



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

SONGWE REGION INVESTMENT GUIDE



One Stop Border Post



Mbozi Meteorite



Maize Farm



Coffee Plant



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PRESIDENT'S OFFICE REGIONAL ADMINISTRATION
AND LOCAL GOVERNMENT**

SONGWE REGION INVESTMENT GUIDE

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ABBREVIATIONS AND ACRONYMS

ASDP	Agricultural Sector Development Programme
SADC	Southern Africa Development Community
DR	Democratic Republic
DRC	Democratic Republic of Congo
THDR	Tanzania Human Development Report
SAGCOT	Southern Agricultural Growth Corridor
BRELA	Business Registration and Licensing Agency
CCET	Community Common External Tariff
CTI	Confederation of Tanzania Industries
DC	District Council
EAC	East African Community
EPZ	Export Processing Zone
EPZA	Export Processing Zone Authority
EU	European Union
ESRF	Economic and Social Research Foundation
FAO	Food and Agriculture Organisation
FCC	Fair Competition Commission
FDI	Foreign Direct Investment
FYDP	Five-Year Development Plan
GDP	Gross Domestic Product
GoT	Government of Tanzania
HDI	Human Development Index
ICSID	International Centre for Settlement of Investment Disputes
IIDS	Integrated Industrial Development Strategy
ISO	Industrialisation Support Organisation
ITC	International Trade Centre
LGAs	Local Government Authorities
M&E	Monitoring and Evaluation
MA	Ministry of Agriculture
MDAs	Ministries, Departments and Agencies
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
OSBP	One Stop Border Post
PO-RALG	President's Office - Regional Administration and Local Government
PPCP	Public-Private Community Partnership
PPP	Public-Private Partnership
RS	Regional Secretariat
SACCOS	Savings and Credit Co-operative Society
SDL	Skills and Development Levy
SEZ	Special Economic Zone
SIDP	Sustainable Industrial Development Policy
SOE	State-Owned Enterprises
TANESCO	Tanzania Electric Supply Company
TANTRADE	Tanzania Trade Development Authority
TAZARA	Tanzania-Zambia Railway Authority
TBS	Tanzania Bureau of Standards
TC	Town Council
TCCIA	Tanzania Chamber of Commerce, Industries and Agriculture
THDR	Human Development Report
TIC	Tanzania Investment Centre
TIN	Taxpayer Identification Number
TMEA	Trade Mark East Africa
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
UNCTAD	United Nations Conference on Trade and Development
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



Welcome to invest in Songwe Region. The guide has been made in line with the overall investment policy and development vision of Tanzania. It is aligned with a number of national development frameworks, such as the Tanzania Development Vision 2025 and the National Five-Year Development Plan 2016-2021 (FYDP II). The guide is meant to spur execution of the regional development pathway elucidated in the Songwe Regional Secretariat Vision and Mission as well as the Regional and LGAs Development Strategic Plans. It outlines and presents available investment opportunities at the regional and council level to hasten realisation of the Regional Development Vision.

The aim of the regional investment guide is to provide investment information to prospective investors: individuals firms and institutions both local and foreign, with a view of attracting them to harness rich investment potentials of Songwe Region. In addition, the investment guide intends to entice investors towards areas that will enhance Songwe's trade competitiveness as it positions itself to harness the ever-emerging regional economic and trade opportunities.

The main objectives of the guide are to foster growth of productive capacities to optimally exploit already promising strengths in primary sectors through value addition, and to sustainably augment the regional GDP growth by spurring broad, inclusive and resilient economic participation of the local communities into the growth process to foster societal development and improved well being of the people of Songwe and Tanzania at large.

Thus, the Songwe Regional Secretariat and its Local Government Authorities (LGAs) vow to provide investors with a policy conducive to business environment, while availing them the requisite political support, special incentives, supportive social and economic services, and after care services. For comprehensibility and policy coherence, the region has resolved to prioritise a few strategic initiatives based on existing production capacities

and market opportunities. Still, considering the uniqueness of each LGA, some priorities are area specific and flexibility has been built in to consider investors' business acumen and initiatives.

This work has taken significant commitment in terms of finance, time and intellect. To this, I am indebted to many, but would like to single out a few, and in particular the United Nations Development Programme (UNDP) for the financial support and the Economic and Social Research Foundation (ESRF) for their time and intellect invested in developing this guide. I would like to specifically acknowledge Prof. Samuel Wangwe and his team of experts, namely Mrs. Margareth Nzuki, Dr. Hussein Nassoro, Mr. Mussa Martine and Mr. James Kasindi 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 Songwe Regional Administrative Secretary, Mr. David Zacharia Kafulila, who efficiently and effectively coordinated and guided local governments in the region during the consultative processes and validation of the guide. Even though it is difficult to mention everyone, I am also glad to extend my deep appreciation to all individuals who contributed in one way or another towards making this Investment Guide possible.

In conclusion, I hasten to take this opportunity to invite and welcome you to invest in Songwe Region, while promising to provide needed support to make your investments productive, profitable and prosperous.



