mufindi District Council

- Safety matches are made from grained wood, usually white pine or aspen. Ammonium phosphate and paraffin wax are used for treating the wood. Antimony trisulphide and potassium chlorate are used to coat the match head
- Iringa Region has the inputs required for making safety matches and toothpicks
- Mufindi District Council has earmarked 16.32 hectares at Nyololo and Igowole for this investment.

Key investment rationale



- Tanzania imports substantial amount of very cheap safety matches and toothpicks from India and China
- In the 2018/19 Budget the Government imposed high tariffs (25% or USD 1.35 per kilogram) to discourage importation of safety matches and boost competitive advantage of local manufacturers of safety matches
- Demand for safety matches and toothpicks in Tanzania, EAC, SADC countries is still high and supply is inadequate
- Mufindi has the inputs required and will boost the income and employment of the people.

Overview of Investment Opportunities in Production of Safety Matches and Toothpick

Available support

- High political support from national, regional and local government levels
- Relatively good supporting infrastructure, including roads network (though some are not tarmac, they are passable throughout the year), and communication services
- Assurance that investors will have access to electricity supply in investment site in case it is not readily available
- TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

3. Production of Ceramics, Tiles and Melamine

Overview of Opportunities in the Production of Ceramics, Tiles and Melamine

Key features



Mafinga Town Council

- Ceramics cover many different types of products made of mostly inorganic and non-metallic materials by a firing process. It covers the manufacture of the following product groups: A) Coarse ceramics: (i) expanded clay aggregates; (ii) vitrified clay pipes; (iii) bricks and roof tiles; and (iv) refractory products. B) Fine ceramics: (i) wall and floor tiles; (ii) household ceramics; (ii) sanitary ware; (iv) technical ceramics; and (v) inorganic-bonded abrasives. C) Melamine products, etc.
- Most raw materials used to manufacture ceramics are found in the region. These include silica, sand, quartz, flint, silicates, and alumina-silicates (e.g. clays and feldspar). The next step in the process is beneficiation. Fuel is important and coal can be sourced from neighbouring Mbeya Region
- About 40 hectares of land at Rungemba have been earmarked for this investment.

Overview of Opportunities in the Production of Ceramics, Tiles and Melamine

Key investment rationale



- High demand for high quality ceramic products in Tanzania, EAC, SADC countries and the rest of the world
- The industry will create employment and raise revenue for the region as well as for the Government
- It will also use unexploited region's natural resources.



Available support

- Committed and high political support at national, regional and local government levels
- Fairly good infrastructure (electricity and water supply, good road network, communication services) and markets are available in the region
- NEMC to support investors to ensure that they meet statutory environmental standards
- TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

4. Agro-waste Charcoal Briquettes Plant

Overview of the Opportunities in Establishing an Agro-waste Charcoal Briquettes Plant

Key features



Mufindi District Council

- Charcoal briquettes are made of all kinds of agro-waste and forest residues
- Timber processing to make various wood products in Mufindi District Council and other districts generates a lot of residues that are wasted or used inefficiently
- Mufindi District Council as well as all other LGAs in Iringa Region are well known for having substantial forest cover and tree plantations, which form the largest inputs in the production process
- The Mufindi District Council has earmarked about 16.32 hectares at Nyololo and Igowole for this investment.

Overview of the Opportunities in Establishing an Agro-waste Charcoal Briquettes Plant

Key investment rationale



- Tanzania, with about 58 million people and over 2.7 percent population growth continues to rely on firewood and charcoal as sources of energy, especially in food preparation and for selected commercial uses
- There is high demand for factory-made charcoal briquettes not only in Iringa Region but also in the whole of Tanzania, EAC and SADC countries
- Demand for charcoal briquettes is very high in Mufindi District and in Iringa Region in general, as a replacement for firewood, because industrial charcoal is more environmentally friendly
- Charcoal briquettes have wide application for both industrial use and household use, as they have high density, small volume and good combustibility.



