



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

KIGOMA REGION INVESTMENT GUIDE





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

KIGOMA REGION INVESTMENT GUIDE

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



*Empowered lives.
Resilient nations.*



978 - 9987 - 664 - 03 - 0

TABLE OF CONTENTS

| | |
|----------------------------------|-----|
| ABBREVIATIONS AND ACRONYMS | iv |
| FOREWORD | vii |
| EXECUTIVE SUMMARY | ix |
| DISCLAIMER | xi |

PART ONE 1

WHY INVEST IN KIGOMA REGION..... 1

| | | |
|-----|--|----|
| 1.1 | Kigoma Region in the Broader Tanzanian Context..... | 1 |
| 1.2 | Investment Climate and Trade Policy in Tanzania | 2 |
| 1.3 | Available Attractive Investment Conditions in Kigoma Region..... | 5 |
| 1.4 | Suggested Priority Investment Areas in Kigoma Region | 7 |
| | 1.4.1 Regional Level Priority Investment Opportunities | 7 |
| | 1.4.2 Council Level Priority Investment Opportunities..... | 11 |
| 1.5 | The Guide's Target groups..... | 13 |

PART TWO..... 15

SOCIO-ECONOMIC PROFILE OF KIGOMA REGION..... 15

| | | |
|-----|---|----|
| 2.1 | Introduction | 15 |
| 2.2 | Geographical Location, Administrative Structure, Climate and Land | 15 |
| | 2.2.1 Geographical Location | 15 |
| | 2.2.2 Land Area | 16 |
| | 2.2.3 Administrative Structure..... | 17 |
| | 2.2.4 Climate and Soils..... | 18 |
| 2.3 | Agro-Ecological Zones (AEZs)..... | 19 |
| 2.4 | Drainage and Topography | 20 |
| 2.5 | Status of the Social Services..... | 20 |
| 2.6 | The Regional Economy | 24 |
| 2.7 | Productive Sectors | 25 |
| | 2.7.1 Agriculture Sector | 25 |
| | 2.7.2 Industrial Development..... | 30 |
| | 2.7.3 Energy | 31 |
| | 2.7.4 Wildlife and Tourism | 32 |

PART THREE.....33

PRIORITY INVESTMENT OPPORTUNITIES IN KIGOMA REGION.....33

- 3.1 Regional Level Priority Investment Opportunities.....33
- 3.2 Council Level Priority Investment Opportunities47

PART FOUR54

FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES54

- 4.1 Supportive Policies and Regulatory Environment54
 - 4.1.1 Policies, Legal, Institutional and Regulatory Considerations.....54
 - 4.1.2 Strategies, Plans, and Programs.....55
 - 4.1.3 Investment Options: Individual, PPP, PPCP, and Joint ventures55
- 4.2 Facilitation: Processes and Requirements.....57
 - 4.2.1 Lead Institution.....57
 - 4.2.1.1 Tanzania Investment Centre Registration.....58
 - 4.2.1.2 Main institutions dealing with investment in Tanzania and Kigoma Region.....58
 - 4.2.2 Registration.....59
 - 4.2.3 Taxes.....59
- 4.3 Incentives.....61
- 4.4 Access to Resources.....62
 - 4.4.1 Land for Investment in Tanzania.....62
 - 4.4.2 Kigoma Special Economic Zone (KiSEZ).....62
 - 4.4.3 Banking and Financial Services63
 - 4.4.4 Labour64
- 4.5 Inclusion and Participation of the Private Sector.....64

PART FIVE66

KEY CONTACTS IN KIGOMA REGION.....66

- 5.1 Key Websites.....66
- 5.2 Key Contacts.....66
 - 5.2.1 Regional Commissioner’s Office.....66
 - 5.2.2 Kigoma Ujiji Municipal Council67
 - 5.2.3 Kasulu Town Council.....67
 - 5.2.4 District Councils.....67

ABBREVIATIONS AND ACRONYMS

| | |
|---------|---|
| ASDP | Agricultural Sector Development Programme |
| BRELA | Business Registration and Licensing Agency |
| BSPS | Business Sector Programme Support |
| DC | District Council |
| DR | Democratic Republic |
| DRC | Democratic Republic of Congo |
| EAC | East African Community |
| EPZ | Export Processing Zone |
| ESRF | Economic and Social Research Foundation |
| FAO | Food and Agriculture Organisation |
| FCC | Fair Competition Commission |
| FYDP | National Five-Year Development Plan |
| GDP | Gross Domestic Product |
| GoT | Government of Tanzania |
| ICSD | International Centre for Settlement of Investment Disputes |
| IIDS | Integrated Industrial Development Strategy |
| ISO | Industrialization Support Organisation |
| KiSEZ | Kigoma Special Economic Zone |
| LGAs | Local Government Authorities |
| LIC | Local Investment Climate |
| M&E | Monitoring and Evaluation |
| MA | Ministry of Agriculture |
| MIGA | Multilateral Investment Guarantee Agency |
| MIT | Ministry of Industry and Trade |
| MLF | Ministry of Livestock and Fisheries |
| MWI | Ministry of Water and Irrigation |
| NBS | National Bureau of Statistics |
| NEEC | National Economic Empowerment Council |
| NGO | Non-Government Organisation |
| PO-RALG | President's Office Regional Administration and Local Government |
| PPCP | Public-Private Community Partnership |
| PPD | Public-Private Dialogue |

| | |
|----------|--|
| PPP | Public-Private Partnership |
| RS | Regional Secretariat |
| SACCOS | Savings and Credit Co-operative Society |
| SADC | Southern Africa Development Community |
| SAGCOT | Southern Agricultural Growth Corridor of Tanzania |
| SDL | Skills and Development Levy |
| SEZ | Special Economic Zone |
| SIDA | Swedish International Development Agency |
| SIDO | Small Industry Development Organisation |
| SIDP | Sustainable Industrial Development Policy |
| SIFF | Small Industrial Facilities Fund |
| TAFMA | Tanzania Animal Feeds Manufacturers Association |
| TANESCO | Tanzania Electric Supply Company |
| TANTRADE | Tanzania Trade Development Authority |
| TBS | Tanzania Bureau of Standards |
| TC | Town Council |
| TCCIA | Tanzania Chamber of Commerce, Industries and Agriculture |
| THDR | Tanzania Human Development Report |
| TIC | Tanzania Investment Centre |
| TIN | Taxpayer Identification Number |
| TMEA | TradeMark East Africa |
| TMX | Tanzania Mercantile Exchange |
| TPSF | Tanzania Private Sector Foundation |
| TRA | Tanzania Revenue Authority |
| TRIMs | Trade-Related Investment Measures |
| TVETDP | Technical and Vocational Education and Training Development Programme |
| TZS | Tanzanian Shillings |
| UNDP | United Nations Development Programme |
| UNIDO | United Nations Industrial Development Organisation |
| VAT | Value-Added Tax |
| WTO | World Trade Organisation |



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

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



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

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



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

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

FOREWORD



Kigoma Region Investment Guide is an integral component of the overall investment policy of Tanzania and it specifically presents investment opportunities available in Kigoma Region. The guide is also a strategy to implement Tanzania's long-term Development Vision whose aspiration is to become an industrial led middle-income country by 2025, and is also aligned with other Government policies and initiatives including the second National Five-Year Development Plan 2016-2021 (FYDP II)

and the Sustainable Industrial Development Policy (SIDP) 1996 - 2020.

The purpose of this Investment Guide is threefold: first, to provide potential domestic and foreign investors with investment information relating to the region's 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 the Local Government Authorities (LGAs). Second, the Guide is a means of enhancing Kigoma Region's 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, augment the Gross Domestic Product (GDP) and inclusive and resilient economic growth needed to accelerate societal development and wellbeing of Kigoma Region and Tanzania at large.

Through this Guide, the Kigoma Regional Secretariat and its LGAs have resolved to prioritising all investment initiatives and are committed to provide political support, attractive initiatives and support services for investors at the time of setting up businesses and throughout the period of business operations in the region. In addition, Kigoma Regional Office and its LGAs will provide a satisfactory conducive policy, regulatory, and business environment, and are available to provide further details on the selected strategic and viable opportunities to interested investors.

I would like to express my sincere gratitude to the United Nations Development Programme (UNDP) for the financial support and the Economic and Social Research Foundation (ESRF) for developing this Guide. Likewise, I wish to express my heartfelt gratitude to Dr Oswald Mashindano and his team of experts namely, Prof Godwin Mjema, Mrs Margareth Nzuki, Mr Mussa Martine and Ms Doris Lyimo for their commitment and technical support that collectively resulted in the completion of this Guide. I am very grateful for the exemplary support provided by the Kigoma Regional Administrative Secretary (RAS), Mr Rashid Kassim Mchatta, who efficiently and effectively coordinated and guided local governments in the region during the consultative processes of the Guide.

It is difficult to mention everyone who participated in preparation of this Guide. Nevertheless, my thanks are extended to all council directors in Kigoma Region, the Regional Secretariat, all council heads of departments and other senior executives for the support to the team of experts and contributions towards making this investment Guide possible.

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



Hon. Brig. General (RTD) Emmanuel E. Maganga
Regional Commissioner
Kigoma Region

EXECUTIVE SUMMARY

Kigoma Region is located in western part of Tanzania, stretching along the shores of Lake Tanganyika and borders with Burundi and Democratic Republic of Congo (DRC). The region encompasses an area of 45,075 sq km, and is divided into six (6) districts with six (6) district councils (DCs), one (1) town council and one (1) municipal council. Kigoma Region is an attractive and welcoming investment destination. The region links the strategic port of Kigoma with the riparian countries of the Great Lakes to the Indian Ocean ports via the Central Railway Line.

Kigoma Region is part of Tanzania that benefits from investment policy and climate, including political stability and development frameworks that strategise the overall socio-economic and cultural development in the country. Tanzania, with its large and growing domestic population (about 55 million people and a population growth rate of 2.7%), strategic location, abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity.

Most of the citizens depend on natural resources for income and peoples' livelihoods. Tanzania is also endowed with regenerative natural resources and non-regenerative natural resources, including minerals such as gold, diamond, iron, coal, nickel, Tanzanite, uranium and natural gas. The richness in natural resources constitutes a major asset and opportunity that is fundamental for growth and economic development, as well as for poverty reduction.

Kigoma Region has unique geographical and climatic conditions that make it a favourable investment destination for local as well as foreign investors. Kigoma's location at the western part of Tanzania gives it a strategic importance to neighbouring land locked countries including the Democratic Republic of Congo (DRC), Rwanda, Burundi and even Uganda. The region has an airport as well as a port on Lake Tanganyika.

The completion of the Standard Gauge Railway from Dar es Salaam to Kigoma and Mwanza will further connect Kigoma Region to the neighbouring countries. The existence of Lake Tanganyika offers fishing activities including cage fishing. The climatic conditions in Kigoma Region are favourable for the

cultivation of cash and food crops including oil palm, coffee, ginger, maize, cassava, beans and sunflower. Kigoma Region has a variety of investment opportunities and incomparable social services for investors.

The region has identified priority investment opportunities and welcomes investors to invest at Kigoma Special Economic Zone (KiSEZ); production and processing of palm oil and other related by-products; invest in a large and modern market at Tanzania - Burundi border; fish processing industry; paddy and horticultural products processing industry; sugar industry; processing of bee products; tourism related activities; surface and marine transport; cement and chalk industry; production and processing of cassava; building irrigation infrastructure; fish farming; and bee keeping.

DISCLAIMER

The publication of the Kigoma Investment Guide is meant to assist potential investors by availing them with information pertaining to investment opportunities and, to some extent, provide some pointers to investable areas in Kigoma Region. The Guide does not in any way claim to give exhaustive information or detailed practical instructions needed by potential investors in undertaking actual investments. Rather, the Guide is meant to help potential investors to find additional sources of information in public and private sectors, which they can use to engage in successful and profitable investment undertakings in Tanzania generally and in Kigoma Region specifically.

Investors are aware that actual investment decisions are informed by, among other things, detailed feasibility studies. The information relating to potential investment areas in Kigoma Region was sourced through consultations with various stakeholders at regional and district government levels, private sector, and other agencies. Thus the information contained in the Kigoma Investment Guide is useful only to the extent that it assists potential investors to be aware of the investment opportunities existing in the region and should not, in any way, be used as a defence in a legal investment dispute or any other related matter.



WHY INVEST IN KIGOMA REGION

1.1 Kigoma Region in the Broader Tanzanian Context

As part of Tanzania, Kigoma Region benefits from and largely depends on the country's investment policy and climate, including political stability and development frameworks that strategise the overall socio-economic and cultural development in the country.