Hon. Brig Gen. Nicodemus Elias Mwangela
Regional Commissioner
Songwe Region, Tanzania

EXECUTIVE SUMMARY

Songwe Region is located in the Southern Highlands of Tanzania, bordering Malawi and Zambia on the South, Rukwa and Katavi regions on the West, Tabora Region on the North and Mbeya Region on the East. The Region is gifted with a strategic position of Tunduma border, which makes Songwe Region a gateway to Zambia and other Southern and Central African Countries. The Region is privileged to have a total of 1,918,776.94 ha of arable land suitable for agricultural activities and animal rearing. Out of the total arable land, only 29.6% is being utilised for production and the remaining 70.4% is available for investments or used for other activities such as settlement, natural vegetation, etc. The Region thus still has plenty of land for agricultural activities.

Administratively, Songwe Region is made up of 4 districts, which are; Mbozi, Momba, Ileje and Songwe. The Region has four (4) District Councils and one (1) Town Council. The District Councils are Mbozi, Ileje, Momba and Songwe, while the only Town Council is Tunduma. In year 2017, the Region had a population of 1,173,667 composed of 562,686 men and 610,981 women. Songwe Region is naturally a tropical zone with elongated foot of both west and Northern arms of the East African Rift Valley running from North of Lake Nyasa. The Region experiences hot season from early September to late April and cool season from May to late August. The highest temperatures reach 25°C in the lowland around Lake Rukwa, Songwe and Momba, and 16°C in uplands of Mbozi, Tunduma and Ileje.

Songwe Region has potential in utilising irrigation for production of various crops. The region has identified a total of 18,664.9 ha of land for irrigation in various areas within its surroundings. Crops suitable for irrigation include maize, paddy, beans, fruits (such as mangoes, avocado and watermelon) and vegetables (such as tomatoes and onion) etc.

Songwe Region is well served by a railway network from Dar es Salaam through the SADC countries of Zambia, Zimbabwe, Botswana and South Africa. The region has good network of roads that link the rural population clusters and also provides easy communication with the surrounding areas. More recently, the speed at which bridges are being constructed is easing access to various rural areas. Songwe Region has good air connections through Songwe Airport to Dar es Salaam. The region is rich in natural resources such as forests and

minerals like gold, graphite and coal. Land is available at designated sites and there are processes to facilitate acquisition of land when needed elsewhere in the region. The region boasts of rivers, notably Songwe and others that are amenable to irrigation agriculture, hydropower and water supply.

Investors are welcome to invest in the following suggested priority investment areas: processing of coal as an alternative energy for domestic uses; water processing industry; edible oil processing industry; fruit processing industry; salt farming and processing; hatchery; building a dry port; parking yard for bus/lorries; animal feeds processing; bee keeping and processing of honey; building hotels; recreational centre; shopping malls; vocational training centre; maize milling plant; banking services; sesame farming; paddy farming; gold processing; medical services; tourism; fuel station; cashew farming; fruit farming; coffee farming; waste management; hydro-electric power generation; and private day care centre and primary school, to mention but just a few potential investment areas.

DISCLAIMER

This Guidebook has been published to assist potential investors in providing access to essential information regarding investments and investing in Songwe Region. The Guidebook does not in any way give exhaustive information or detailed practical instructions but it points out sources of other information in both private and public sectors.

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

Mbozi Meteorite



This is an astronomical treasure found in Songwe Region. It is the eighth largest meteorite in the world and the Second in Africa with the following composition; Iron 90.45%, Nickel 8.69%, Copper 0.66%, Sulphur 0.01%, and Phosphorus 0.11%. Mbozi Meteorite is one of the tourist attractions in Songwe Region and has been a yardstick in promoting tourist industry in the region and Southern circuit as well as promoting tourism related investments.

One Stop Border Post (OSBP)



Large percent of world business is done via ocean transportation. Tanzania borders Indian Ocean and many land locked Countries whereby Songwe Region acts as a getaway through Tunduma border for transit cargo (over 70%) from Dar-Es-Salaam port to some SADC and other Southern neighboring countries and therefore the region has a geographical competitive advantage in cross-border trade leading to prosperous businesses and investments for economic development.

Coffee



Songwe Region is one of the regions producing coffee in the country and ranked second nationally after Ruvuma Region in Arabica coffee production and contribute 16.6% nationally in production in both Arabia and Robusta Coffee. According to Coffee Board, the Region recorded Tshs. 33,137,763,840/- as total sells in 2017/2018 at an average price of Tshs. 3,200 per kg of fresh coffee. In addition, Songwe Region has a total of 115 AMCOS engaged in coffee production with five (5) major farmers namely Kanji - Laji farm, Mimba farm, Kamaro farm, Lima Kwanza and Msumbi Farm.

Coffee is one of the main export commodities, contributing about 5% of total export earnings, and generated an average revenue of about \$ 100 million per year for the past 30 years. Coffee provides direct income to over 400,000 households in the country and 70,148 households in Songwe region (Ileje 5,047 and Mbozi 65,101).

Maize



Songwe is one of the leading seven regions in the Southern Part of Tanzania Mainland in the production of food crops especially cereals (mainly rice and maize) and legumes as well as cash crops mainly coffee. The region is food self-sufficient and in the year 2018/2019, the region had an estimated reserve of more than 177,467 tonnes of maize.

REASONS FOR INVESTING IN SONGWE REGION

1.1 Songwe Region in the Broader Tanzanian Context

As part of Tanzania, Songwe 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. Tanzania has abundant natural resources, including; agricultural land, water bodies such as lakes, rivers and springs, mineral resources, tourism attractions including biodiversity and unique landscapes, such as Mount Kilimanjaro, Ngorongoro Crater and Serengeti National Park, which attract tourists from all over the world. In addition, its location on the east coast of Africa gives it a comparative advantage in providing trade and transport services to neighbouring landlocked countries.