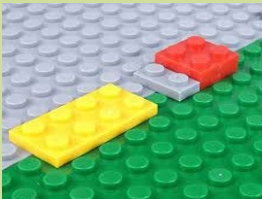




Available support

- Committed and high political support at national, regional and local government levels
- Fairly good infrastructure (electricity and water supply, good road network, communication services) and markets are available in the region
- Land has been earmarked for this investment
- NEMC to support investors to ensure that they meet statutory environmental standards
- TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

5. Production of Adhesives

Overview of Investment Opportunities in Production of Adhesives

 	<p>Mufindi District Council</p> <ul style="list-style-type: none"> Factories for making adhesives (glue, cement, mucilage, or paste) for local and export markets Mufindi District Council and all other LGAs in Iringa Region produce substantial amounts of glue and other substances that can provide raw materials for making adhesives Mufindi District Council has earmarked 3 hectares of land for this investment in the district Mufindi District Council and all other LGAs in Iringa Region have the raw materials required for this important investment opportunity. 
<p>Key investment rationale</p>  	<ul style="list-style-type: none"> Tanzania imports nearly all adhesive requirements from Kenya, China, India and other countries. For example, in 2018, imports of self-adhesive plates, sheets, film, foil, tape, and strip of plastics from Kenya was worth US\$428,480 (TZS 942,656,000), according to the United Nations COMTRADE database on international trade Market researchers forecast a turnover of almost US\$50 billion for the global adhesives market in 2019 Forecast shows demand for adhesives is increasing from countries such as China, India, Russia, and Brazil Demand for adhesives in Tanzania, EAC and SADC countries is increasing Mufindi District and other districts supplying raw materials will benefit from higher incomes and employment created by the factory.
<p>Available support</p>	<ul style="list-style-type: none"> Committed and high political support at national, regional and local government levels Fairly good infrastructure (electricity and water supply, good road network, communication services) and markets are available in the region NEMC and TBS to support investors to ensure that they meet statutory environmental and quality standards TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

6. Organic Farming of Horticulture Crops

Overview of Investment Opportunities in Organic Farming	
<p>Key features</p> 	<p>Iringa Municipal Council, Mafinga Town Council, Iringa District Council, Kilolo District Council</p> <ul style="list-style-type: none"> Interested parties are invited to invest in organic irrigation farming of horticulture crops such as avocados, watermelons, tomatoes, onions and other vegetables Iringa Municipality has 52 hectares of land in Isakalilo, Kitwiru Mkwawa and Mkimbizi wards potential for irrigation farming Mafinga Town Council has earmarked 320 hectares at Sao-Hill Changarawe, which have potential for irrigation farming Iringa District Council has earmarked 1,908 hectares at Ugwachanya, Kalenga, Nduli, Kising'a, Matembo, Mkungugu, and Makifu for this investment Kilolo District Council has earmarked 126,056.14 hectares at Mahenge, Ruaha Mbuyuni, Ng'uruhe, Ukumbi, Ihimbo and Mtitu for this investment. 
<p>Key investment rationale</p>	<ul style="list-style-type: none"> Increasing business activities of non-farming population pose pressure on land availability. As such, people are encouraged to cultivate high value crops such as fruits and vegetables in garden and/or green houses Horticulture is a quick-win enterprise that has potential of employing youth and women along value chains There is demand at local and international markets for fresh and processed horticulture produce Intensification of horticulture will boost the income of producers in the districts in Iringa Region Processing plants for horticulture produce are increasing in number and capacities, therefore horticulture crops will ensure sustainable supply of raw materials to the plants.
<p>Available support</p>	<ul style="list-style-type: none"> The Second Five-Year Development Plan (FYDP II) and National Agriculture Policy 2013 promote agriculture development, and Agriculture Sector Development Programme - Phase II (ASDP II) fosters modernisation of agriculture for increased productivity and profitability

Overview of Investment Opportunities in Organic Farming

- Availability of agriculture extension services at council and ward levels
- TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region

7. Processing of Forest Produce

Overview of the Opportunity: Processing of Forest Produce

Key features



Mafinga Town Council

- Interested parties are welcome to invest in modern manufacturing industries of forestry products, including furniture, wood briquettes and other products made from forestry produce
- Mafinga District Council is one of major timber growing areas and it is the hub of forestry produce trading
- The scale of forestry production exceeds the needs of local markets
- There are about 90 small-scale carpentry factories and Iringa Region; the region has no large-scale forestry processing factory
- Most of good and attractive forestry products like furniture are imported
- The proposed wood-processing factories can be established at Changarawe, where 30 hectares have been set aside for that purpose.