Figure 1.1: A Map of Africa and Tanzania



With its large and growing domestic population, strategic location, and internal political stability, Tanzania presents a uniquely attractive investment opportunity. Tanzania has a population of about 55 million people and a population growth rate of 2.7% (URT, 2012). Most of the citizens depend on natural resources for income and livelihood. Tanzania has abundant natural resources, including agricultural land, water bodies such as lakes and rivers, springs, mineral resources such as gold, diamond, iron,

coal, nickel, Tanzanite, uranium and natural gas, tourist attractions including biodiversity and unique landscapes such as Mount Kilimanjaro, Ngorongoro Crater and Serengeti National Park, which attract tourists from all over the world. In addition, its location on the east coast of Africa gives it a comparative advantage in providing trade and transport services to neighbouring, land-locked countries.

A number of measures have been taken to create an environment conducive to business so as to encourage local and foreign investment. The country has, for example, created a stable and attractive macro- and micro-economic climate with single-digit inflation; there are on-going reforms in fiscal and monetary policy, and improvements in the business climate through legal and regulatory reforms aimed at streamlining procedures and freeing business from unnecessary bureaucracy.

Tanzania has sustained an average rate of 7% economic growth since the late 1990s due to a relatively stable political environment, reasonable macro-economic policies, structural reforms, a resiliency from external shocks, and debt relief. The International Monetary Fund (IMF) recently reported that Tanzania's macro-economic performance remains strong. The economy is growing at an average of 7% per annum, and inflation rate is around 3.1% by March 2019 (National Bureau of Statistics 2019).

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, and the drivers of economic transformation. This important role of the private sector has been further emphasised in the current Second Five-Year Development Plan (2016/17-2020/21) by recognising that the realisation of the goals and targets of the Second Five-Year Development Plan (FYDP II) hinges on among others, the effective participation of the private sector in developing industries and enterprises that spur economic growth and create jobs.

1.2 Investment Climate and Trade Policy in Tanzania

Generally, the Government of Tanzania (GoT) has a favourable attitude toward Foreign Direct Investment (FDI) and domestic investment for the last three decades, and has considerable success in attracting FDI and domestic investment. There are no laws or regulations that limit or prohibit foreign investment. The Government also recognises the important role of the local private sector and enterprises in industrialisation.

This recognition has been emphasised in many policy documents but more so in the Second Five-Year Development Plan. In that plan the Government has committed to ensuring that the local investment climate is functional for local enterprises supporting small and medium sized enterprises, encouraging new enterprises, and attracting inward investment.

The Government of Tanzania (GoT) uses the World Trade Organisation's (WTO) Trade-related Investment Measures (TRIMs) to encourage investments in line with national priorities, and to attract and regulate foreign investment.

Trade development instruments that Tanzania has adopted include export processing zones (EPZs), investment code and rules, export development/promotion and export facilitation. EPZs were established by the 2002 EPZ Act and are open to both domestic and foreign investors, in particular the agribusiness, textiles and electronics sectors.

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

- (i) *The developer's licence:* for investment in infrastructure development including the construction of industrial buildings and warehouses, development of internal roads, landscaping and fencing, and provision of utilities
- (ii) *The operator's licence:* for investors who are undertaking manufacturing operations including manufacturing, processing, repackaging, re-labelling and trading
- (iii) *The service provider's licence:* for investors who are providing services and utilities to EPZ and SEZ investors within the zone, including banking, insurance and IT

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

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.

All of the above factors plus the country's well formulated development-cum-strategic frameworks have contributed to over a decade of continuous real GDP growth of about seven per cent (7%) and is a member of what the World Bank has dubbed the "7% Club", a group of countries forecasted to achieve 7% or more real GDP growth for the next decade.

Investments in Tanzania are guaranteed against nationalisation and expropriation through Tanzania Investment Act 1997 and 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-Africa Growth Opportunity Act (AGOA, Everything but Arms (EBA), and various arrangements with Europe, Asia and the Middle East.

Tanzania is a member of two major regional organisations. One of these is the Southern African Development Community (SADC), and the other is the East African Community (EAC), both of which are growing towards stronger common markets. In terms of markets, investors will access domestic markets, regional markets in eastern and southern Africa (in both EAC and SADC markets) and the export markets abroad in the European Union and the United States, in 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 projected at nearly 55 million people, growing at a rate of nearly 2.7% per annum as well as a growing middle class. Then there is a regional market offered by the East African Community (EAC). As noted above, this is a regional entity with a long history and deep roots, and it has actually put in place some of the things that other trading blocs have only talked about, such as a customs union and visa free travel.

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

- High degree of investment security because of political stability that is strife-free without ethnic divisions; democratic rule that respects diversity of opinion and a tradition of strong Constitution and rule of law

-
- Business-friendly macro-economic stability with low inflation (around 3.1%); a stable exchange rate regime supported by unrestricted and unconditional transfers of profits, loan repayments, emoluments, royalties, fees and charges
 - Simplified bureaucracy, streamlined through the acclaimed services of the Tanzania Investment Centre, which is a one-stop facilitation agency of Government serving registered investors and businesses
 - Successful economic liberalisation measures commended by both the World Bank and IMF, with business-supportive legislation continually being improved through genuine dialogue between Government and the private sector
 - A well balanced package of incentives to investors with additional negotiated benefits to strategic investors
 - Rapidly emerging as the most effective entry point and gateway for trade into Eastern, Southern and Central Africa
 - Lucrative investment opportunities in infrastructure, and value adding facilities
 - Investments in Tanzania are guaranteed against political risks, nationalisation and expropriation
 - Any foreign business operating in Tanzania may obtain credit from domestic financial institutions up to the limits established by the Bank of Tanzania; major banks like Standard Chartered, Barclays, Citibank, Stanbic, and Exim have invested in Tanzania.

1.3 Available Attractive Investment Conditions in Kigoma Region

Kigoma Region has enormous investment opportunities emanating from agricultural, water and mineral resources. Below are some of the reasons for investors to choose Kigoma Region as their investment destination:

-
- (a) Kigoma Region (through Lake Tanganyika) is a centuries old inland trading hub and transportation highway for the Great Lakes Regions with Ujiji in Kigoma as the trade and logistics hub
 - (b) Kigoma has sufficient agricultural land suitable for cultivation of cash and food crops
 - (c) The region has a trading highway which links the strategic port of Kigoma to the riparian countries of the Great Lakes and to the Indian Ocean ports via the Central Railway Line
 - (d) It is the food basket for its neighbours, namely Mwanza, Shinyanga and Tabora regions as well as Burundi and Eastern DRC
 - (e) Kigoma has abundant natural resources – water bodies for fishing, wildlife, forestry, beekeeping
 - (f) The region has the potential to achieve high rates of economic growth through exploitation of its natural resource endowment, as well as being a gateway of international trade
 - (g) Fertile soils, coupled with favourable climatic conditions in Kigoma Region, are favourable for cultivation of cash and food crops, including cassava and horticultural products
 - (h) Tourism potentials of Kigoma Region include cultural heritage, national parks and aqua tourism on Lake Tanganyika
 - (i) Like the rest of the country, Kigoma Region enjoys peace and political stability that offers a safe environment
 - (j) The region benefits from Local Investment Climate (LIC), which is a sub-component of the Business Sector Programme Support (BSPS) Phase IV. LIC focuses on the critical constraints to business growth and economic

development at the district level. This sub-component will help Local Government Authorities (LGAs) and the business community to identify and prioritise the challenges it faces in the local business environment, and will facilitate the creation of district-level Public-Private Dialogue (PPD). In addition, LIC will support practical reform initiatives within areas as business registration and licensing, as well as local land use and administration that remove local obstacles to business growth. The local investment climate will further establish a Small Industrial Facilities Fund (SIFF), which will facilitate investments in public infrastructure and private business facilities with public good characteristics to unlock critical constraints in local markets and value chains, and create new business opportunities for local business women and men. The investments will be targeting agribusiness in the region. LIC will provide a combination of technical assistance and funding for investments.

1.4 Suggested Priority Investment Areas in Kigoma Region

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

1.4.1 Regional Level Priority Investment Opportunities

1) *Investment in Kigoma Special Economic Zone (KiSEZ)*

Kigoma Region has set aside 691 hectares of land at Businde and Busanda wards for the establishment of Kigoma Special Economic Zone (KiSEZ). The region's target is to have 20,000 hectares of land for this purpose. A total of 401 plots have been surveyed and the process of land compensation has been completed.

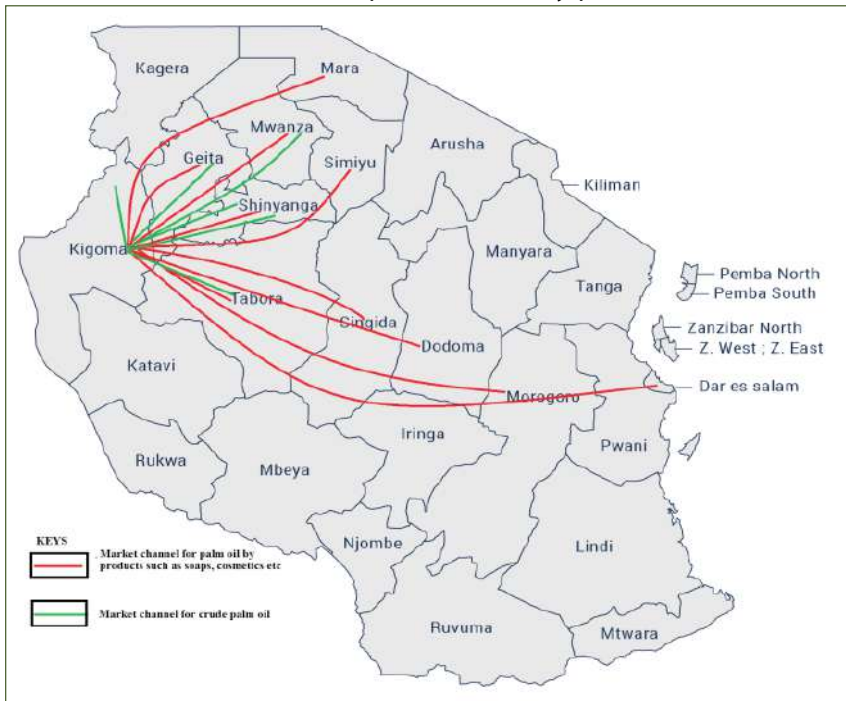
The Government has also outlined a procedure guiding investors wishing to invest in KiSEZ, whose investment opportunities are in agro-processing industries, trade investment centre, shopping malls, sports and recreation centres, education and health facilities as well as housing estates. KiSEZ has already attracted three investors, and more are likely to be attracted to invest.

2) Investment in processing of palm oil and other related by-products

Potential investors are invited to explore the opportunities to venture into edible oil processing industries in order to help Tanzania bridge the supply deficit gap of 320,000 tonnes and slash the edible oil import bill, which currently stands at more than \$294 million. The annual demand for edible oil is 500,000 tonnes and annual local supply is only 180,000 tonnes, which leaves the country with no choice but to import the 320,000 tonnes to meet the demand.

With edible oil demand forecast showing an increase from 500,000 to 700,000 tonnes by 2030, Tanzania guarantees market growth for investors for the foreseeable future. Since the crop has high participation rate, expansion of investment in palm oil will benefit the majority in the region as well as the entire country.

Figure 1.2: A map of Tanzania showing market channels for crude palm oil (CPO) and kernel palm oil (KPO) by-products



Investors are invited to invest in small, medium and large-scale oil processing industries for processing palm oil and palm oil by-products to make oil from inner seed of oil palm (locally known as mise oil), raw materials for soap making, animal feeds, charcoal and roofing materials. Kigoma Region has designated an investment area for processing industries which is readily available for any investor who is interested in setting up a factory in the region.

Figure 1.3: A box of soap with light blue colour



Figure 1.4: A box of soap with yellow colour



Figure 1.5: A carton containing 20 bars of soap



Figure 1.6: Small bars of soap at selling point of Mwandiga



3) Private investments in large and modern markets at the Tanzania - Burundi border constructed by the Government

The Government is constructing modern markets at border posts in Kigoma Region. Investors are therefore invited to invest in service provision in these new boarder markets. Investment in these markets is vital for several reasons:

-
- (i) It will facilitate an increased flow of trade with all neighbouring countries of DRC, Rwanda, Burundi and Uganda
 - (ii) It will also address the illegal/informal trade existing between Kigoma Region and the neighbouring countries. It is estimated that there are 21 informal routes compared to 3 formal ones
 - (iii) The market will increase Government revenue, as respective LGAs will collect more revenues
 - (iv) The market will benefit various traders, agricultural and livestock products as well as industrial goods
 - (v) The market will improve socio-economic relations with neighbouring states, and it is pro-economic diplomacy

4) *Investment in value addition in the fishing industry*

Investors are welcome to add value in the fishing industry. This will include establishment of fish processing plant in the region.

5) *Investment in paddy and horticultural products processing industry*

Investors are invited to establish processing factories in Kigoma District Council, targeting paddy and horticultural crops

6) *Investment in sugar industry*

- (i) Kigoma Region produces sugarcane, which is a raw material for sugar industry
- (ii) The industry will create employment for Kigoma residents and Tanzanians at large
- (iii) Sugar has ample demand in Kigoma Region, in the country at large and in the neighbouring countries of DRC, Rwanda, Burundi, Uganda and South Sudan.