A number of measures have been taken to create a business environment conducive to encourage local and foreign investments. The country has created a stable and attractive macro- and micro-economic climate with single-digit inflation; there are on-going reforms in fiscal and monetary policy, and improvements in the business climate through legal and regulatory reform aimed at streamlining procedures and freeing business from unnecessary bureaucracy. Tanzania has sustained an average rate of 6%-7% 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. In 2017, the International Monetary Fund (IMF) reported that Tanzania's macro-economic performance remains strong, economic growth is projected at about 7%, and inflation is expected to remain close to the Government of Tanzania's (GoT) 5% target.

The Government recognises the role of the private sector (both local and foreign) and other strategic partners as the engine of growth, poverty reduction and the drivers of economic transformation. This important role of the private sector has been further emphasised in the current Five-Year Development

Plan II (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, 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

For about 20 years the Government of Tanzania (GoT) has, generally, had a favourable attitude toward investment (both domestic investment and Foreign Direct Investment (FDI)) and has had considerable success in attracting investors. There are no laws or regulations that limit or prohibit foreign investment and firms generally do not restrict foreign participation.

The Government of Tanzania 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, particularly in agribusiness, textiles and electronics sectors.

The Export Processing Zones Authority (EPZA) is charged with allocating suitable areas for EPZ. 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. More information can be found on the website www.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 sectors. Generally, the following are among the reasons for investing in any region of Tanzania:

- High degree of investment security because of un-parallel 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 5%); stable exchange rates 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 the 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;
 - Investment guarantees, and settlement of disputes; investments in Tanzania are guaranteed against political risks, nationalisation and expropriation; and
 - Any foreign business operating in Tanzania may obtain credit from domestic financial institutions up to the limits set 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

The following are some of the reasons to invest in Songwe Region:-

- Songwe Region is located near Mbeya City in Mbeya Region and neighbouring countries of Malawi, Zambia and Democratic Republic of Congo (DRC), which provide an advantage of a large national and regional market. The Region has a One Stop Border Post (OSBP) at Tunduma which serves about 70% of transit cargo from Dar es salaam Port to Southern Part of Africa;
- Songwe Region is well served by a network of a railway from Dar es Salaam through the SADC countries of Zambia, Zimbabwe, Botswana and South Africa, as well as by a reasonably good network of roads that link the rural population clusters and also provides easy communication with

the surrounding areas. Under fifth phase Government, the speed at which roads and bridges are being constructed is easing access to various rural areas. Songwe Region has good air connections to Dar es Salaam through Songwe Airport;



- The region has good regional cargo connections by road and rail to the Southern African countries;
- Natural resources: Songwe Region is rich in natural resources; the most important is agricultural land, forests and minerals such as gold, graphite, rare earth, lime and coal;
- Land is available at designated sites and there are processes to facilitate acquisition of land when needed elsewhere in the region;
- The region boasts of rivers - notably Songwe and others - that are amenable to irrigation agriculture, hydropower and water supply; and
- Health: In terms of quantity, health facilities are not well established in the region and these present an opportunity for investment. However, at the moment Highland Zonal Referral Hospital in Mbeya City is within reach.

1.4 Suggested Priority Investment Areas in the Songwe Region

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

1.4.1 Regional Level Priority Investment Opportunities

- i. Processing of coal;
- ii. Water processing industry;
- iii. Edible oil processing industry;
- iv. Fruit processing industry;
- v. Salt farming and processing;
- vi. Hatchery;
- vii. Building a dry port; and
- viii. Parking yard for bus/lorries.

1.4.2 Council Level Priority Investment Opportunities

- i. Animal feeds processing;
- ii. Bee keeping and processing of honey;
- iii. Building hotels;
- iv. Recreational centre;
- v. Shopping malls;
- vi. Vocational training centre;
- vii. Maize milling plant;
- viii. Banking services;
- ix. Sesame farming;
- x. Paddy farming;
- xi. Gold processing;
- xii. Medical services;
- xiii. Tourism;
- xiv. Fuel Station;
- xv. Cashew farming;
- xvi. Fruit farming;
- xvii. Coffee farming;
- xviii. Waste management;
- xix. Hydro-electric power generation; and
- xx. Private day care centre and primary school.

1.5 The Guide's Target groups

The directly targeted beneficiaries of this guide include:

- Investors, business owners and stakeholders, agricultural crop estates and medium-to-large farms and value adding and marketing entities

-
- intending to invest in Songwe designated industry and business areas;
- Ministry of Industry and Trade;
 - Prime Minister’s Office (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;
 - Government ministries, departments and agencies (MDAs) responsible for investments facilitation, agriculture, industries, trade, finance, and international cooperation;
 - EPZA, state-owned enterprises (SOEs) and pension funds undertaking investments;
 - Academia/researchers in Tanzania;
 - Umbrella organisations such as the National Business Council (NBC), Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), pension and provident funds investing in agriculture and industries, and other support institutions;
 - Institutions overseeing the management of quality and safety management issues, such as Tanzania Bureau of Standards (TBS);
 - Organisations providing productive capacities, information and data, monitoring and evaluation and other business support services, such as Textiles Development Unit (TDU), Business Registration and Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Fair Competition Commission (FCC), National Economic Empowerment Council (NEEC), Tanzania Trade Development Authority (TANTRADE), industry support organisations (ISOs), agricultural and industrial extension services providers, etc; and
 - Selected civil society organisations (CSOs) and non-government organisations (NGOs), and development partners (DPs), such as the Food and Agriculture Organisation (FAO), United Nations Development Programme (UNDP), World Bank (WB), United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), European Union (EU), United Nations Industrial Development Organisation (UNIDO), and TradeMark East Africa (TMEA), etc.