Key investment rationale



- There is increasing demand for locally-made furniture, so surplus will be sold competitively in international markets
- To make use of indigenous technology and innovation of making forestry products
- Adding value to forestry residues such as sawdust, tree barks and leaves
- Creates employment, particularly to youths who complete vocational training and education

Overview of the Opportunity: Processing of Forest Produce

Available support

- High political support from national, regional and local government levels
- The Second Five-Year Development Plan (FYDP II) fosters industrialisation process, whereby value addition of available raw materials is emphasised for increased profitability and job creation
- Availability of supporting infrastructure, including good road network, electricity and water supply, airport and telecommunication services
- TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

8. Sunflower Production and Processing

Overview of the Opportunity: Sunflower Production and Processing

Key features



Kilolo and Iringa District Councils

- Interested parties are invited to invest in sunflower production and processing for value addition of sunflower, which is currently produced in the Kilolo and Iringa districts by small-holder farmers
- Iringa Region does not have large sunflower processing plants to process all quantities produced by farmers
- About 880 hectares have been allocated at Kising'a, Migoli, Makatapola, Mkungugu and Matembo in Iringa District Council for sunflower production and 20 hectares for industrial plots
- About 146,745 hectares have been allocated at Uhambingeto, Image, Ibumu, Irole and Lundamatwe in Kilolo District Council for sunflower production and 30 hectares at Lundamatwe for establishing a processing plant.

Key investment rationale



- Kilolo and Iringa District Councils have high production of sunflower due to their favourable weather, fertile soil and climate that support sunflower farming
- Demand for low-cholesterol edible oil is increasing not only in Iringa Region but also in the country as a whole
- Tanzania imports at least 500,000 tonnes of edible oil annually, while local production stands at 180,000 tonnes, incurring about TZS 400 billion per year;

Overview of the Opportunity: Sunflower Production and Processing	
	<ul style="list-style-type: none"> ▪ Sunflower processing will create both backward and forward linkages along the value industrial chain ▪ The industry will create income and employment, especially to youth and women ▪ It will also stimulate area expansion, motivate producers to increase productivity, resulting in higher levels of production ▪ There is a high market demand for cholesterol-free edible oil not only in Iringa Region but also in the whole of Tanzania, in EAC and SADC countries and the rest of the world.
Available support	<ul style="list-style-type: none"> ▪ High regional and district level political support to investors in the region ▪ Government of Tanzania, through MoA, TRA, PMO, TBS, MIT, EPZA, SIDO, NEMC, etc., is addressing various business enabling environment issues, innovative technologies in value addition and trade facilitation ▪ In its resolve to making Tanzania an industrialised, middle-income country, the Government encourages value-addition processing and export business ▪ NEMC and TBS to support investors to ensure that they meet statutory environmental and quality standards ▪ TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

9. Quarrying for Stones Products

Overview of Quarrying Investment Opportunity	
<p>Key features</p> 	<p>Kilolo District and Iringa District Councils</p> <ul style="list-style-type: none"> ▪ Interested parties are welcome to invest in establishing stone quarrying sites in Kilolo District Council and Iringa District Council ▪ Stone crushers to produce aggregates for constructing roads, bridges, houses and other buildings 

Overview of Quarrying Investment Opportunity

	<ul style="list-style-type: none"> ▪ Making polished stones in different formats such as floor and wall tiles for buildings ▪ Bulk transportation lorries for distribution of stone products to consumers ▪ Sites for this investment have been identified by the respective councils.
Key investment rationale 	<ul style="list-style-type: none"> ▪ Increasing demand for stone products for construction of roads, houses and other buildings for private individuals and entities and public in the region and Dodoma City ▪ Availability of stones in Kilolo and Iringa districts ▪ The stone blocks are easily available, therefore investors do not have to incur high transportation costs.
Available support	<ul style="list-style-type: none"> ▪ High political support from national, regional and local government levels ▪ Relatively good supporting infrastructure, including road network (though some are not tarmac, they are passable throughout the year), and communication services ▪ Assurance that investors will have access to electricity supply in investment site ▪ TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