7) *Investment in processing of bee products*

- (i) Bee products include honey, wax, soap, and alcohol (wine)
- (ii) Bee products (honey, wax, etc.) have markets within the country and abroad

8) Investment in tourism

- (i) Kigoma Region has two renowned national parks, namely Gombe and Mahale popular for Chimpanzee, and one game reserve, namely Kigosi Moyowosi famous for game hunting
- (ii) The presence of Lake Tanganyika offers opportunity for beach tourism. There is also opportunity for developing historical sites such as the oldest German-made ship i.e. MV Liemba etc.

9) Investment in surface and marine transport

Kigoma Region's strategic position with respect to land-locked neighbouring countries is an investment opportunity in activities such as transportation of building materials (e.g. cement), and agricultural products.

10) Investment in cement and chalk industry

- (i) Kigoma Region has essential raw materials (limestone) for production of cement and chalk
- (ii) There is ample demand for cement within both Kigoma Region and the neighbouring countries
- (iii) This investment will generate employment to youths and boost regional and national GDP.

11) Investment in trade and logistics

Investors are invited to establish logistics companies to manage flow of goods between Kigoma and up country, as well as between Kigoma and neighbouring countries.

1.4.2 Council Level Priority Investment Opportunities

1) Investment in Production and Processing of Cassava

In Kigoma Region cassava is a major subsistence crop, which grows well in Kasulu, Uvinza, Kibondo and Kakonko districts, and in Kigoma District Council. Most of the cassava produced in the region is exported in raw form to neighbouring countries. It is estimated that Kigoma is currently producing

1,015,923 tonnes of raw cassava per year, equivalent to 375,891.5 tonnes of dried cassava per year. About 90% of farming households in the region cultivates cassava and so it is a product that has the potential to benefit majority of residents in the region.

Investment in cassava seedlings: The region is inviting potential investors to invest in different varieties of cassava species. Currently, the species of cassava that are mostly cultivated in Kigoma are *Dyongo*, *Girisi*, *Kongo* and *Mwanaidi*, but there are other species with higher productive capacity such as *Chereko*, *Kipusa* and *Mkombozi*. The seedlings produced need to be supplied to farmers at affordable cost. This investment will potentially increase not only production of cassava but also the productivity of farms and employment.

Investment in cassava plantation: Kigoma Region is endowed with suitable land (about 250,000 hectares) for cassava production. Some 171,791 hectares, which are equivalent to 69% of the potential land available for cassava, have been utilised by small and medium enterprises. Potential investors are therefore highly invited to invest in the cassava sub-sector.

Investment in cassava processing plant: Investors are invited to invest in small, medium and large-scale cassava plant for processing cassava into flour, starch, ethanol, animal feed, spaghetti, pan-cakes and other related products. Cassava flour is highly demanded in DRC, Zambia, Rwanda and Burundi. Starch and other related products have high demand in China, India, U.S.A and Europe. At the moment, there is no cassava processing plant in Kigoma Region.

2) Investment in the Production of Oil Palm

Investment in oil palm seedlings: The region is inviting potential investors to invest in new improved oil palm species seedlings. Currently there is one investor who is supplying seedlings with a capacity of 52,000 seedlings per year, while the demand for seedlings is estimated to be 2,730,520 seedlings per year. There is therefore a deficit of ninety-eight per cent (98%), which is disquieting. The seedlings to be produced need to be supplied at an affordable cost. This investment will potentially increase not only crop productivity, but also value addition through processing of palm oil, soap and other by products, employment and the rural household incomes.

Investment in oil palm plantation: Kigoma Region is endowed with 114,018 hectares of land suitable for oil palm production. Currently 21,004 hectares have been utilised by small and medium enterprises, which are equal to 18.4 percent only of the available land. Potential investors are highly invited to invest in this sub-sector.

3) Fish Farming and related Investments

The presence of Lake Tanganyika in Kigoma Region offers various opportunities, including lake fish farming and cage fishing opportunities. An investment is required in fish hatchery for producing fish fingers to support and promote cage fishing and fish farming in general. The advantages of this investment are:

- (i) Fish farming is especially likely to result into increased production of fish
- (ii) Fish farming is in line with Government efforts to protect the environment and marine resources
- (iii) Fish farming is also a strategy for controlling illegal fishing
- (iv) The increase in fish production will cut down the current fish imports
- (v) Fish farming will lead to increased employment among youths and women.

4) Investment in Bee Keeping

- (i) Kigoma Region is blessed with abundant natural resources – water bodies for fishing, and wildlife, and natural forest reserves suitable for bee keeping
- (ii) Investment in bee keeping will generate employment and income to youths as well as to adults, and eventually the regional and national economies
- (iii) Investment in bee keeping is a strategy for forest conservation.

1.5 The Guide's target groups

The direct targeted beneficiaries of this Guide include investors, business owners, stakeholders in Kigoma Region and the entire country interested in ventures such as agricultural crop estates and medium-to-large farms, value adding and marketing entities intending to invest in Kigoma designated industry and business areas; the Ministry of Trade, Industries and Investment; primary stakeholders across value chains, including individual entrepreneurs,

importers and exporters of input and output factors, and agriculture crops; livestock keepers and fisher folks; industry organisations/marketing boards or organisations and exporters.

Other targeted groups include the Government Ministries, agencies, LGAs, EPZA, and state-owned enterprises (SOEs), for example those responsible for agriculture, livestock, fisheries, industries, trade, finance, and international cooperation; other private sector entities; the academia and researchers in Tanzania as a whole; umbrella organisations such as Tanzania National Business Council (TNBC), TCCIA, TPSF, CTI, pension funds investing in agriculture and industries, and other support institutions.

This Guide is furthermore targeting all institutions overseeing the management of quality and safety management issues, such as TBS; organisations providing productive capacities, information and data, monitoring and evaluation (M&E), and other business support services, such as the Industrialisation Support Organisation (ISO), Textiles Development Unit, BRELA, TRA, FCC, NEEC, TANTRADE, and agricultural and industrial extension services providers etc.; selected civil society organisations (CSOs) and NGOs; and development partners, such as FAO, UNDP, World Bank, UNCTAD, ITC, EU, UNIDO, TMEA, TMX, NFRA, CPB, WRRB, NEEC etc.

SOCIO-ECONOMIC PROFILE OF KIGOMA REGION

2.1 Introduction

This chapter is intended to highlight the regional geographic and demographic characteristics, administrative structure, economy, and the status of social services in Kigoma. Kigoma Region and Lake Tanganyika are centuries old inland trading hub and water transportation route for the Great Lakes Regions. The region is therefore an attractive and welcoming investment destination. The region links the strategic port of Kigoma with the riparian countries of the Great Lakes to the Indian Ocean ports via the Central Railway Line, which will soon become a Standard Gauge Railway (SGR).

Kigoma Region consists of various tribes including the *Wagoma*, *Warundi*, *Wabwarii*, *Wamanyema*, *Wabembe* and *Ujiji* people who have originally habited the region. Others include *Waha*, *Waholoholo*, *Wavinza*, *Wanyakaramba*, *Watongwe*, *Wafipa*, *Wahaya*, *Wasukuma*, *Wachagga*, *Wanyakyusa*, *Wajita*, *Wakurya*, and *Wanyamwezi*. *Waha*, who originated from the Bantu living along lakes Tanganyika, Victoria, Kivu and Edward, is the biggest tribe in the region. According to the information volunteered by elders and historians, *Waha* ethnic group entered Buha (Kigoma) from the areas outside Buha, and they often use names from their clan. Economic activities by *Waha* tribe used to be cultivation of food crops such as maize, millet, potatoes, bananas and beans, iron smelting, salt making, pottery, and fishing.

2.2 Geographical Location, Administrative Structure, Climate and Land

2.2.1 Geographical Location

Kigoma Region is located in western part of Tanzania between latitudes 3.6 and 6.5 degrees south and longitudes 29.5 and 31.5 degrees east. The region stretches along the shores of Lake Tanganyika, the second deepest fresh

water lake in the world. It borders with Burundi and Democratic Republic of Congo (DRC).

2.2.2 Land Area

The region encompasses an area of 45,075 sq km of which 36,523 sq km is land and 8,552 sq km is covered by water. The capital municipality, which draws its name from the regional name Kigoma, is closely linked to Ujiji, one of the famous historical towns. It has a wonderful natural beauty, nestled under the hills of the western arm of the Great Rift Valley on the edge of the lake. In wet seasons the place is especially spectacular, with its emerald green and clear sparkling water.

Figure 2.1: Map of Kigoma Region



According to the region's official statistics, there are 21 divisions, 139 wards, 307 villages, 1,864 hamlets or sub-villages and 176 streets in the region. Kasulu and Kigoma districts have the largest number of divisions (5 divisions each), Kasulu and Kibondo have the largest number of wards (36 and 19 wards respectively) in the region, whereas Uvinza has more sub-villages (439 hamlets or sub-villages), which is approximately 22.3 percent followed by Kibondo District (416 hamlets/sub-villages), equivalent to 21.1 percent and Kakonko District (358 hamlets/sub-villages), which is equivalent to 18.2 percent.

This could be due to geographical coverage and environmental differences between districts. In all cases, Kasulu Town Council and Kigoma-Ujiji Municipal Council have the smallest areas but have many streets, obviously due to high population density. The population according to the 2012 population census was 2,127,930 whereby men were 1,028,994 and women were 1,098,936. As per the population projection by NBS, the current (2019) total regional population is estimated to be 2,706, 831 (1,319,899 men and 1,386,932 women).

2.2.4 Climate and Soils

(a) Climate

The climate of Kigoma Region is characteristically tropical with a distinct long rainy season beginning from late October to May, with short dry spells of 2-3 weeks in January or February. Annual rainfall is variable ranging from 860 mm to 1,200 mm. There is the heaviest rainfall in highlands, intermediate in the lower slopes and low in the valley bottom and lake off-shore areas. Mean daily temperatures range between 20 C in December and January to 30 C in September. Temperature varies inversely with altitude.

(b) Soils

The soils of Kigoma Region can be generally categorised as follows: along the lake shore the soils are deep and well drained, comprising dark reddish brown fine sandy loams, and sandy loams partly stony and severely eroded. The heavy black soils are found in permanently waterlogged areas with black clay soils that have a high proportion of sand in swamp fringes subject to seasonal water logging.

These are highly fertile areas because of high proportion of sand and silt. However, these soils are not subject to seasonal wetting and drying like the cotton soils because the water table is high. In the low relief areas the soils are dark reddish clay loams with fairly good internal drainage, while black and brown alluvial soils are found mostly in areas of high relief.

2.3 Agro-Ecological Zones (AEZs)

Kigoma Region can be divided into four (4) Agro-Ecological Zones on the basis of altitude and the corresponding annual rainfall pattern, which is described as follows:

(i) AEZ I: The Lake-Shore Zone

This zone lies within an altitude of 800 and 1000 metres with annual rainfall of 600 - 1000 mm. The lake-shore zone forms a narrow strip of land between Lake Tanganyika and the mountains, dissected by numerous streams flowing into the lake, creating in the process, valleys in a few locations which support paddy farming. Cassava, maize, beans and oil palm are also grown. The main economic activity in this zone is fishing. Population is sparsely distributed with more concentration on the shores of the lake.

(ii) AEZ II: The Miombo Zone

The Miombo zone lies within an altitude ranging between 1000 and 1200 metres, and rainfall of 600 - 1000mm. The area is generally covered with miombo woodland and is sparsely populated due to tsetse fly infestation. Economic activities include cattle rearing, hunting and honey/bees wax gathering as well as agriculture.

(iii) AEZ III: The Intermediate Zone

This zone lies between 1200 and 1500 metres above sea level with an annual rainfall of 850 mm to 1100 mm. The zone is characterised by swampy areas that provide great potential for irrigation. Population in this zone is developed from both organised and spontaneous resettlements mainly from the highlands. Common food crops include cassava, maize, beans and sorghum/millet while oil palm, cotton and tobacco constitute the cash crop package.

(iv) AEZ IV: The Highland Zone

This zone lies within the altitude of 1500 metres to 1750 metres with annual rainfall of 1000 - 1600 mm. The zone is divided into two main parts, north and south: in the north the zone is located above the intermediate zone and has a high population; in the south there is a separate highland area and Mahale Mountains reaching a maximum altitude of 2373 metres.

This area is uninhabited and most of it has been designated a national park. Situated north of Kigoma Town is Gombe Stream National Park, a famous tourist attraction due to the existence of the chimpanzees in the area. Common food crops include maize, beans and bananas, with coffee in the higher wetter areas.