SOCIO-ECONOMIC PROFILE OF SONGWE REGION

2.1 Introduction

This section presents details of the social-economic profile of Songwe Region and it details more on geographical location, surface/land area, population and demographic pattern, administrative units, topography and land use patterns, agro ecological zones, climate, socio-economic context and productive sectors of Songwe Region.

2.2 Geographical Position and Boundaries

Songwe Region is located in the southern highlands of Tanzania, bound between latitudes 7° and 9° 36' south of the equator, east of Greenwich meridian within 32° and 33° 41' Longitudes.

The region borders Malawi and Zambia on the South, while Rukwa and Katavi regions are on the West, Tabora Region on the North and Mbeya Region on the East. The region is gifted with a strategic position of Tunduma Border, which makes Songwe Region a gateway to Zambia and other southern and central African countries, and the same via Isongole Border to Malawi.

2.3 Land Area

Songwe Region has a total surface area of 26,595 sq.km, which is equivalent to 96.2 percent of the total area, while 3.8 percent (i.e. 1,061 sq.km) is covered by water bodies, with Lake Rukwa occupying the largest share of water bodies in the region.

Songwe Region is privileged to have a total of 1,918,776.94 ha of arable land suitable for agricultural activities and animal rearing. Out of the total arable land, only 568,631.72 ha (equivalent to 29.6%) are being utilised for production and the rest (i.e. 70.4%) remains idle or used for other activities,

including settlement, natural vegetation, etc. The region thus still has plenty of land for agricultural activities.

Table 2.1: Distribution of Total Arable Land by Council, Songwe Region: 2015

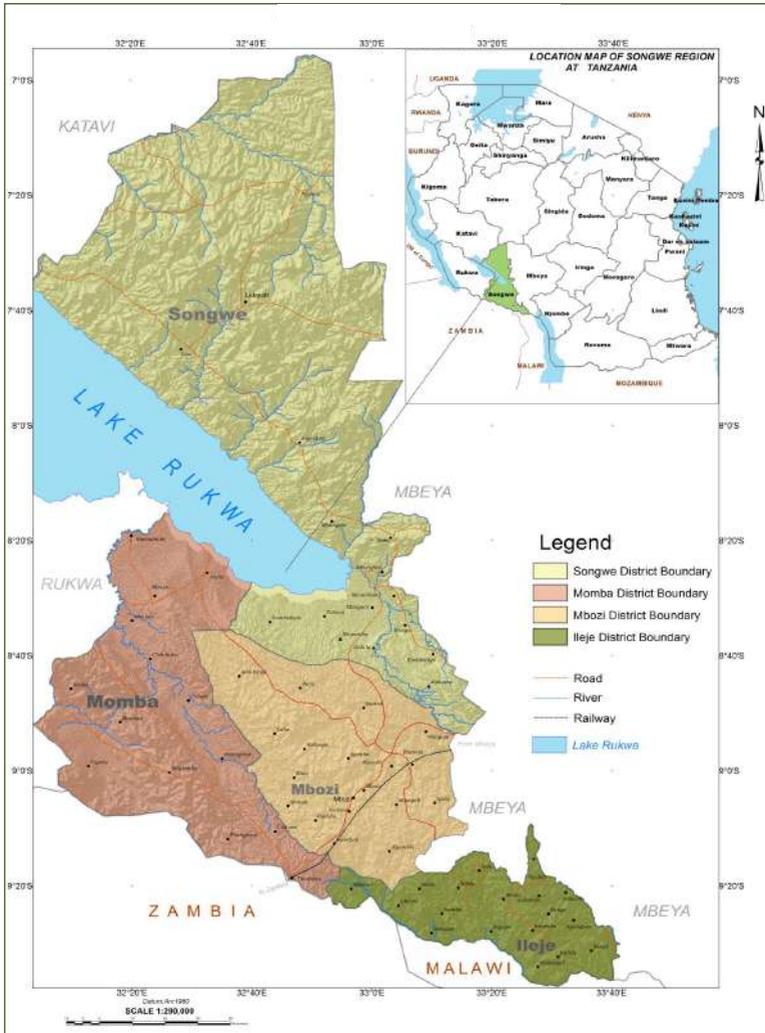
District	Total land Area (Ha)	Total Arable Land (Ha)	Percent	Arable land Under Cultivation (Ha)	% of Arable land under cultivation
Songwe DC	1,606,900.00	1,265,100.00	78.7	54,466.00	4.3
Ileje DC	190,800.00	101,599.99	53.2	79,409.20	78.2
Mbozi DC	340,400.00	231,735.95	68.1	153,714.01	66.3
Momba DC	585,600.00	288,000.00	49.2	274,100.00	95.2
Tunduma TC	41,900.00	32,341.00	77.19	6,942.51	21.5
Total	2,765,600.00	1,918,776.94	69.4	568,631.72	29.6

Source: Songwe Region Compiled Data from Councils (Department of Land, Natural resources and Environment) 2015

2.4 Administrative Units by Council

Administratively, Songwe Region is made up of 4 districts: Mbozi, Momba, Ileje and Songwe. The region has a total of four (4) district councils (DCs) and one (1) town council (TC). The district councils are Mbozi, Ileje, Momba and Songwe, while Tunduma is the only town council. Songwe Region has a total of 12 divisions, 94 wards, 307 villages, 71 streets and 1489 hamlets.