10. Shopping Malls and Modern Markets

Overview of Opportunities: Shopping Malls and Modern Markets Investment

Key features



Iringa Municipal Council, Mafinga Town Council, Iringa District Council and Kilolo District Council

- Interested parties are welcome to build modern shopping malls to provide modern consumer services to the growing population in the region
- Business activities in Iringa Region are increasing due to it being the tourist hub of the Southern Highlands Zone
- Iringa Municipal Council has earmarked a total of 1,959 square metres of land at Miyomboni for this investment
- Mafinga Town Council has earmarked a total of 6 hectares at Wambi for this investment

Overview of Opportunities: Shopping Malls and Modern Markets Investment

	<ul style="list-style-type: none"> ▪ Iringa District Council has a total of 20 hectares earmarked at Kalenga for this investment ▪ Kilolo District Council has allocated 100 hectares at Lundamatwe, Kibao, Luganga, and Ruaha Mbuyuni for this investment.
Key investment rationale 	<ul style="list-style-type: none"> ▪ Demand for high quality services is increasing, as incomes of residents in the region also increase and the number of newcomers to the region increases as well ▪ Commercial business and market centre will enhance the presence of finance and insurance services, cold chain facilities, fast food or restaurant facilities, car parks, marketing and trading of agriculture produce and processed goods produced in the region.
Available support	<ul style="list-style-type: none"> ▪ National trade policy fosters modernisation of markets ▪ Shopping malls and well-planned business centres are supported by the Second Five-Year Development Plan (FYDP II) ▪ CRB to provide support to investor to meet quality assurance standards as well as statutory obligations/conditions ▪ TIC and regional/district authorities to support investor by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

11. Animal Feeds Processing

Overview of Animal Feeds Processing Investment Opportunity

Key features



Iringa Municipal Council

- Investors are welcome to build animal feed processing plants for chicken, cattle and pigs
- Livestock population is increasing in Iringa Town for this investment and in other LGAs, thus posing pressure on grazing land
- The trend is that grazing land is declining due an increase of other economic activities (crop cultivation and urbanisation)





Overview of Animal Feeds Processing Investment Opportunity

	<ul style="list-style-type: none"> ▪ Availability of crop residues of cereals, legumes and horticulture produce as raw materials for making animal feeds ▪ Increasing requirement for producing animal products of high quality and standards required to increase competitiveness in the markets ▪ The council has earmarked 1,676.29 hectares at Nduli for this investment
Key investment rationale 	<ul style="list-style-type: none"> ▪ All districts in Iringa Region have surplus grains, huge horticulture residues and oilseed cakes, whose by-products are ideal for making livestock feeds ▪ There is increasing demand for animal feeds in the local markets and in neighbouring countries ▪ Availability of animal feeds in the region will boost employment for women and youth through engagement in quick-win livestock enterprises such as poultry keeping and rearing pigs.
Available support	<ul style="list-style-type: none"> ▪ Political support at regional and council levels to promote manufacturing of animal feeds ▪ Support from organisations such as Tanzania Animal Feeds Manufacturers Association (TAFMA) ▪ All necessary supportive infrastructure is available: good roads, electricity and water supply, railroad, airport, etc. ▪ The region has established a one-stop Regional Investment Facilitation Office (RIFO) to support investors and coordinate all investments in the region.

12. Tea Production and Processing

Overview of Tea Production and Processing Investment Opportunity

Key Features  	Kilolo District Council <ul style="list-style-type: none"> ▪ Interested parties are invited to invest in tea farming and processing to cater for the available tea production in Kilolo District Council and other LGAs in Iringa Region that produce tea ▪ Current production of tea stands at 20,230 metric tons per year but with access to ready market and out-grower schemes, substantial increases in production should be expected ▪ The Council has earmarked 13,600 hectares at Kidabaga, Ilamba, Idete, Lusinga, Magome and Kimala for this investment.
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Overview of Tea Production and Processing Investment Opportunity

Investment rationale



- Although Tanzania is an exporter of tea to United Kingdom (40%), Kenya (30%), and Pakistan (15%) as well as to other countries, such as the United States and Canada (6% together), Somalia, South Africa, and Sudan (3% together), supply cannot meet demand and demand for Tanzania's high-quality tea is increasing
- Tea is the preferred beverage drink for most households in Iringa Region and Tanzania in general
- Tea cultivation and processing will add value to tea grown in the region, create jobs and increase income to out-grower small-holder farmers.