2.4 Drainage and Topography

Kigoma Region is a gently inclined plateau with steep hills rising very sharply from 800 metres at the level of Lake Tanganyika to an altitude of 1,750 metres to the east, descending from the north and east into gently rolling hills with three major perennial rivers of Malagarasi, Luiche and Ruchugi. The first two rivers comprise the major drainage area. The descent leads into river valleys at 1,000 metres, and swampy and flat delta area at 800 metres where the rivers join the lake.

2.5 Status of Social Services

Social services involve mainly health, education and water. The social services status is presented briefly using two main indicators, namely the infrastructure and personnel engaged with available infrastructure.

(a) Education Services

There is room for more investors to invest in primary and secondary private schools. As indicated in Table 2.2, in February 2019 Kigoma Region had 655 primary schools, out of which 636 (equivalent to 97 percent) were public owned and 19 schools (or 3 percent) were privately owned. At secondary school level, the region had 189 schools out of which 135 schools (91 percent) were public schools and the rest (equivalent to 9 percent) were privately owned.

Table 2.2: Primary and Secondary Schools Available in Kigoma Region

| Council Name | TOTAL NUMBER OF SCHOOLS | | | | | |
|-----------------|-------------------------|----------------|------------|-------------------|----------------|------------|
| | PRIMARY SCHOOLS | | | SECONDARY SCHOOLS | | |
| | PUBLIC SCHOOL | PRIVATE SCHOOL | TOTAL | PUBLIC SCHOOL | PRIVATE SCHOOL | TOTAL |
| Buhigwe DC | 88 | 1 | 89 | 19 | 5 | 24 |
| Kibondo DC | 84 | 1 | 85 | 17 | 7 | 24 |
| Kasulu DC | 77 | - | 77 | 18 | 2 | 20 |
| Uvinza DC | 118 | 1 | 119 | 18 | 2 | 20 |
| Kigoma DC | 106 | 3 | 109 | 19 | 8 | 27 |
| Kasulu TC | 59 | 6 | 65 | 14 | 15 | 29 |
| Kakonko DC | 59 | - | 59 | 11 | 4 | 15 |
| Kigoma/Ujiji MC | 45 | 7 | 52 | 19 | 11 | 30 |
| TOTAL | 636 | 19 | 655 | 135 | 54 | 189 |

Source: Kigoma Region Secretariat, 2019

(b) Health Services

Table 2.3 presents the number of health facilities available in Kigoma region. These are hospitals, health centres, and dispensaries per council. As is portrayed in Table 2.3, the region has 318 health facilities, which include 5 hospitals, 34 health centres and 279 dispensaries.

Table 2.3: Health Facilities in Kigoma Region

| Council Name | Hospitals | Health Centres | Dispensaries | Total |
|--------------------------------|-----------|----------------|--------------|------------|
| Buhigwe District Council | 0 | 4 | 34 | 38 |
| Kibondo District Council | 1 | 5 | 45 | 51 |
| Kasulu District Council | 0 | 7 | 40 | 47 |
| Uvinza District Council | 0 | 5 | 40 | 45 |
| Kigoma District Council | 0 | 4 | 43 | 47 |
| Kasulu Town Council | 2 | 1 | 25 | 28 |
| Kakonko District Council | 0 | 4 | 28 | 32 |
| Kigoma/Ujiji Municipal Council | 2 | 4 | 24 | 30 |
| Total | 5 | 34 | 279 | 318 |

Kigoma Region has only 5 hospitals while the requirement is 25 hospitals; there is therefore a gap of about eighty percent (80%) in demand for hospitals. Similarly, the region has 34 health centres while the demand for such services is 133. Finally, the demand for dispensaries is 478 but there are only 279 dispensaries. About eighty-five percent (85%) of health care facilities in Kigoma Region are owned by the Government and the rest are privately owned. The table above indicates that Kibondo District Council has the largest number (51) of health care facilities in the region, followed by Kasulu District Council (47 facilities) and Kigoma District Council (47 facilities). Kasulu Town Council has less number (28 facilities) of health facilities.

When the number of health care facilities is compared with the regional population of 2,512,215 and the existing administrative units (districts, wards and villages/hamlets), it is obvious that in all councils there is an urgent need for constructing more health care facilities under the Primary Health Services Development Programme (PHSDP), in order to ensure that every district in the region has a district hospital, every ward has a health care centre, and every village/ hamlet has a dispensary. Kigoma Region continues to implement PHSDP whenever resources are available. The private sector has also gradually been involved in provision of health infrastructure in the region. The 2014 health sector staff requirements and staff establishment reveals that the region was supposed to have 5,007 health care staff. However, by 2018 the region had only 2,004 staff, which is equivalent to forty percent (40%) of the total number of staff requirements.

Figure 2.3: A Health Care Facility in Kigoma Region



(c) Water Supply and Coverage

The number of rural water schemes in councils in Kigoma Region as of March 2019 is summarised in Table 2.4. As can be depicted from the table, there are 292 spring schemes in the region and out of that, 80.5 percent are working. Most of the working springs are in Kibondo, Kigoma, Uvinza and Kasulu district councils. The region had 203 shallow well schemes by 2016. About 75.7 percent of the region's total shallow wells (most of them in Kibondo, Kasulu, Buhigwe, Kigoma and Uvinza district councils), were operating. Table 2.4 further shows that Kigoma Region has 279 boreholes out of which 79.7 percent are working. In addition, this region has 125 rainwater harvesting schemes out of which 96.7 percent are working. Other schemes in the region are 75 gravity schemes, out of which approximately 92.2 percent are operating.

The coverage of rural water supplies in the region is sixty-one percent (61%). The least coverage is in Uvinza District Council. Kigoma, Buhigwe, Kasulu and Kibondo district councils are better on coverage compared to Kakonko and Uvinza district councils.

Table 2.4: Number of Functional Rural Water Schemes in Kigoma Region by Council: March 2019

| Council Name | Bore holes | Shallow Wells | Gravity Schemes | Springs | Rainwater Harvesting | Pumping (Diesel) | Pumping (Solar) | Electrical Powered Schemes | Dams |
|--------------|------------|---------------|-----------------|------------|----------------------|------------------|-----------------|----------------------------|----------|
| Buhigwe DC | 5 | 17 | 15 | 108 | 33 | - | - | - | - |
| Kasulu DC | 16 | 93 | 19 | 43 | 19 | - | 3 | - | - |
| Kasulu TC | - | - | 8 | 53 | 12 | - | 2 | - | - |
| Uvinza DC | 30 | - | 4 | - | 40 | 3 | 6 | - | - |
| Kibondo DC | 179 | - | 11 | - | 3 | 7 | - | - | - |
| Kakonko DC | 10 | 65 | 8 | 74 | 5 | 3 | - | 1 | 2 |
| Kigoma DC | 6 | 28 | 10 | 12 | 13 | 1 | - | 1 | - |
| Kigoma MC | 33 | - | - | 2 | - | - | - | - | - |
| Total | 279 | 203 | 75 | 292 | 125 | 14 | 11 | 2 | 2 |

Source: Kigoma Region Commissioner's Office, Kigoma, 2019

Urban water supply shows that the region has 14 water pump powered by Diesel. A large number of water pump powered by Diesel are in Kibondo District Council. A total of 11 water pump powered by Solar operate in the region.

Figure 2.4: Water Schemes in Kigoma Region



Kigoma-Ujiji Municipality relies largely on Lake Tanganyika as the main source of water supply. There are also three streams/rivers that are also main sources of water in urban areas, despite the fact that some are not used.

2.6 Regional Economy

In 2017 Kigoma Region had an estimated GDP of TZS 3,251,538 million. This is an increase from TZS 747,147 million in 2006, TZS 1,124,275 million in 2009, TZS 1,779,335 in 2012, and TZS 2,295,890 in 2014. The fourth phase Government initiatives that started in 2005/2006 to improve service delivery and roads infrastructure linking Kigoma Region and other regions provided an opportunity for the regional GDP to increase considerably.

Kigoma Region's per capita Income in 2006 was TZS 379,118. Following improvements in various social and economic infrastructure and increased production of goods and services in the region, per capita income has increased to TZS 507,909 in 2007, TZS 646,094 in 2009, TZS 836,181 in 2012, and TZS 1,285,849 (revised statistics) in 2017. Kigoma regional per capita income is still low when compared to per capita income of other regions in Tanzania Mainland. Kigoma Region is reported to rank the 20th region in 2015.

2.7 Productive Sectors

The regional economy depends mainly on agriculture. Other sectors that contribute to regional economy include fisheries, tourism, wildlife, forestry, beekeeping, trade and industries.

2.7.1 Agriculture Sector

The economy in Kigoma Region is primarily agricultural. Agricultural sector employs about seventy percent (70%) of the region's population. The region is endowed with about 2,668,600 hectares of arable land of which 896,900 hectares (equivalent to 34%) are under crop production. The major food crops grown include maize, rice, cassava, beans, banana, sweet potatoes and round potatoes. Cash crops are coffee, oil palm and tobacco.

Agricultural production in Kigoma Region is mainly rain-fed; crops are grown in accordance with agro-ecological zones. In the highland zone, a wide range of crops is grown of which maize, beans and bananas are the most important. Coffee is grown in the wetter areas. This zone covers a greater part of Kasulu and Kibondo districts. The major crops grown in the intermediate zone are cotton, maize, cassava, beans, bananas, groundnuts, oil palm and sweet potatoes. A range of horticultural crops are also grown, namely water melon, tomato, onion, carrot, pineapple, cucumber, sweet pepper, coco yam etc.

(a) Cash Crops

The main cash crops grown in Kigoma Region include cotton, coffee, tobacco, cassava, paddy, oil palm, horticulture crops and groundnuts. Cotton growing in Kigoma Region is concentrated in the Miombo and lake shore zones, which have favourable soils and climatic condition. Coffee growing is concentrated

in the wetter areas of the highland zone, and is usually inter-planted with banana.

Figure 2.5: Coffee Plant in Kigoma



Figure 2.6: Palm Trees Farm in Kigoma



Oil palm crop, which was introduced in Kigoma Region by immigrants from neighbouring DRC and Burundi some 60 years back, is mostly grown by smallholder farmers. Oil palm is grown in Kigoma and Kasulu districts, which have the favourable climatic condition.

(b) Food Crops

The major food crops grown in the region are maize, beans, paddy, cassava, sweet potatoes, and bananas. Maize is one of the leading food crops with the highest per capital consumption in the local diet. Paddy is one of the grains in the region mostly grown in Kigoma, Kasulu, Uvinza, and part of Kibondo and Kakonko districts. Areas growing paddy are therefore limited to natural depressions where soils are usually quite fertile though heavier and relatively poorly drained.

Figure 2.7: Cassava Demonstration Farm



Cassava is a drought resistant crop grown in all areas in Kigoma Region. It also forms an important food crop with a substantial per capital consumption and has been treated as a life saver during food shortages. Banana is also an important food crop in Kigoma Region, particularly in the highland zone where it is intercropped with coffee.

(c) Irrigated Agriculture

Irrigation potential in Kigoma Region is fairly high despite the fact that prospects for irrigation using water reservoirs are still limited. It has been

confirmed that there is a big irrigation potential in the valleys of Malagarasi, Luiche and Ruchugi rivers (Field Survey, 2018).

It is possible to irrigate more than 18,700 hectares of various crops in these valleys but only 1,230 hectare, which is equivalent to 6.6%, are being irrigated in Titye, Luiche, Bugaga and Mgoboka under the Kigoma Agricultural Irrigation Programme (Kigoma Region Social Economic Profile, 2014). There is therefore 93.4% underutilisation of land suitable for irrigation in the region. Crops under the existing irrigation system include paddy, maize, beans, tomatoes, cabbages, spinach, onions, carrots, pineapples and potatoes.

Figure 2.8: Paddy farm at Rungwempya village in Kasulu District



(d) Livestock

Livestock keeping is one of the main economic activities in Kigoma Region. The most common livestock are cattle, sheep, and goats. Cattle population is made up of indigenous breed, majority of which are long horned Ankole cattle. The short horned Tanzania zebu has recently increased in number, and there are a few animals of improved breed. Other livestock kept are pigs, chicken, ducks and pigeons.

Figure 2.9: Livestock Keeping in Kigoma Region



(e) Forestry

Kigoma Region is covered with large woodland despite the fact that it lacks adequate amount of timber. Out of the total forest areas of 2,037,100 hectares, 873,722 hectares are forest reserve and the remaining 1,163,378 hectares fall under open public forests. The forests have various valuable tree species such as *pterocarpus angolensis* (mninga), *khaya nyasica* (mkangazi), *afzelia quanzensis* (mkora), *milecea-exelsa* (mvule), *brachystegia spiciformis* (mtundu), and *pterocarpus*. There are a total of 14 forest reserves in Kigoma Region covering a total of 873,722 hectares.

(f) Fishery

Kigoma Region has a promising potential for fishing in its waters. There are plenty of fish in the lake and rivers such as River Malagarasi. Lake Tanganyika is a vast inland lake stretching about 242 kilometres in length and an average of 20 kilometres in width. Maximum depth of Lake Tanganyika is 1,435 metres. It is a fresh water lake, which empties some of its water into the Lukunga River in Congo. It is fed by a number of rivers such as the Malagarasi in Tanzania and the Ruzizi in Burundi.