Map: Councils in Songwe Region.



2.5 Population

The National Bureau of Statistics (NBS) (2018) population projections indicate that Songwe Region had a population of 1,173,667 with a total of 562,686 males and 610,981 females in year 2017.

Table 2.2: Population Projection for Year 2017 Based on the 2012 Population and Housing Census

SONGWE REGION POPULATION PROJECTION FOR YEAR 2017			
Council Name	Male	Female	Total
Songwe District Council	77,655	79,434	157,089
Ileje District Council	68,694	77,536	146,230
Mbozi District Council	250,531	273,919	524,450
Momba District Council	94,923	103,346	198,269
Tunduma Town Council	70,883	76,745	147,629
TOTAL	562,686	610,981	1,173,667

Source: NBS Population Projections 2018

2.6 Climate, Soil Topography and Vegetation

Songwe Region is naturally a tropical zone with elongated foot of both west and northern arms of the East African Rift Valley running from north of Lake Nyasa. The region experiences hot season from early September to late April and cool season from May to late August.

The highest temperatures reach 25°C in lowland around Lake Rukwa, Songwe and Momba, and 16°C in uplands of Mbozi, Tunduma and Ileje. Songwe Region has only one long rainy season, usually from November to Mid May of the next year, which records between 750mm and 2000mm per annum.

2.7 Social-economic Context of Songwe Region

As per Tanzania Human Development Report (THDR)¹ 2017, Songwe Region scored a Human Development Index (HDI) of 0.656 with a GDP per capita of TZS 2,301,974. According to the report, the region's life expectancy marked 58.3 years.

¹ The **Human Development Index (HDI)** is a composite dimension of health represented by life expectancy; education represented by expected years of schooling and mean years of schooling; and income represented by Gross National Income per capita in purchasing power parity in US dollars, which are used to rank countries into four tiers of **human development**. For **THDR**, dimensions of education are expected years of schooling and school attendance, while for income GDP per capita is used as proxy for GNI per capita.

2.8 Productive Sectors

2.8.1 Agriculture Sector

Agriculture stands as the major economic activity of Songwe Region, since it employs about 75% of the household population in the region, thus building the foundation of income in the society within the region. The sector has a greater command due to the soil nature and weather of the region to support agriculture. Songwe region is one of the big 7 agricultural producers national wide. Other regions in the list include Rukwa, Katavi, Mbeya, Njombe, and Iringa and Ruvuma. The table below indicates the distribution of household engaged in agriculture.

Table 2.4: Number of Households in Songwe Region Engaged in Agriculture by Council, Rural and Urban Residence During the 2011/12 Agriculture Year

District	Total Number of Households	Households Engaged in Agriculture	Percent of Households Engaged in Agriculture		
			Total	Rural	Urban
Songwe	25,519	19,695	77.2	91.8	8.2
Ileje	30,826	25,939	84.1	93.3	6.7
Mbozi	103,649	82,689	79.8	86.3	13.7
Momba	42,774	34,363	80.3	93.9	6.1
Tunduma	23,660	7,101	30.0	n.a	100.0
Total	226,428	169,787	75.0		

Source: National Bureau of Statistics - 2012 population and housing census

a) Food crops production

Songwe Region is famous for food crops production and is among the top regions that has high command in food crops cultivation. The region produces several food crops including maize, paddy, beans, sorghum, sweet potatoes, banana and Irish potatoes. Maize has recorded higher production in the region followed by beans and paddy.

Table 2.5: Estimated Production (tonnes) of Major Food Crops in Songwe Region, 2011 – 2015

Crop	2011	2012	2013	2014	2015	Total	Annual Average	Percent
Maize	255,536	288,532	342,281	433,926	349,015	1,669,290	333,858	70.2
Paddy	8,420	9,281	14,330	17,678	17,039	66,748	13,350	2.8
Beans	43,981	46,014	46,029	56,064	47,709	239,796	47,959	10.1
Sorghum	2,649	5,441	4,650	4,895	11,811	29,446	5,889	1.2
Sweet Potatoes	45,042	46,830	47,102	50,226	52,683	241,882	48,376	10.2
Banana	9,500	9,824	11,502	12,150	12,735	55,710	11,142	2.3
Irish Potatoes	10,427	8,286	14,144	17,200	18,706	68,763	13,753	2.9
Total	376,027	414,604	480,501	595,575	510,326	2,377,033	475,407	100.0

Source: Songwe Region Compiled Data from Councils (Department of Agriculture, Irrigation and Cooperatives) 2015

b) Cash crops production

The region is also prominent in production of several cash crops, mainly coffee², pyrethrum, sunflower, sesame, tobacco and groundnuts. The crops give the region a high source of revenue and income to its people. Coffee accounts for the biggest share among the cash crops in the region followed by sesame and sunflower.