Available support

- Tanzania Smallholder Tea Producers Association to offer technical support to ensure adequate supply of raw tea to processing plants
- Local government authorities are ready to facilitate joint ventures between potential investors and local private investors
- All necessary supportive infrastructure is available: good roads, electricity and water supply, railroad, airport, etc.;
- TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

13. Investing in Real Estate, Tourist Hotels and Camp Sites

Overview of Opportunities in Real Estate, Tourist Hotels and Camp Sites

Key features



Iringa District Council

Interested parties are welcome to invest in:

- Hotels and restaurants, holiday resorts, permanent tented camps, lodges and guest houses
- Tour services: travel and tour management, car hire, hunting safaris and tour guide
- Iringa District Council has earmarked 250 hectares at Tungamalenga and Isele for this investment.



Overview of Opportunities in Real Estate, Tourist Hotels and Camp Sites

	<p>Mafinga Town Council</p> <ul style="list-style-type: none"> Interested parties are welcome to invest in modern hotels and low-cost housing Mafinga Town Council is growing fast in terms of population and trading activities. It is the hub of trade of forestry produce in the Southern Highlands Zone About 50 hectares have been earmarked for construction of commercial business and trade investments in Mafinga Town Council. 
<p>Key investment rationale</p>	<ul style="list-style-type: none"> Iringa Region receives an average of 7,500 tourists per year, and the number continues to increase, as the region's unique attractions get known worldwide Investment in hotels, development of camp sites and other tourist infrastructure will boost tourism in Iringa Region and the Southern Circuit Tourist areas of Tanzania Iringa Region is endowed with many cultural tourist attractions and it is a tourism hub in the Southern Highlands Zone. Iringa is the home of Ruaha National Park, the second largest national park in Africa Uniquely admired tourist attractions in their natural state that are unknown to the world and not yet tapped Unparalleled warm and welcoming people living peacefully together and ready to make any tourist feel at home.
<p>Available support</p>	<ul style="list-style-type: none"> High level of political support from national, regional and local government levels Relatively fair supporting infrastructure, including road network, electricity and water supply, airport, railroad, and telecommunication services etc. to enable tourists reach these unique attraction TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

14. Health care facilities

Overview of Opportunities in Health Care Facilities

Key features



Mafinga Town Council

- Interested parties are welcome to invest in private hospitals
- Mafinga Town Council has high demand for modern medical services (hospital and laboratory centres) due to increasing population and incoming traders from outside the region
- The council has earmarked 13 hectares of land at Changarawe for these investment opportunities.

Key investment rationale



- Mafinga Town Council population is increasing and requires good health care facilities, modern sports grounds and recreation facilities
- Health care services are highly demanded, activated by increasing trading activities and transit passengers
- It is important to improve health care status and human productivity in Mafinga Town Council and in the entire Iringa Region

Available support

- High political support from national, regional and local government levels
- The Five-Year Development Plan fosters establishment of sports and recreation facilities in order to improve the health and productivity of the country's human capital
- TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

15. Private Schools and Vocational Training Institutes

Overview of Opportunities in Vocational Education and Training

Key features



Mafinga Town Council

- Mafinga Town Council needs investments in modern primary and secondary schools, and vocational training institutes to provide quality education and self-employment skills
- The council has earmarked 13 hectares of land at Changarawe for these investment opportunities.

Overview of Opportunities in Vocational Education and Training

Key investment rationale	<ul style="list-style-type: none"> ▪ Mafinga Town Council population is increasing and requires good education facilities ▪ High quality education services will raise human productivity as well as incomes ▪ Mafinga Town Council is amongst councils that have high per capita income, which implies that people can afford to pay entry fees for entertainment and good quality education.
Available support	<ul style="list-style-type: none"> ▪ High political support from national, regional and local government levels ▪ The Five-Year Development Plans fosters the need to improve productivity of the country's human capital ▪ TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