Figure 2.10: Sardines (dagaa) in Kigoma Region



(g) Beekeeping

The potential for beekeeping in Kigoma Region is also high partly due to the availability of many nectar-yielding tree species in the miombo woodlands. Availability of land (68,764.4 hectares) reserved for beekeeping at Kibondo District is one example of the said potential (Kigoma Region Social Economic Profile, 2016).

Beekeepers in the region use more traditional beehives than modern ones. For instance, two thirds of Kibondo District is covered by forests suitable for beekeeping. There is also a regional campaign to plant more trees and conserve the environment. Traditional beehives have big disadvantages of low productivity, and it is very difficult to conduct regular inspections for determining the amount of honey at any one particular period.

2.7.2 Industrial Development

Industrial development is one of the sources of employment opportunities for the increasing number of unemployed youths. Kigoma Region has about 1168 industries, majority of which are micro enterprises, followed by small enterprises (315) and medium-scale industries (4). There are ample opportunities for investment in agro-based industries, marine-based industries and forest-based industries.

Table 2.5: Small and Medium-scale Industries by Activities in Kigoma Region

| Council | Total No | Processing |
|---|-------------|---|
| Kibondo District Council and Kakonko District Council | 153 | Milling machines (130); welding/carpentry (22); honey processing (1) |
| Kasulu District Council and Kasulu Town Council | 540 | Milling machines (442); carpentry/welding (15); charcoal stove (46); black smith (34); honey processing (3) |
| Kigoma District Council and Uvinza District Council | 190 | Milling machines (180); carpentry (10) |
| Buhigwe District Council | 128 | Milling machines (92); carpentry (36) |
| Kigoma-Ujiji Municipal Council | 157 | Oil palm (27); soap manufacturing (46); milling machines (64), carpentry machines (18), water purification and packaging (1); flour milling and packing (1) |
| Total | 1168 | |

Source: Kigoma Region Commissioner's Office, 2018

2.7.3 Energy

The supply of electricity in Kigoma Region is currently below the demand. On other hand, hydro-electricity, petrol/diesel and gas are locally available, with potential to generate solar and bio-fuel energy. This create an opportunity for investors to produce electricity in the region in medium term.

Kigoma Region will be connected to the national power grid to address the region's long-term energy shortage. Supply by the national grid from Kahama and Bukombe districts will enable districts of Kibondo, Kasulu and other to access more electricity.

2.7.4 Wildlife and Tourism

Kigoma Region has a number of tourist attractions: two national parks, namely Gombe and Mahale, which are famous for chimpanzee; the wildlife rich Moyowosi Game Reserve; some beaches along Lake Tanganyika; and the Livingstone Memorial Monument.

Figure 2.11: Chimpanzee at Gombe National Park in Kigoma



PRIORITY INVESTMENT OPPORTUNITIES IN KIGOMA REGION



Kigoma Region is blessed with many investment opportunities that have not been exploited. The major and most important investment opportunities (priorities) are presented in the succeeding sections.

3.1 Regional Level Priority Investment Opportunities

Kigoma Region has identified eleven (11) key investment opportunities to be recognised and implemented at region level based on the available raw materials and the required infrastructure for some of the opportunities. These include to invest in Kigoma Special Economic Zone (KiSEZ); investment in processing of palm oil and other related by-products; private investments in large and modern market at the Tanzania - Burundi border constructed by the Government; investment in value addition in the fishing industry; investment in paddy and horticultural products processing industry; investment in sugar industry; processing of bee products; investment in tourism; investment in surface and marine transport; cement and chalk industry; and investment in trade and logistics.

The regional level investment opportunities have two main attributes: first, their scale and scope transcend those of individual LGAs; and they are large enough to serve all LGAs. Specific details for each opportunity are given below.

1. Investment in Kigoma Special Economic Zone (KiSEZ)

Overview of the Opportunity



- Kigoma Region has recently established the Kigoma Special Economic Zone (KiSEZ) in order to speed up economic development. A total of 691 ha of land have been set aside by the Region.

| | |
|---------------------------------|--|
| | <ul style="list-style-type: none"> ▪ In future, the region plans to expand KiSEZ to 20,000 ha with a view to attracting more investments ▪ The investment opportunities in KiSEZ include: warehousing, showrooms, shopping malls, conference halls, duty free shops, banking, insurance, freight services; dry port, cargo centre, bulk storage facilities, (trade and logistics hub); hotels and restaurants; fish processing for export; agro processing; information communication park; and recreational and sport facilities. |
| Key investment rationale | <ul style="list-style-type: none"> ▪ This will attract and maximise the growth of value-added, technologically advanced and innovative businesses in Kigoma as well as formation of an international business hub. |
| Support available | <ul style="list-style-type: none"> ▪ Feasibility study for KiSEZ has been done and a master plan for 691 ha has been prepared ▪ Environmental and social impact assessment (ESIA) has been conducted ▪ Survey for 691 ha has been done and 401 plots have been demarcated ▪ The region will develop infrastructures such as office building, roads, water & electricity supply, and drainage systems for storm water and sewerage. |

2. Investment in processing of palm oil and other related by-products

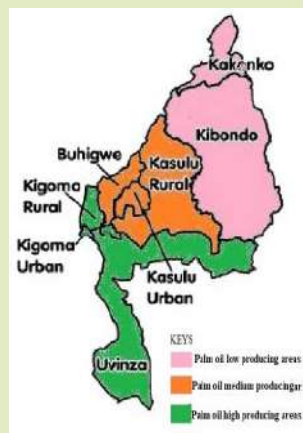
Overview of the Opportunity

Key features



- Kigoma Region is renowned for oil palm production. It is estimated that the region produces over 90% of the country's palm oil. The leading districts in the production of palm oil are Kigoma, Buhigwe and Uvinza
- About 31,750 tonnes of palm oil is produced in the region per year
- Kigoma District Council has set aside 641 ha of land for industrial development where the palm oil processing industry can be established
- It is estimated that 40% of "mise" is imported from Burundi and the rest (60%) is produced in Kigoma.

Key investment rationale



- The current processing of palm oil uses old and crude technology (old and inefficient machines) that has low oil extraction rate. There is therefore high potential to investing in modern technology of processing palm oil and related by-products
- Among the important activities under palm oil processing include value addition and processing of palm oil; value addition and processing of “mise” oil; value addition and processing of raw materials for soap making; and making animal and poultry feeds
- Since most of the palm oil is produced in Kigoma, Buhigwe and Uvinza districts, and the fact that Kigoma has better infrastructure than other districts, the processing industry should be located in Kigoma District
- Investment in palm processing is a worthy branding strategy for Kigoma Region in particular and for Tanzania in general, mainly because the region is prominent in oil palm, and has plenty of fertile land and favourable climatic condition for palm oil production
- In year 2018 the Government of Tanzania officially declared oil palm as one of the national priority or strategic crops in the country
- Kigoma Region has no reliable palm oil processing plant, and unorganised trade of palm oil related by-products is taking place between Kigoma and the outside world
- The market for palm oil and palm oil products is growing. Kigoma has a huge domestic market of the palm oil products such as soap, edible oil and animal feeds. There is also a growing external market, especially in the neighbouring countries of DRC, Burundi, Rwanda, and Uganda
- The processing of palm oil generates employment and household incomes
- With agro processing, transport cost will gradually fall due to proximity of the processing industries.

| | |
|---------------------------------|---|
| <p>Support available</p> | <ul style="list-style-type: none"> ▪ Strong support from the Government in the form of a declaration that palm oil production is one of the strategic and national priority cash crops, and endorsement of the Comprehensive Action Plan (CAP) intended to improve the business environment in the country, including introduction of an electronic export permit, facilitation of a one-stop border point etc. ▪ There is also strong support from the regional secretariat and LGAs towards investors, including an improved security of investors' properties ▪ Part of land in Kigoma Region has been surveyed through the Regional Land Use and Land Tenure Planning, which is an on-going project. |
|---------------------------------|---|

3. Private investments in large and modern markets at the Tanzania - Burundi border constructed by the Government

| <p>Overview of the Opportunity</p> | |
|---|--|
| <p>Key features</p> | <ul style="list-style-type: none"> ▪ Investors are welcome to use the markets constructed at the Tanzania - Burundi border ▪ The Government has set aside funds for the construction of a large and modern market at the border with Burundi. The Government has started constructing markets at Kagunga, Buhigwe, Muhange and Mkarazi ▪ The strategic position of Kigoma Region with respect to neighbouring countries of DRC, Burundi, Rwanda and to some extent Uganda and South Sudan requires investment in a large modern market where goods and services from these countries can be exchanged ▪ Kigoma Region has a potential to produce or process a variety of products that can be sold in the neighbouring markets of DRC, Burundi, Rwanda, Uganda, and South Sudan, given its proximity to these markets and the strategic location of Lake Tanganyika. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ Investing on large border market which will be constructed by the Government is the best way to promote agricultural and industrial production for export markets |

| | |
|---------------------------------|---|
| | <ul style="list-style-type: none"> ▪ It will also be an avenue for promoting production of quality goods that meet international standards: in the case of agricultural produce (crops, fishers, and livestock keepers) farmers will most likely add value and earn higher returns ▪ Over time, this process will tend to diversify production as a reflection of the changing demand to be signalled from this market ▪ This is also a strategy to promote economic diplomacy that is advocated by the Government of Tanzania ▪ This is also another way to address the current problem of illegal cross-border trade between Kigoma Region and the neighbouring countries ▪ This official market will further improve collection of the Government revenues, thus benefiting more people and strengthening international relations ▪ Border market is one of the pressing demands of the people in Kigoma Region. |
| <p>Support available</p> | <ul style="list-style-type: none"> ▪ The Government of Tanzania, through its National Trade Policy and Tanzania National Export Strategy, acknowledges that export is potentially a very powerful means of raising incomes, generating employment and reducing poverty. Thus, there is a significant attention and support from the Central Government ▪ Tanzania's current focus on industrialisation supports and encourages such investments ▪ The requisite support is also evident through good infrastructure: roads networks, communication, electricity and markets ▪ More support can be gauged through the EAC Common Market Protocol, which is meant to promote inter regional trade, and good economic and political relationships existing among the countries. |

4. Investment in value addition in the fishing industry

| Overview of the Opportunity | |
|------------------------------------|---|
| <p>Key features</p> | <ul style="list-style-type: none"> ▪ Local fish processing technologies are used in Kigoma Region ▪ Investors are invited to invest in modern and value addition fish processing industry in Kigoma Region. Uvinza is a prominent fishing district and its strategic geographical location relative to neighbouring countries and other fish producing regions of Rukwa |





- and Katavi makes it a suitable location for the industry
- The annual fish production in 2016 was 141,120 kgs of fish worth TZS 370,479,663 and 426,379 kgs of sardines worth TZS 1,066,955,184
 - Kigoma Region has a number of rivers including the Malagarasi, Ruchugi and Luiche as well as Lake Tanganyika, all of which can support fish farming activities through pond and cage fish farming of tilapia and catfish species as an alternative to overcoming the decrease of wild catch production
 - Investors are also invited to invest in fish hatchery and fish feed production to meet the high demand for fish existing in the region and in neighbouring regions and countries
 - There are various types of fish, including 4 main lattes species and 2 sardine species available in Lake Tanganyika. The potential for increasing fish catch efficiency in Kigoma is therefore high
 - Lake Tanganyika has also an investment opportunity in ornamental fish. There are more than 250 species of cichlids that have been identified and almost all (98%) of the cichlids are endemic to the lake. Species from the genera *Altolamprologus*, *Cyprichromis*, *Eretmodus*, *Julidochromis*, *Lamprologus*, *Neolamprologus*, *Tropheus*, and *Xenotilapia* are popular aquarium fish due to their bright colours and patterns, and interesting behaviours.