Table 2.6: Estimated Production (tonnes) of Major Cash Crops, Songwe Region, 2011 – 2015

Crop	2011	2012	2013	2014	2015	Total	Annual Average	Percent
Coffee	42,530	22,561	21,694	29,717	30,943	147,445	29,489	37.9
Pyrethrum	770	823	1,608	1,866	1,982	7,049	1,410	1.8
Sunflower	11,060	27,610	11,578	18,160	24,285	92,693	18,539	23.8
Sesame	19,208	27,449	20,866	35,226	15,375	118,124	23,625	30.4
Tobacco	277	588	800	5,352	1,065	8,082	1,616	2.1
Groundnuts	4,782	2,552	2,501	2,709	3,159	15,703	3,141	4.0
Total	78,627	81,583	59,047	93,030	76,809	389,096	77,819	100.0

Source: Songwe Region Compiled Data from Councils (Department of Agriculture, Irrigation and Cooperatives)

² Songwe Region is the second producer of ARABICA coffee next to Ruvuma Region. Songwe is also the leading producer of organic coffee in Tanzania.

2.8.2 Irrigation Farming

Songwe Region has potential in utilising irrigation for production of various crops. The region has identified a total of 18,664.9 ha of land for irrigation in various areas around the region. Momba District Council has a greater share of irrigation potential, followed by Ileje and Mbozi District Councils with various crops suitable for irrigation, including maize, paddy, beans, watermelon, tomatoes, onion, and vegetables.



Table 2.3: Estimated Potential Area (ha) for Irrigation in Songwe Region, 2015

District	Estimated Area (ha) for Irrigation	Percent
Songwe	437.0	2.3
Ileje	2,875.0	15.4
Mbozi	2,761.9	14.8
Momba	12,591.0	67.5
Tunduma	n.a.	n.a.
Total	18,664.9	100.0

Source: District Agriculture, Irrigation and Cooperative Office

2.8.3 Livestock Sector

Livestock sector has significant contribution in the economy of Songwe Region and its people. Songwe keeps varieties of livestock including cattle (410,390), goats (244,024), sheep (33,599), donkeys (4,739), pigs (79,513) and chickens (1,137,708).

Table 2.7: Estimated Livestock Population by Council in Songwe Region in 2015

Council	Cattle	%	Goats	%	Sheep	%	Donkeys	%	Pigs	%	Chicken	%
Songwe	124,491	30	72,955	30	13,305	40	2,777	59	33,046	42	181,464	16
Ileje	42,449	10	32,545	13	3,757	11	16	0	6,396	8	153,647	14
Mbozi	110,741	27	61,931	25	6,219	19	649	14	29,769	37	670,567	59
Momba	118,027	29	73,497	30	9,884	29	1,258	27	8,067	10	92,269	8
Tunduma T.C	14,682	4	3,096	1	434	1	39	1	2,235	3	39,761	3
Total	410,390		244,024		33,599		4,739		79,513		1,137,708	

Source: District Agriculture, Irrigation and Cooperative Office

Table 2.8: Total Livestock for a Five – Year Period 2012/2013 to 2017

TYPE OF LIVESTOCK	Number Of Livestock For Five Years				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Dairy cattle	7,834	8,347	9,230	10,432	11,276
Indigenous cattle	373,120	379,322	382,435	400,658	403,131
Goats	185,840	189,768	198,865	215,698	241,393
Sheep	29,321	29,841	30,143	31,576	32,299
Layers	18,945	19,347	21,023	21,890	22,608
Indigenous poultry	897,568	921,342	957,832	984,045	1,057,951
Pigs	31,732	36,487	45,832	53,289	73,184

Table 2.9: Livestock Products for a Five-Year Period From 2012/2013 to 2016/2017

LIVESTOCK PRODUCT (In kilogrammes/ litres)	LIVESTOCK PRODUCTION PER ANNUM				
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Beef	1,983,456	2,019,075	2,289,712	2,156,890	2,336,762
Goat meat	350,876	370,238	402,765	398,289	434,000
Mutton	27,490	29,361	32,980	28,932	47,390
Pork	234,320	362,165	602,342	576,435	687,210
Poultry (chicken)	980,234	858,919	1,107,800	1,089,782	1,299,491
Milk (litres)	9,784,034	9,638,902	10,238,987	9,976,342	11,285,443

Note: Average daily milk production per cow is 0.7 for indigenous cattle and 12 litres for dairy cattle.

2.8.4 Nature and Tourism

Tourism is among the promising sectors of economy in Songwe Region, and it is one sector that offers and guarantees job creation, poverty alleviation and boosting of sales of goods and services. It significantly contributes foreign currency exchange earnings in the region due to an expected big flow of tourists from abroad.