16. Modern Sports and Recreation Centres

Overview of Opportunities in Modern Sports and Recreation Centres

Key features 	Mafinga Town Council <ul style="list-style-type: none"> ▪ Interested parties are welcome to invest in modern sports and recreational centres ▪ Mufindi Town Council has earmarked 13 hectares of land at Changarawe for these investment opportunities.
Key investment rationale	<ul style="list-style-type: none"> ▪ Mafinga Town population is increasing and requires modern sports grounds and recreational facilities ▪ It is important to improve health care status and human productivity in the town and the entire Iringa Region ▪ Government is encouraging sports and recreation activities in schools and communities.
Available support	<ul style="list-style-type: none"> ▪ High political support from national, regional and local government levels ▪ The Five-Year Development Plan fosters establishment of sports and recreational services in order to increase the health and productivity of the country's human capital ▪ TIC and regional/district authorities to support investors by acting as a one-stop regional investment facilitation office to coordinate all investments in the region.

PART FOUR

FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES

This part gives details of key issues that are related to facilitation, processes, requirements, and incentives for investment to take place in Tanzania in general and in Iringa Region in particular.

4.1 Supportive Policies and Legal Environment

Key investment policies, laws, strategies, programmes and plans 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 Iringa Region's relevant areas are: National Investment Promotion Policy (1996); National Agriculture Policy (2013) which is under review; 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 (1997); The Mineral Policy of Tanzania (2009); Tanzania Mining Industry Investor's Guide (2015); and Iringa Region authority development plans, as well as the political will of the region to attract and support investors.

b) Key laws

Major laws and regulations that guide investment promotion and activities in Iringa Region are: Tanzania Investment Act - TIA (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); the National Environmental Management Act (No.10 of 2004); the Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations of 2018; and other sector Acts and relevant Iringa Region by-laws.

4.1.2 Strategies, Plans, and Programmes

Key strategies, plans and programmes are: annual regional plans and annual reports; President's Office – Regional Administration and Local Government (PO-RALG) Reports; District Development Plans; Five-Year Development Plan (FYDP II); Agriculture Sector Development Strategy and Programme 2017-2022 (ASDP II); 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 are sound frameworks that directly guide and support investment climate in Iringa Region and offer an appropriate environment that 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 levels.

The Iringa Region administration has committed itself to facilitating and making sure that all relevant support and facilitation towards investment are provided timely to investors in the minimum time ever possible. Moreover, the regional administration is ready to work closely with investors towards realisation of their investment through the rule of law and compliance to various regulations.

4.1.3 Investment Options: Individual, PPP, PPCP, and Joint venture

Investment options available in Tanzania include individual private sector investments, public-private partnership (PPP), public-private community partnership (PPCP) and joint venture (JV).

a) Public-Private Partnerships

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

The public sector, through public-private partnerships, 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. Public-private partnership 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 Public Private Partnership (Amendment) Act (2018) and PPP Regulations (2020) 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, and quality service outreach.

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 worth noting that in the case of services, PPPs have been implemented successfully by faith-based organisations (FBOs) in education, health care 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 in which both the public (particularly local government authorities) and private sectors are interested to invest.

c) Joint Ventures

The Government of Tanzania encourages joint ventures between local firms and foreign investors; this also facilitates access to land; which foreigners cannot own. 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

Iringa Region and Central Government have set and are improving favourable conditions 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 so as to fit the region's investment profile and priorities. The main processes that need to be undertaken by prospective investors in Iringa Region are listed below. These processes and requirements are subject to changes towards improvements from time to time.

4.2.1 Lead Institution

Tanzania Investment Centre (TIC) is a one-stop agency of the Government of Tanzania established under the Tanzania Investment Act No. 26 of 1997 to promote, co-ordinate and facilitate investment into Tanzania. The Centre is a focal point for all investors and performs all liaison work for investors from inquiries stage right up to project start up stage. TIC deals with all enterprises with capital investment of not less than US\$ 500,000 foreign owned and US\$ 100,000 if locally owned. It assists all investors to obtain permits, authorisation etc., required by other laws to set up and operate investment in Tanzania.

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

There is a functioning regional-level Investment Facilitation Committee and a Special Investment Facilitation Desk. These institutional investment arrangements are cascaded to district level.