Key investment rationale

- There is a growing demand for fish products in Kigoma and in the neighbouring countries which needs to be met
- There are 2 major fishing landing sites in Kigoma, namely Kibirizi and Muyobozi. There are about 32 other landing sites spread from Kigoma in the north of the region to Uvinza in the south that include Kagunga, Mtanga, Mwangongo, Kiziba, Katonga, Shebe, Sunuka, Karago and Kalya. There has been an increase in the number of fishermen in the area, but there is shortage of fish processors, and there is no modern fish processors
- Establishment of a value addition fish processing industry will stimulate quality fish production and will raise incomes to fisher folk.

| | |
|--------------------------|---|
| Support available | <ul style="list-style-type: none"> ▪ In Tanzania, Government policy on fishing promotes not only fishing, but also value addition, modern fish processing, and fish farming ▪ The fish processing industry is in line with the current drive towards industrialisation in Tanzania, where Government support is guaranteed. |
|--------------------------|---|

5. Investment in paddy and horticultural products processing industry

| Overview of the Opportunity | |
|---|---|
| <p>Key features</p> <div style="display: flex; flex-direction: column; gap: 10px;">   </div> | <ul style="list-style-type: none"> ▪ Investors are invited to establish processing factories in Kigoma District Council and Kigoma Municipal Council, targeting paddy and horticultural crops ▪ There is land ready for industrial development at Katosho Industrial area with 15 industrial plots totalling 10 hectares and 205 hectares at KiSEZ in Kigoma Municipal Council ▪ Kigoma Region is rich in the production of paddy and horticultural crops. This is particularly so in Kibondo District, where production of paddy reached 13,038 tonnes in 2011/12; 20,702 tonnes in 2012/13; 6,489 tonnes in 2013/14; and 3,752 tonnes in 2014/15; Kasulu District where production record was 4,656 tonnes in 2010/2011; 17,780 tonnes in 2011/12; 13,689 tonnes in 2012/13; 14,373 tonnes in 2013/14; and 14,504 tonnes in 2014/15; Kigoma Rural District where production was as follows: 40,280 tonnes in 2010/11; 65,257 tonnes in 2011/12; 102,601 tonnes in 2012/13; 20,454 tonnes in 2013/14; and 3,461 tonnes in 2014/15. Other areas are Uvinza District Council and Kigoma-Ujiji Municipality where an average of 5,894 tonnes per annum is produced ▪ Likewise, average production of horticultural crops is 31,696 tonnes per year in Kibondo District, 7,313 tonnes in Kasulu District, 24,575 tonnes in Kigoma Rural District and 12,446 tonnes in Kigoma-Ujiji Municipality. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ There is demand for rice and horticultural products in Geita Gold Mines (GGM); the local market is therefore growing. There is also a huge market in the neighbouring countries of DRC, Burundi, Rwanda, Uganda, and South Sudan |

| | |
|--------------------------|---|
| | <ul style="list-style-type: none"> Processing industries will address the challenge of idle and surplus labour in rural areas, which is growing in number Processing industries will also address the challenge of post-harvest loss that exists in Kigoma Region. |
| Support available | <ul style="list-style-type: none"> Apart from a general support from the Central Government through the national policy priorities, namely the National Vision 2025, FYDP II, the National Industrial Policy and the associated ASDP II, regional and district governments are also eager to facilitate or support all the initiatives aimed at expanding investments in Kigoma Region The Regional Government has set aside land for industrial development. |

6. Investment in sugar industry

| Overview of the Opportunity | |
|---|---|
| <p>Key features</p>  | <ul style="list-style-type: none"> Investors are invited to construct a sugar factory, build irrigation infrastructure (schemes) for production of sugarcane and enter contract farming Based on the availability of raw materials, the factory can be built in Kasulu, Kibondo or Uvinza district Kigoma Region is suitable for growing sugarcane based on availability of vast river valleys and vast plain land, and conducive climatic conditions for cultivation of sugarcane Kigoma Region grows sugarcane in all of its districts. The leading sugarcane producers are Kasulu District, with an average of 20,894 tonnes and Kibondo District, with an average of 7,040 tonnes per year. |
| Key investment rationale | <ul style="list-style-type: none"> There is a growing demand for sugar in the region and in the neighbouring countries of DRC, Rwanda, Burundi, Uganda and South Sudan The proposed project is supported by the current Government industrialisation drive aiming at becoming a middle-income country by year 2025 The factory will reduce sugar shortages in the region and in the neighbouring regions where the demand is growing over time |

| | |
|---------------------------------|--|
| | <ul style="list-style-type: none"> ▪ The region has set aside land for large-scale irrigation sugarcane farming. In Kibondo District, the sugar cane plantation at Malagarasi River Basin has been allocated 12,595 hectares of land, and in Kakonko District some 12,243 hectares has been allocated for sugar cane production at Lumpungu River Basin. In Kasulu District, the agricultural area at Kigadye has been allocated some 200,000 hectares for sugarcane plantations. |
| <p>Support available</p> | <ul style="list-style-type: none"> ▪ The project is supported by not only the Central Government through the Government's industrialisation drive, but also the Regional Secretariat and the local government authorities in the region ▪ The region has set aside vast land for sugarcane production. |

7. Investment in processing of bee products

Overview of the Opportunity

Key features



- All investors with modern technology and sound capital are invited to construct bee products processing factories (e.g. honey, wax, soap and wine) in Kibondo District, where bee keeping is practised most, and market it within EAC countries and beyond
- Kigoma Region has approximately 2,037,100 hectares of natural forests areas that provide a conducive environment for bee keeping and processing of bee products
- Bee keeping activities are conducted in almost all the districts of the region. By June 2017 Kigoma Region had 121,346 beehives and has attracted investors like Upendo Honey Group, which have started bee production in the region
- Kibondo, Kakonko, Kasulu and Uvinza district councils are potential for bee keeping, as there are many hectares with tree species and flowery agricultural plants. Kibondo District ranks first in bee keeping and honey and bee-wax production, while Kasulu District is the second. Generally, productivity of beekeeping has been increasing; there are currently 6,521 modern beehives and 114,825 traditional beehives, and 5,611 beekeepers

| | |
|---------------------------------|---|
| | <ul style="list-style-type: none"> ▪ Honey production has increased from 100 tonnes in 2007 to 472 tonnes in 2015. Also production of bee wax has increased from 7 tonnes in 2007 to 17 tonnes in 2015. Deliberate efforts are taken to encourage all districts to adopt the use of modern beehives in order to increase production and improve quality of bee products ▪ By June 2017 the region produced 500 tonnes of honey and 17 tonnes of bee wax, all valued at TZS 3 billion ▪ The current price of honey is TZS 6,000 per litre while a litre of bee wax costs TZS 7,000. |
| Key investment rationale | <ul style="list-style-type: none"> ▪ There is large natural forest in Kigoma Region that is suitable for beekeeping ▪ Demand for honey and other bee related products in Tanzania and abroad is high and keeps growing ▪ Bee keeping is environmental friendly, especially for forest protection and conservation ▪ Bee keeping and processing of honey will create employment and thus generate incomes for youths ▪ Honey and beeswax are highly demanded worldwide. |
| Support available | <ul style="list-style-type: none"> ▪ The Central Government, Regional Secretariat and local government authorities (LGAs) support this initiative ▪ Environment and forest protection agencies operating locally and abroad also support this initiative ▪ Such investments are also supported by national industrialisation initiatives. |

8. Investment in tourism

Overview of the Opportunity

Key features



- Investors are invited to invest in tourism operations and activities especially in tourist attractions with high potential but yet to be tapped; construction of accommodation facilities including tourist hotels and camping sites; transport facilities to Gombe and Mahale Mountains national parks; eco-tourism and cultural tourism in villages near conservation areas; and in beach tourism along Lake Tanganyika
- The abundance and variability of tourist attractions in the region also offer a number of investment opportunities in the tourist sector:



- The Gombe Stream National Park (famous for the long and well researched chimpanzee by Jane Goodall) and Mahale Mountains National Park (home to a large population of chimpanzees)
- Kigosi/Moyowosi Game Reserve harbours a variety of big games, hence opportunities for trophy hunting and photographic safaris
- The Makere Forest Reserve – Uvinza Open Area Hunting Block, rich in wildlife, wetlands and about 94 km of River Malagarasi
- The Dr Livingstone Memorial and a number of old buildings used by Germans have a lot to tell about our country's history
- Ujiji Historical Town (part of the 1,200 km of the slave route to Bagamoyo, slave collection centre, the oldest buildings and wells used by Arabs and Germans)
- Mv Liemba (the oldest currently operating ship known to have been used during the First World War)
- Lake Tanganyika (the first longest, and second deepest Lake in the World) and its beautiful beaches provide suitable areas for camping sites and a variety of water sports
- The meandering nature and waters of Malagarasi River with magnificent Igamba 1 & Igamba 2 waterfalls with unique species of frogs
- About 2,000,000 hectares of beautiful indigenous forests to include Kitwe Forest (located along Lake Tanganyika and rich in indigenous trees, wild animals and birds)
- Cultural diversity of the residents (delicious local food, traditional dances, languages, traditional wear, etc.), to mention but only a few.
- About 21.043 hectares of land along Lake Tanganyika beach is available for investment in tourist hotels, in Kigoma-Ujiji Municipal Council
- About 94 hectares of land for the Kigoma Special Economic Zone (KiSEZ) is available for investment in recreational services to include stadiums, clubs, parks and halls.

| | |
|--|--|
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ There is demand for accommodation facilities within the national parks, especially during the high season. The current number of tourists received exceeds the limit of acceptable use. Opportunities for investment in accommodation facilities are available at nearby villages (Mwamgongo, Mtanga, Kashagulu, Kalya, and Sibwesa, to mention a few) ▪ The national parks can easily be reached through water transport, thus creating demand for investment in water transport facilities, especially luxury boats. These facilities may cater not only for tourists, but also for the community living along Lake Tanganyika ▪ Government initiatives to improve tourism in Western Tourist Circuit (which includes Kigoma Region) by developing/improving infrastructure: roads, railways (Standard Gauge Railway) and air transport services (including expansion of the Kigoma Airport), are expected to attract more tourists in the region, hence demand for more investment in tourism operations/activities ▪ Investment in eco-tourism and cultural tourism is expected to increase tour packages, create employment and generate income to the local community, and thereby boost the economy of the local community, region and the country as a whole. |
| <p>Support available</p> | <ul style="list-style-type: none"> ▪ The 1999 National Tourism Policy emphasised the need to improving, among others, communication and accommodation facilities as a means of attracting tourists; these include hotels and camp sites ▪ Land has been made available for construction of hotels, camping sites and air strips ▪ In some of these investments, PPP arrangements are envisaged. Some of these investments will be through joint ventures between private citizens and potential investor, and to be facilitated by district councils ▪ Good infrastructure: roads and communication networks, electricity supply and markets. |

9. Investment in surface and marine transport

Overview of the Opportunity

Key features



- Investors are invited to invest in land transport to enhance Kigoma connectivity with other regions in the mainland. The typical investments in marine transport are on port modernisation, expansion, cargo operations and freight shipping, dry port cargo centre, and bulk storage facilities in order to make Kigoma Region a trade and logistics hub
- Lake Tanganyika connects Kigoma with the surrounding land-locked countries of DRC, Rwanda and Burundi, where huge volume of trade between the two sides takes place. Most of this trade is illegal, and it is conducted using old and rudimentary, and hence unsafe means of transport
- Based on the daily traffic of passengers and especially freight, the demand for transport services between Kigoma Region and the neighbouring countries is extremely high
- The most common cargo transported to the neighbouring countries includes building materials such as cement, and agricultural products such as fruits, cassava and palm oil products. The only dependable means of marine transport is the Liemba ship that has been used since the Second World War, and can no longer meet the increasing demand.

Key investment rationale

- There is demand for reliable and efficient transport services in Kigoma and in the neighbouring countries
- Development of efficient inland transport within Lake Tanganyika will improve trade between the markets and therefore improve Government revenue collection and stimulate the economy of Kigoma Region.

Support available

- The development of a reliable transport infrastructure is supported by the Central Government, Regional Secretariat, local government authorities (LGAs), EAC and SADC initiatives
- This project is also a strategy to deepen EA Cooperation.

10. Investment in cement and chalk industry

Overview of the Opportunity

Key features



- Investors are invited to establish factories for producing cement and chalk mainly in Kigoma Ujiji Municipal Council or Kasulu Town Council, owing to better infrastructure and the fact that lime deposits are located close to the two districts. Lime deposits available in Uvinza will be transported to Kigoma Ujiji Municipality for processing
- Kigoma Region is famous in limestone deposits, which is the main raw material used to manufacture cement and chalk. Kumwambu and Kitahana villages for example, have large natural occurrences of limestone deposits estimated to occupy an area of more than 5 hectares. Lime is largely produced at Makere area in Kasulu District and Ilagala, Mwamila, and Mazungwe in Uvinza District.

Key investment rationale

- There is ample demand for cement in Kigoma and in the neighbouring countries of DRC, Burundi and Rwanda, which is enough justification for Kigoma to venture in the manufacturing of the two products
- Kigoma has large deposits of limestone, an important raw material for cement and chalk production
- The project will create employment and generate income for citizens, LGAs, regional economy as well as national economy
- The project will transform the economy of Kigoma Region through employment creation, trade and its overall contribution to the regional GDP
- The project will improve utilisation of a newly constructed Central Railway Line (Standard Gauge Railway).

Support available

- There is land ready for industrial development at Katosho Industrial Area with 15 industrial plots totalling 10 hectares
- The project is supported by the current drive towards an industrial led-economy, and the recent Government move to construct Standard Gauge Railway line

- The project is also supported by the national priority policies such as the National Vision 2025 and the Second FYDP as well as the Regional Secretariat and LGAs.