Songwe Region has been blessed with numerous natural attractions and historic sites such as Galula Catholic Church, Kwimba Mountain, *Jiwe Lenye Nyayo za Watu wa Kale*, hot water springs, Elizabeth Hill, *Jiwe Lenye Nyayo za Nyati*, Mount Ilomwa, Mount Change Cave, Linzitwa Cave, Kipala Mountain, Kisumbuzi Mountain, White Colubus, Meteor³, Bat Caves, Waterfalls, Malinga Mountain, Kasitu Mountain, Chingambo Mountain, Kiteputepu, Chifu Forest, Kaisumbe Forest, *Kisima cha Wakoloni*, *Mti wa Mapumziko-Wakoloni*, *Makaburi ya Wakoloni*, Mount Malinga, Momba River, Mount Ng'ongo, Muni Dam, Mount Pungwa, Mwenechiunji, Lake Rukwa, Salt Dam (*Bwawa la Chunvi*), Spiritual Tree, Tiru Forest, Mount Mwenekawenga, Mount Muwangu, Malungu, *Michoro ya Kale*, *Unyayo Kwenye Mwamba*, Msawe Forest, *Jiwe la Nonda*, Mengo Forest, Mwenetontela, Mount Mlomba, Mount Chingambo, Mount Mtimba, Chambo Forest, Champande Forest, Chingambo Forest, *Machimbo ya Mzungu* etc.

2.8.5 Fishing

Fishing in Songwe Region is a prominent activity along Lake Rukwa in Songwe and Momba District Councils. Fishing activities provide employment to people living along the lake.

³ Mbozi Meteorite (Mbosi) is a world's eighth heaviest meteor and fourth largest. It is the second largest meteor in Africa, located about 16km Northwest of Songwe Region. It is estimated to weigh 12 tonnes, 3 m long, 1 m tall and 1 m wide. Most of the meteorites in the world consists of silicates or stony, while Mbozi meteorite in Songwe Region is uncommon since it is mostly composed of iron 90.45%, and nickel 8.69% with negligible amounts of copper, sulphur and phosphorus. It is technically classified as a "medium octahedrite nickel iron" by Oates 1931.

Table 2.10: Fishery Resources and Production by Council, Songwe Region, 2015

Council	Type of Fishing Resources				Fish Production	
	No. of Fishing Licences	No. of Fishermen	No. of Registered Fishing Vessels	No. of Un-Registered Fishing Vessels	Weight (kg)	Value (TZS)
Songwe DC	394	1,186	142	870	352,888	1,612,457,200
Ileje DC	0	0	0	0	0	0
Mbozi DC	0	0	0	0	0	0
Momba DC	232	532	146	108	103174	154,761,000
Tunduma TC	0	0	0	0	0	0
Total	626	1,718	288	978	456,062	1,767,218,200

Source: District Land and Natural Resources Office

2.8.6 Industrial Sector

Songwe Region has attracted a number of investments towards the industrial economy. Most of small-scale investments were established in 2015 to cater for various sectors and services, including maize milling, accounting for 57.24 percent. At district level, Mbozi had the highest number of small-scale industries totalled to 1, 258 followed by Tunduma (358), Ileje (330), Momba (222), and Songwe being the last with only 152 small-scale industries. From the total number of small-scale industries (2,320), milling machines (1,328) were leading in number followed by carpentry (559), welding (158), garage (130) and oil processing (864).

Table 2.11: Number of Small-scale Establishments by Council and Type of Activity - Songwe Region in 2015

Council	Electricity	Welding	Carpentry	Food processing	Maize milling	Sunflower oil pressing	Timber processing	Service industry - garage	Total
Songwe DC	-	6	5	-	124	7	8	2	152
Ileje DC	1	15	75	2	216	11	10	0	330
Mbozi DC	-	79	374	6	646	55	12	86	1,258
Momba DC	-	4	1	0	214	3	-	0	222
Tunduma TC	-	54	104	13	128	10	7	42	358
Total	1	158	559	21	1328	86	37	130	2,320
Percent	0.04	6.81	24.09	0.91	57.24	3.71	1.59	5.60	100

Source: District Trade Office

PRIORITY INVESTMENT OPPORTUNITIES IN SONGWE REGION

The investment opportunities identified by the region are grouped into regional level and council level as follows:-

3.1 Regional Level Priority Investment Opportunities

Analysis done in this section is based on available raw materials and type of infrastructure present in Songwe Region. At the end, key investment opportunities that need to be recognised and implemented at the regional level were identified. These include investment in the processing of coal by-products to produce briquettes with the objective of substituting wooden charcoal and firewood used for cooking in the country. This helps to reduce deforestation trend while investors generate income and provide employment as well. Other types of investments at the regional level include water-processing; processing of edible oil (sunflower and sesame); fruit processing; salt farming and processing; hatchery; building a dry port; and parking yard for bus/lorries.

The regional level investment opportunities are different from individual LGAs in respect to scale and scope. Regional opportunities are large enough to serve all LGAs and other neighbouring regions, as well as areas across the borders with neighbouring countries. Nevertheless, identification and analysis of available opportunities were done only in Songwe Region. Specific details for each opportunity are given below:

1. Processing of coal

Overview of the Opportunity

Key features



- There is a large quantity of coal deposit in the region which has not yet been fully exploited;
- Coal is a potential alternative energy source that can be used for cooking and avert the country from becoming a desert due to on-going deforestation in searching for firewood and charcoal as a source of energy; and

	<ul style="list-style-type: none"> There are road and railway (TAZARA) networks that connect Songwe to other regions such as Dar es Salaam, which is the biggest market of charcoal.
Key investment rationale	<ul style="list-style-type: none"> Processing of coal will be a source of employment for the youth in the region; Source of own source revenues to Individual councils; Mining operation will be another source of employment in the region; and A total of 11.05 acres at Mbozi District are allocated for briquette making.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local levels is favourable; Land for establishing such a processing facility is available within the region and it may be established close to the railway line to avoid the hassle of transporting the finished product far; and Good infrastructure, which includes roads and communication networks, and electricity, is among the key features of this region.