4.2.2 Main Institutions Dealing with Investment in Tanzania and Iringa Region

The main institutions dealing with investment issues in Iringa Region and in Tanzania at large include the Tanzania Investment Centre; Business Registration and Licensing Agency (BRELA); Tanzania Revenue Authority (TRA); Tanzania Electric Supply Company (TANESCO); Tanzania Bureau of Standards (TBS); Ministry of Industry and Trade (MIT); Prime Minister's Office (Investment); water supply companies in respective regions; local government authorities in respective districts (on land issues); Ministry of Water (MoW); Ministry of Agriculture (MoA); and Ministry of Livestock and Fisheries (MoLF).

4.2.3 Registration

Registration of an investment can be done at a local BRELA office and at TIC district, regional or national level 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 (ix) Company and Operators' Certification of Registration for Tax Payer Identification Number (TIN).

4.2.4 Taxes

Taxes involved in investment projects in Iringa Region are various and include:

a) Corporate tax

Corporate tax is charged at the rate of thirty percent (30%) for residents and non-residents alike. In case of corporates newly listed to the Dar es Salaam Stock Exchange, with at least thirty percent (30%) of its equity ownership issued to the public for three consecutive years from the date of listing, corporate tax is twenty-five percent (25%) for both residents and non-residents. Further, business entities with perpetual unrelieved losses for three consecutive years (excluding entities conducting agricultural business, provision of health care or education services), corporate tax is 0.3 percent of annual turnover for resident corporate bodies.

Other incentives under corporate tax include a reduced rate from normal thirty percent (30%) to twenty percent (20%) for a new entity dealing in manufacturing of pharmaceutical and leather products, and ten percent (10%) rate for corporations investing in a plant for assembling motor vehicles, tractors and fishing auto boats.

b) Personal income tax

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 fifteen percent (15%). The total income of a non-resident individual is chargeable at the rate of twenty percent (20%). The monthly income includes basic salary, overtime, bonus commission and other allowances.

The skills and development levy (SDL) is 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, and foreign institutions dealing with technical assistance and the United Nations Organisation and its agencies/affiliates.

c) Withholding tax

Withholding tax on dividends from corporations listed with Dar es Salaam Stock Exchange is five percent (5%) for both resident and non-resident

persons. Dividends from other corporations are taxed at the rate of ten percent (10%). The rate of tax withheld on interest is ten percent (10%) and on royalties it is fifteen percent (15%) for resident and non-resident persons. Rates for tax withheld on management and technical services fees [mining, oil and gas] are five percent (5%) for residents and fifteen percent (15%) for non-residents).

d) Value-added tax (VAT)

VAT is a consumption tax charged at a single rate of eighteen percent (18%). Registration is compulsory for any business that has a turnover of more than TZS 100 million per annum. However, there is an exception to the registration of those entities dealing with professional services, as they are required to register for value-added tax 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 every month.

VAT incentives include zero percent rate (0%) for all exports, exemption of imported machinery by local manufacturers and processors of vegetable oils, textiles, pharmaceuticals, and skins and leather products manufactured in Tanzania Mainland.

VAT returns are supposed to be filed on the 20th day of the month after a tax period. However, where the 20th day falls on a Saturday, Sunday or public holiday the returns shall be lodged on the first working day following the 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. Exemption on supplies and imports are provided in the schedule to the VAT Act, Cap 148 r/w Finance Act 2017.

4.3 Incentives

Investors registered under the Tanzania Investment Centre pursuant to Tanzania Investment Act (TIC, 1997) are accorded tax incentives as per Income Tax Act, 2004, Value Added Tax Act 2014 and any other applicable tax

law. EPZA also provides incentive packages according to Export Processing Zones Act No. 11 of 2012.

Import duty and VAT exemption on deemed capital goods: import duty exemption is granted to the tune of seventy-five percent (75%) of the import duty payable on the approved deemed capital goods (investor shall pay 25% of import duty due). Deemed capital goods that are eligible for exemption are specified depending on the project sector.

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 Multilateral Investment Guarantee Agency (MIGA).

Please Note: Information on Taxes and Investment incentives explained above are subject to periodic reviews as the government keeps on improving conditions for businesses 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 land, general land and reserve land.

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 into the public, and citizens own land under leasehold tenure.