11. Investment in trade and logistics

| Overview of the Opportunity | |
|--|--|
| <p>Key features</p>  | <ul style="list-style-type: none"> ▪ Investors are invited to establish logistics companies which manage flow of goods between Kigoma and up country, as well as between Kigoma and neighbouring countries, in order to meet requirements of cross-border trade ▪ The resources managed in logistics will include physical items such as food, materials, animals, equipment, and liquids; as well as intangible items, such as time and information ▪ The logistics of physical items will involve the integration of information flow, materials handling, production, packaging, inventory, transportation, warehousing, and security. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ There is demand for reliable and efficient logistics services in Kigoma and in the neighbouring countries ▪ Development of cross-border trade will improve movement of goods and services among neighbouring countries and therefore improve the Government' revenue collection and stimulate the economy of Kigoma Region. |
| <p>Support available</p> | <ul style="list-style-type: none"> ▪ Development of reliable trade logistics is supported by the Central Government, Regional Secretariat, local government authorities (LGAs), EAC and SADC initiatives. |

3.2 Council Level Priority Investment Opportunities

At council level, investors are invited to invest in production and processing of cassava; investment in the production of oil palm; fish farming and related investments; and investment in bee keeping. Detailed information about these opportunities is given below.

3.2.1 Investment in Production and Processing of Cassava

Agriculture is one of the important sectors in all the districts of Kigoma Region. It is the main stay of Kigoma residents with its activities accounting for about eighty percent (80%) of all sectors' economic contribution in the region.

The type of agriculture practised in all the districts is peasantry, involving mostly smallholders who employ very limited capital in their production process. Agricultural production in Kigoma Region is mostly dependent on rains for crop growing. Food crops grown include cassava, maize, legumes, sweet potatoes and banana. Cash crops include coffee, palm oil, sunflower, cotton, groundnuts and tobacco.

The region is rich in cassava production, and the crop is produced in large quantities in almost all the six districts, especially Kibondo, Kasulu and Kigoma Rural. Cassava is another famous and common food and cash crop in the region. However, to date there is no single big processing plant for the product. Raw cassava is consumed locally and some is exported to neighbouring countries, namely DRC, Rwanda, Uganda and Burundi.

Overview of the Opportunity

Key features



Kigoma, Kasulu and Uvinza District Councils

Investment in production of improved cassava seedlings:

Investment in modern seedbeds (nurseries) for improved cassava seedlings and distribution to the needy farming communities in Kigoma Region; and investment in large-scale cassava farming. Kigoma District is an appropriate area owing to its conducive climatic and soil conditions for cassava production.

Investment in processing of cassava and cassava by-products:


The activities and areas of investment under cassava processing include value addition and

- o Also producing cassava flour and related products such as starch, alcohol, animal and poultry feeds
- o About 149,585 tonnes of cassava are produced annually in the council

| | |
|--|---|
| | <ul style="list-style-type: none"> ○ Kigoma District Council has set aside 641 ha of land for industrial development where cassava processing plants can be established ○ Kigoma District Council has the necessary infrastructure, such as electricity supply and roads for establishing a processing plant. <p>Kibondo District Council</p> <ul style="list-style-type: none"> ▪ An investor is invited to establish cassava-processing plants ▪ About 116,309 tonnes of cassava are produced in the council per year ▪ Kibondo is also one of the leading producers of cassava in the region where the climatic and soils condition are favourable ▪ The district does not have any cassava processing plant and, consequently, most of the harvested cassava is processed locally, which compromises quality and increases post-harvest losses ▪ Out of the total arable land of 221,593 ha in Kibondo District, only 20,349 ha (equivalent to 9 percent land utilisation) are under cassava production. There is therefore ample land for expansion of cassava cultivation in the district ▪ There is also about 4,220 ha of land suitable for irrigation farming currently not utilised. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ Kigoma and Kibondo districts have the favourable climate and soil condition that are required in producing cassava ▪ The necessary infrastructure such as electricity supply, roads and market are in better condition than in any other district in Kigoma Region ▪ On average, total arable land in Kigoma District is 311,880 ha, and only 60,850 ha out of this are utilised for cassava cultivation. This is equivalent to 19 percent land utilisation. In other words, there is ample land for expansion. Vast arable land in Kibondo is also underutilised. |
| <p>Support available</p> | <ul style="list-style-type: none"> ▪ The Government has just launched the Second Agricultural Sector Development Programme (ASDP II) this year, which, among others focuses on enhancing agricultural productivity and profitability, as well as commercialisation and value addition. |

3.2.2 Investment in the Production of Oil Palm

Kigoma Region is renowned for oil palm production. It is estimated that the region produces over 90% of the country's oil palm. The leading districts in the production of oil palm are Kigoma, Kasulu, and Uvinza. Production and eventual processing of oils and its by-products present the following investment opportunities:

| Overview of the Opportunity | |
|--|---|
| <p>Key features</p>  | <p>Kigoma, Buhigwe, Kasulu and Uvinza District Councils</p> <ul style="list-style-type: none"> ▪ Investors are invited to make seedbeds (nurseries) for producing improved oil palm seedlings and distribution of the same to the demanding farming communities, thus improving productivity and incomes of farmers ▪ Reproduction of improved oil palm seedlings takes about 3 years to fruition/maturity instead of 4-6 years. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ Investment in oil palm production is a worthy branding strategy for Kigoma Region in particular and in Tanzania in general, mainly because the region has plenty of fertile land and a conducive climatic condition for oil palm production ▪ In 2018 the Government of Tanzania officially declared oil palm as one of the priority/strategic crops in the country ▪ Majority of the people in Kigoma, especially in the four districts of Kigoma, Buhigwe, Kasulu, and Uvinza grow oil palm as their important cash crop ▪ The market for oil palm and oil palm products is growing. Kigoma has a huge domestic market (Tanzania) of the oil palm products such as soap, edible oil and animal feeds ▪ There is also a growing external market, especially in the neighbouring countries of DRC, Burundi, Rwanda, and Uganda. |
| <p>Support Available</p> | <ul style="list-style-type: none"> ▪ This investment is in line with Government industrialisation policy, which, among other things, promotes value addition at both primary and secondary levels, and political support at national, regional and local government levels is assured |

- The Government has made a statement that oil palm should be added as one of the priority/strategic crops in Tanzania
- Land is available for cultivation of oil palm, and the on-going Regional Land Master Plan also favours investors
- Good infrastructure: roads and communication networks, marine transport, electricity supply and markets.

NB: Total area potential for palm production is 500 ha; area under cultivation hitherto 250 ha; and production capacity is 300 tonnes in 2017/18.


3.2.3 Fish Farming and related Investments

| Overview of the Opportunity | |
|--|---|
| <p>Key features</p>  | <p>Kigoma and Uvinza District Councils</p> <ul style="list-style-type: none"> ▪ Investors are invited in Kigoma and Uvinza districts to invest in the followings areas: <ul style="list-style-type: none"> ○ Deep lake fishing ○ Post-harvest fish technology ○ Supplying modern fishing gears ○ Fish farming including cage and pond fishing ○ Production of fish feeds and fish fingers. ▪ One of the main economic activities in Kigoma Region is fishing. The population in Kigoma is sparsely distributed with more concentration on the shores of Lake Tanganyika. Kigoma and Uvinza districts in Kigoma Region have a promising potential for fishing in its water bodies. These districts have appropriate and conducive land as well as Lake Tanganyika, which can support fishing activities and production of fish. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ There is demand for fish in Kigoma Region, the rest of Tanzania and in the neighbouring countries ▪ Investment in cage and pond fishing is almost absent, so its promotion will result into not only increased fish output, but also to decreasing the pressure on lake and water resources ▪ Fish farming will feed into fish processing and therefore create employment and generate incomes for residents. |

| | |
|--------------------------|--|
| Support available | <ul style="list-style-type: none"> ▪ In an effort to address overfishing and illegal fishing, the Government has resorted to a number of interventions, including promotion of cage farming culture, such as land-based hatchery and production of fish feeds in the country. Cage fish farming, for example, is partly intended to release the pressure exerted on marine resources ▪ The Government's policy therefore encourages and promotes fish farming such as cage and pond fishing. |
|--------------------------|--|

3.2.4 Investment in Bee Keeping

Overview of the Opportunity

| | |
|--|--|
| <p>Key features</p>  | <p>Kibondo, Kakonko, Kasulu, Kigoma and Uvinza District Councils</p> <ul style="list-style-type: none"> ▪ Bee keeping activities are carried out throughout all the districts in Kigoma Region but mainly in Kibondo, Kakonko, Kasulu, Kigoma District Council and Uvinza ▪ The five districts (Kibondo, Kakonko, Kasulu, Kigoma and Uvinza) have approximately 2,037,100 hectares of natural forests that provide a conducive environment for bee keeping ▪ Kibondo, Kakonko, Kasulu and Uvinza district councils are potential for bee-keeping, as there are many nectar yielding tree species and flowery agricultural plants ▪ Deliberate efforts are taken to encourage all districts to adopt the use of modern beehives in order to increase production and improve quality of bee products. In any case, given the size of forest reserves in the four district councils, there is still a huge unutilised potential in Kibondo, Kakonko, Kasulu and Uvinza districts ▪ Investors are therefore invited to produce more honey and market it within EAC countries and beyond. Bee keeping will feed into honey processing industries prioritised by the region. |
| <p>Key investment rationale</p> | <ul style="list-style-type: none"> ▪ There are large natural forests in the five district councils that are suitable for bee keeping. Demand for honey and other bee-related products in Tanzania and abroad is high |

| | |
|--------------------------|--|
| | <ul style="list-style-type: none">▪ Bee keeping is environmentally friendly, especially for forest protection and conservation▪ Bee keeping and processing of honey will create employment and generate incomes for youths and women. |
| Support available | <ul style="list-style-type: none">▪ The Central Government, Regional Secretariat and local government authorities (LGAs) support this initiative▪ Environment and forest protection agencies operating locally and abroad also support this initiative. |

PART FOUR

FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES

This part presents a summary of facilitation, processes, requirements, and incentives for investment in Tanzania in general and in Kigoma Region in particular. The Government of Tanzania is determined to attract investments in the country by supporting all the efforts and initiatives intended to attract capital inflow in the country. Government support is from both the Central Government and local governments.

4.1 Supportive Policies and Regulatory Environment

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

4.1.1 Policies, Legal, Institutional and Regulatory Considerations

a) Key policies

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

b) Key laws

Major laws and regulations that guide investment promotion and activities in Kigoma Region are: Tanzania Investment Act (1997); Export Processing Zones

Authority (EPZA) Act, (2002); Special Economic Zones Act, 2015; Companies Act, 2002; Business Licensing Act, 1972; Tax Legislations; Land Act (1999); Village Land Act (1999); Mining Act (1998); Tanzania Bureau of Standards Act (2009); Tanzania Food and Drugs Act (2003) and Regulations; Plant Protection Act (1997) and Regulations; The Mining Act (2010); The Mining Regulations (2012); and other sector Acts and relevant Local Government Authorities by-laws.

4.1.2 Strategies, Plans, and Programmes

Key strategies, plans and programmes are: Annual Regional Plans and Annual Reports; PO-RALG Reports; District Development Plans; Second Five-Year Development Plan (FYDP II); Agricultural Sector Development Programme II (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.

With the above policies, regulatory frameworks, strategies, plans and programmes, the investment climate in Kigoma Region is supported by sound frameworks that offer an appropriate environment, which encourages investments in the region. The key issue is for the regional leadership to make sure that the processes and requirements outlined below are interpreted and adapted earnestly at regional and local levels. The leadership of Kigoma Region is determined to do that and ensure speedy implementation of prioritised investment opportunities and put in place a climate conducive to investment in the region.

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

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

a) Public-private partnerships

The Government recognises the role of the private sector in bringing about socio-economic development through investments. Public-Private

Partnership (PPP) frameworks provide an important instrument for attracting investments. Indeed, Public-Private Partnerships (PPPs) have been identified as 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. PPP is a way to amalgamate public and private capital and expertise for public projects in which the private sector has interest in sharing ownership. The PPP Act (2010) and PPP Regulations (2011) give areas of collaboration, which comprise of investment capital, managerial skills and technology. Additionally, PPPs can enable the Government to fulfil its responsibilities in efficient delivery of socio-economic goods and services by ensuring efficiency, effectiveness, accountability, quality and outreach of service.

The concept of PPP entails an arrangement between the 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 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 sector (particularly local government authorities) and the private sector are interested to invest.

c) Joint ventures

The Tanzanian Government 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 (NDC), Tanzania Petroleum Development Corporation (TPDC), and the National Housing Corporation (NHC), in energy, bio-fuels, and real estate ventures.

4.2 Facilitation: Processes and Requirements

Kigoma Region and the Central Government have set and are improving favourable conditions to entice and facilitate investment in the region, and ensuring speedy decision-making process.

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 Kigoma 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 the investor from enquiries right up to project start up.