Section 20 of the Land Act No. 4 of 1999 specifically prohibits allocation/grant of land to non-citizens unless the land is for investment purpose under the Tanzania Investment Act, 1997. Land for investment purpose shall be identified, gazetted and allocated to Tanzania Investment Centre. More

information on acquisition of land for investment is available on www.ardhi.go.tz

4.4.2 Land for Investment in Iringa Region

In realising the need for investment, Iringa Region has taken initiatives to setting aside land for investment in every district. The region has further resolute to facilitate land availability when needed to suit special requirements of investors. The region has further set aside a total of 38,225.5 hectares at all its 5 local government authorities for industrial park establishment. Moreover, some of the area already has infrastructure such as road, water and electricity.

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, *bureaux de change*, insurance companies, a stock exchange and related financial entities have entered the market. There are four categories of banks operating in Tanzania, oriented towards different markets and *clientèle*: 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 development of this middle class is expanding national demand for financial services from established providers and could present a new opportunity for financial service companies looking for growth.

There is a positive trend in lending to SMEs, and this trend 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

Access to skilled labour is adequate. A priority investment opportunity lies in training institutions at all levels (artisan, technical and tertiary levels). Investors are invited to invest in skill development facilities.

4.5 Inclusion and Participation of the Private Sector

Iringa Region plans to stimulate its industrial and economic development base through attracting additional private and public-private partnership 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 providing a series of further support services and incentives to drive industrial development and growth in the short, medium and long-term plans.

According to national policies it is the role of the public sector to provide basic enablers such as land, utilities, and infrastructure. These are normally supported by 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 products.

However, for the private sector to play its role effectively, Iringa Region authorities are determined to creating an enabling environment through provision of prerequisite infrastructure, incentives, formulation/review and enforcement of investment friendly policies, regulations, and procedures. Regional authorities will promote PPP and PPCP and also facilitate joint ventures between potential investors and local private investors. These investment arrangements, including the build-operate-and-transfer approach, are critical for the achievement of objectives of implementation of capital and technology intensive investments. In addition, the private sector will be facilitated to improve 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 IRINGA REGION

This part provides important contacts in Iringa Region that will help potential investors to communicate with respective authorities in making follow up for opportunities of their interest to invest.

5.1 Key Websites

Office	Website
Iringa Regional Secretariat	www.iringa.go.tz
Iringa Municipal Council	www.iringamc.go.tz
Iringa District Council	www.iringadc.go.tz
Kilolo District Council	www.kilolodc.go.tz
Mafinga Town Council	www.mafingatc.go.tz
Mufindi District Council	www.mufindidc.go.tz

5.2 Key Contacts

5.2.1 Regional Commissioner's Office

Office	Post Office Box	Telephone/Mobile Phone	E-mail
Regional Administrative Secretary (RAS)	P. O. Box 858, Iringa	+255 26 2702715	ras@iringa.go.tz
Tanzania Investment Centre, Southern Zone	Zonal Manager: P.O. Box 1361, Mbeya	+255 784 885050 +255 262 504231	southernhighland@tic.go.tz

5.2.2 Iringa Municipal Council

Office	Municipal Director		E-mail
	Post Office Box	Telephone/Mobile Phone	
Iringa Municipal Council	P. O. Box 162, Iringa	+255 26 2702647	md@iringamc.go.tz

5.2.4 Town Council

LGA	Town Director		E-mail
	Post Office Box	Telephone/Mobile Phone	
Mafinga Town Council	P.O. Box 76 Mafinga, Iringa	+255 26 2772393	td@mafigatc.go.tz

5.2.6 District Councils

LGA	District Executive Director		E-mail
	Post Office Box	Telephone/Mobile Phone	
Iringa District Council	P.O. Box 108 Iringa	+255 26 2702828 +255 26 2702585	ded@iringadc.go.tz
Kilolo District Council	P.O. Box 2324 Kilolo, Iringa	+255 26 2968010	ded@kilolodc.go.tz
Mufindi District Council	P.O. Box 223 Mafinga, Iringa	+255 26 2772614	ded@mufindidc.go.tz







The United Republic of Tanzania
President's Office
Regional Administration and Local Government
Iringa Regional Commissioner's Office
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ISBN: 978 - 9987 - 664 - 17 - 7