The Centre deals with all enterprises with capital investment of not less than US\$ 500,000 foreign owned and US\$ 100,000 if locally owned. The Centre also assists all investors to obtain permits, authorisation etc., required by other laws to set up and operate investment in Tanzania. Currently, expansion of zone office network aims at moving TIC services closer to the people and enhancing services delivery through regional secretariats.

4.2.1.1 Tanzania Investment Centre Registration

Issuance of certificate of incentives is guided by section 17(1-8) of Tanzania Investment Act, 1997. Registration process and issuance of certificate of incentives entail submission of the following documents:

- A certified copy of the Certificate of Company Incorporation
- A copy of the company's Memorandum and Articles of Association
- A copy of Taxpayer Identification Number Certificate
- Dully filled TIC application forms which are issued by the Centre
- Project business plan
- Evidence of sufficient finance capital available to implement the project
- Evidence of project location
- Company Board Resolution to register the project with TIC
- TIC fee payment receipt of USD 1,100.

The Centre facilitates potential investors who express interest to invest in Kigoma through Western Zone office located at Lumumba Road, Kigoma Regional Block, Second Floor, P.O. Box 62, Kigoma. Tel: +255-028 2988223, Email: westernzone@tic.go.tz or TIC Head Office: Executive Director, Tanzania Investment Centre, Plot no; 9A&B, Shaaban Robert Street, P.O Box No 938, Dar-es-Salaam, Tanzania, Tel: 255 22 2113365/116328-32 Fax: 255 22 2118253, Email: information@tic.go.tz, web: www.tic.go.tz.

4.2.1.2 Main institutions Dealing with investment in Tanzania and Kigoma Region

The main institutions dealing with investment issues in Kigoma Region and Tanzania at large are: Tanzania Investment Centre (TIC) (Email: westernzone@tic.go.tz or information@tic.go.tz); 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, municipal authorities in respective districts (on land issues); Ministry of Water and Irrigation (MWI); Ministry of Agriculture (MA), and Ministry of Livestock and Fisheries (MLF).

4.2.2 Registration

Registration of an investment can be undertaken at a local BRELA and at district, regional or national Tanzania Investment Centre (TIC) 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).

To register a company in Tanzania is a right of those who wish to associate and form themselves into a company pursuant to the existing company laws. For detailed information please visit <https://ors.brela.go.tz>

4.2.3 Taxes

Taxes involved in investment projects in Kigoma Region are various and they include:

a) Corporate Tax

Corporate tax is charged at the rate of thirty percent (30%) for both resident and non-residents. In case of newly listed corporate 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 resident and non-residents. Furthermore, corporates with perpetual unrelieved losses for three consecutive years (excluding corporate conducting agricultural business, provision of health or education), are subjected to corporate tax of 0.3 percent of annual turnover for resident corporate.

Other incentives under corporate tax include a reduced rate from the 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 Taxes

Residents are subjected to personal income tax where total income exceeds TZS 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 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, foreign institutions dealing with technical assistance, as well as the United Nation Organisation and its agencies/organs.

c) Withholding Tax

Withholding tax on dividends from corporations listed on the Dar es Salaam Stock Exchange are charged at five percent (5%) for both resident and non-resident persons. The rate for dividends from other corporations is ten percent (10%). The rate withheld on interest is ten percent (10%) and on royalties it is fifteen percent (15%) for resident and non-resident persons. Furthermore, the rate withheld on management and technical service fees [mining, oil and gas] the rates 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 registration of companies dealing with professional services, as they are required to be registered 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 monthly.

Under VAT, incentives include zero rate for all exports, exemption of imported machinery by local manufactures and processors of

vegetable oils, textiles, pharmaceuticals, and skins and leather products manufactured in Tanzania Mainland. VAT returns are supposed to be filed at the 20th day of the month after a tax period. However, where the 20th day falls on a Saturday, Sunday or public holiday, VAT returns shall be lodged on the first working day following a Saturday, Sunday or holiday. For imports, VAT is payable at the time the import duty is due and payable in accordance with East African Community Customs Management Act, 2004. Exports are zero rated under the VAT Act, 2014, which also provides for VAT exemption. Exempt supplies and imports are provided in the schedule to the VAT Act, Cap 148 r/w Finance Act 2017.

4.3 Incentives

Investors registered under 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. 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 percent of import duty due).

Deemed capital goods that are eligible for exemption are specified depending on the project sector. Both local and foreign investors have free access to various services related to permits, licences and approvals at the Tanzania Investment Centre (TIC), which is a one-stop facilitation centre. EPZA also provides incentive packages according to Export Processing Zones Act No. 11 of 2012.

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 changes as the government keeps on improving investment climate in the country. Please contact Tanzania Revenue Authority (www.tra.go.tz) and Tanzania Investment Centre (www.tic.go.tz) for current updates.

4.4 Access to Resources

4.4.1 Land for Investment in Tanzania

The Ministry of Lands, Housing and Human Settlement is mandated with land management in Tanzania. Land in Tanzania is under three categories, namely village 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 to the public, and citizens own land under leasehold tenure. Section 20 of the Land Act No. 4 of 1999 specifically prohibit allocation/grant of land to non-citizens unless the land is for investment purposes under the Tanzania Investment Act, 1997. Land for investment purposes shall be identified, gazetted and allocated to the Tanzania Investment Centre. More information on acquisition of land for investment is available on www.ardhi.go.tz.

Kigoma Region has set aside land for investment managed at regional level and in every district, and it is ready to facilitate its acquisition when needed to suit special requirements of investors.

4.4.2 Kigoma Special Economic Zone (KiSEZ)

Kigoma Region has developed a special economic zone known as Kigoma Special Economic Zone (KiSEZ) in order to speed up economic development. This is one of the region's most immediate priorities. The area that covers 691 hectares is located in Kigoma Municipality and is expected to be a world-class business hub and a vehicle for industrial growth and development. A feasibility study and master plan have been prepared, and over 401 plots have been surveyed and are now ready for use by investors. So far there are three investors at different levels of investment.

Competitive Edge/Advantage

KiSEZ is spread across an area of 691 hectares and it is strategically located close to Kigoma Port, which serves DRC, Burundi and Zambia. It is close to railway, trunk road and airway link to the seaport of Dar es Salaam and neighbouring countries. Kigoma has vast natural resources: fertile land,

various minerals, forests, tourist attractions, Lake Tanganyika and more, which can be exploited commercially. The stipulated facts give KiSEZ a competitive edge, plus the fact that it is the first one in the Lake Tanganyika zone.

How to access land at KiSEZ

KiSEZ is an ideal area readily available for potential investor for long-term lease; the charge is very minimal at US\$ 0.15 per square metre. Interested investors are advised to contact regional authorities directly the through:

Kigoma Special Economic Zone (KiSEZ),
P. O. Box 125,
Kigoma, Tanzania
Tel: +255282803202/3
E-mail: ras@kigoma.go.tz

District Land (for investment) Data Base

All districts in Kigoma Region have set aside land for investment, which is readily accessible on terms and conditions stipulated by LGAs.

4.4.3 Banking and Financial Services

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 units have entered the market. There are four categories of banks, oriented towards different markets and *clientèle* operating in Tanzania: local private banks, regional banks, international banks and multinational banks. Overall, the outlook for the banking industry in Tanzania is very positive and there are appealing opportunities for new comers 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 emergence of this middle class is expanding national demand for financial services from established

providers and could represent a new opportunity for financial services companies looking for growth.

There is a positive trend in lending to SMEs that is producing greater confidence in their growth potential among financial institutions and, more generally, in the economy as well, which is generating a positive spiral. In addition, the Government is also introducing new laws that are expected to enhance lending activities.

4.4.4 Labour

Kigoma Region has surplus labour due to low employment and the use of migrant labour. While some of the labour is unskilled, there are efforts to build skilled labour force especially through vocational training institutions. Investors are welcome to build skills development institutions in every council in the region.

4.5 Inclusion and Participation of the Private Sector

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

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

However, for the private sector to play its role effectively, Kigoma Region authorities will create an enabling environment through provision of pre-requisite infrastructure, incentives, formulation/review and enforcement

of investment friendly policies, regulations, and procedures. The regional authorities will promote public-private partnership (PPP), public-private-community partnership (PPCP) and also facilitate joint ventures between potential investors and local private investors.

These arrangements are critical for achieving the objectives of implementation of capital and technology intensive investments including the build-operate-and-transfer approach. In addition, the private sector will be facilitated to improve delivery, and enabled to thrive and be competitive by easing access to affordable input and output factors nationally and internationally.

PART FIVE

KEY CONTACTS IN KIGOMA REGION

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

5.1 Key Websites

| Office | Website |
|--------------------------------|---|
| Kigoma Regional Secretariat | http://www.kigoma.go.tz |
| Kigoma Ujiji Municipal Council | http://kigomaujjimc.go.tz |
| Kigoma District Council | http://kigomadc.go.tz |
| Buhigwe District Council | http://buhigwedc.go.tz |
| Uvinza District Council | http://uvinzadc.go.tz |
| Kasulu Town Council | http://kasulutc.go.tz |
| Kasulu District Council | http://kasuludc.go.tz |
| Kibondo District Council | http://kibondodc.go.tz |
| Kakonko District Council | http://kakonkodc.go.tz |

5.2 Key Contacts

5.2.1 Regional Commissioner's Office

| Office | Post Office Box | Telephone/ Mobile Phone | E-mail |
|---|-----------------|------------------------------------|--|
| Regional Commissioner (RC) | 125, Kigoma | +255 282 802330 +255 766 371223 | ras@kigoma.go.tz ras.kigoma@tamisemi.go.tz info@kigoma.go.tz |
| Regional Administrative Secretary (RAS) | 125, Kigoma | +255 282 802330 +255 766 371223 | ras@kigoma.go.tz ras.kigoma@tamisemi.go.tz info@kigoma.go.tz |

5.2.2 Kigoma Ujiji Municipal Council

| Office | Municipal Director | | E-mail |
|--------------------|-----------------------------------|---|--|
| | Post Office Box | Telephone/ Mobile Phone | |
| Municipal Director | 44, Kigoma-Ujiji Kigoma | +255 282 802535 +255765 660847 | municipal@kigomaujjimc.go.tz ictsecurity@kigomaujjimc.go.tz |
| Municipal Mayor | 44, Kigoma-Ujiji Kigoma | +255 282 802535 +255765 660847 | municipal@kigomaujjimc.go.tz ictsecurity@kigomaujjimc.go.tz |
| Officers in Charge | 44, Kigoma-Ujiji Kigoma | Personal Mobile: +255 753 623600 +255 767 868909 | Personal Email: ruhavahussein@gmail.com mmailwa.smith@gmail.com |

5.2.3 Kasulu Town Council

| Office | Town Director | | E-mail |
|-------------------|------------------------------|--|---|
| | Post Office Box | Telephone/ Mobile Phone | |
| Town Director | 475, Kasulu Kigoma | +255 282 810335 +255 784 997037 | td@kasulutc.go.tz |
| Council Chairman | 475, Kasulu Kigoma | +255 282 810335 +255 784 997037 | td@kasulutc.go.tz |
| Officer in Charge | 475, Kasulu Kigoma | Personal Mobile: +255 755 367460 | Personal Email: fatnalaay@gmail.com |

5.2.4 District Councils

| LGA | District Executive Director | | E-mail |
|-------------------------|-----------------------------|---|--------------------|
| | Post Office Box | Telephone/ Mobile Phone | |
| Kigoma District Council | 332, Kigoma | +255 282 80 271 9 +255 767 682 782 Personal Mobile: +255 767 682782 | ded@kigomadc.go.tz |

| LGA | District Executive Director | | E-mail |
|--------------------------|----------------------------------|---|--|
| | Post Office Box | Telephone/ Mobile Phone | |
| Uvinza District Council | 12, Uvinza Kigoma | +255 767 355345 +255 757 894484 Personal Mobile: +255 767 355345 | ded@uvinzadc.go.tz Personal Email: wejaluto@yahoo.co.uk |
| Kasulu District Council | 97, Kasulu Kigoma | +255 282 810339 Personal Mobile: +255 784 997037 | ded@kasuludc.go.tz Personal Email: kasekenya.gm@gmail.com |
| Buhigwe District Council | 443, Buhigwe Kigoma | +255 762 967626 +255 717 706 441 Personal Mobile: +255 762 967626 | buhigwe2013@gmail.com Personal Email: anyamoga@yahoo.com |
| Kibondo District Council | 43, Kibondo Kigoma | +255 282 82 0084 Personal Mobile: +255 766 250924 | ded@kibondodc.go.tz Personal Email: chitupilasir92@gmail.com |
| Kakonko District Council | 3, Kakonko Kigoma | +255 282 820137 +255 762 532323 Personal Mobile: +255 757 470800 | ded@kakonkodc.go.tz Personal Email: masumbukostephano@gmail.com |

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

Kigoma Regional Commissioner's Office
P.O. Box 125, Kigoma.
www.kigoma.go.tz