2. Water processing

Overview of the Opportunity

Key features 	<ul style="list-style-type: none"> The region is endowed with a lot of water resources and currently there is no water processing industry in the region. Demand for bottled water is high in the region and across the borders with Malawi and Zambia; and Some 2.43 Acres of land have been set aside at Sange Ward in Ileje District for this investment.
Key investment rationale	<ul style="list-style-type: none"> Water processing industry will create employment along the supply chain; and Income will be generated.
Support available	<ul style="list-style-type: none"> National water policy supports establishment of water-processing industry.

3. Edible oil processing

Overview of the Opportunity

Key features



- The region produces a lot of sunflower and sesame. Currently there is no industry which is processing edible oil in the region;
- Production of sunflower stands at 52,821 tonnes while sesame is 31,678 tonnes
- There is a potential of increasing farm production of these crops if a reliable market will be guaranteed in all the districts;
- Potential land available for increasing farm production:

LEVEL OF PRODUCTION OF SUNFLOWER AND SESAME IN EACH DISTRICT 2017/18

NO	DISTRICT	SUNFLOWER		SESAME	
		(HA)	TONNES	(HA)	TONNES
1.	ILEJE	1,965	3,930	0	0
2.	MBOZI	6,603	6,604	26	26
3.	MOMBA	3,530	10,325	1,580	10,250
4.	SONGWE	21,517	31,200	17,835	21,402
5.	TUNDUMA	508	762	0	0
TOTAL		34,123	52,821	19,441	31,678

- An estimated area of 3.414 acres in Ileje District and 9 acres in Songwe District are available for this investment.

Key investment rationale

- Available idle land that can be used for increasing farm production;
- A growing demand for sunflower oil, especially in Dar es Salaam and other regions, owing to increasing level of income and growing preference;
- Possibility of exploiting an export market especially in Malawi, DR Congo and Zambia;
- Increasing income of farmers by purchasing sunflower and sesame at a competitive market;
- Creation of employment along the value chains; and
- Helping to improve terms of trade and the balance of payments.

Support available

- In order to protect the local processing industry for edible oil, the Government has formulated a favourable fiscal policy in order to ensure a fair competition with imported products; and
- Proximity to border with Zambia, Malawi, and DR Congo with existing infrastructure such as railway and presence of Songwe International Airport.

4. Fruit processing

Overview of the Opportunity

Key features



- The region produces a lot of fruits such as mangoes, avocado, pawpaw and others. Currently there is no existing factory to process the fruits
- Amount of fruits produced in each district in the region within a year:

DISTRICT	AVOCADO		BANANA	
	(HA)	TONNES	(HA)	TONNES
ILEJE	719	14,380	2,031	18,279
MBOZI	1,193	11,930	1,144	17,160
TOTAL	1,912	6,310	3,175	35,439

- Size of land allocated for establishing such an industry is estimated to be 5 acres.

Key investment rationale

- Amount of fruits produced in the region is high and justifies establishment of a processing industry;
- There is a huge domestic market; also, neighbouring Zambia offers a possibility of tapping the export demand as well;
- Utilising an existing demand for fruit products, especially in Dar es Salaam and other regions, owing to increasing level of income and growing preference;
- Increasing income of farmers by purchasing fruits that are currently thrown away simply due to lack of market;
- Farmers will be ensured of the market and this will create a supply response;
- Creating employment along the value chain; and
- Helping to improve terms of trade and the balance of payments.

Support available	<ul style="list-style-type: none"> Proximity to border with Zambia, Malawi, and DR Congo with existing infrastructure such as railway and presence of Songwe International Airport.
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5. Salt farming and processing

Overview of the Opportunity	
Key features	 <ul style="list-style-type: none"> The region has a natural water source (dam or small lake) that is characterised with a lot of salt. There is also a possibility of expanding the salt farming area; and There is an area of 86 acres potential for this investment.
Key investment rationale	<ul style="list-style-type: none"> Size of the land with salt water in the Ivuna area justifies establishment of a salt-processing plant; There is a huge domestic market, and since the region borders Zambia there is a possibility of tapping the export demand as well Farmers will be ensured of the market and this will create a supply response; Creation of employment along the value chain; and Helping to improve terms of trade and balance of payments.
Support available	<ul style="list-style-type: none"> Proximity to border with Zambia, Malawi, and DR Congo, as well as existing infrastructure such as railway and Songwe International Airport; and Support from FYDP II, which promotes value addition at primary and secondary levels.

6. Hatchery

Overview of the Opportunity	
Key features	 <p>Poultry keeping is one of the most prominent economic activities of this region. A hatchery is needed to fulfil the high demand for one-day old chicks. A hatchery facility can cater for other regions as well.</p>

<p>Key investment rationale</p>	<ul style="list-style-type: none"> ▪ There is a large domestic market, and since the region borders Zambia, DR Congo and Malawi there is a possibility of tapping the export demand as well; ▪ Utilising the existing demand for chicken, especially in Dar es Salaam and other regions, owing to increasing level of income and a growing preference for white meat; ▪ Increasing income of farmers from increasing number of chicken that will be sold in the market; ▪ The region produces high volumes of maize, sunflower and other products. The combination is ideally used to feed animals, especially chicken. Farmers will be ensured of a market and this will create a supply response; ▪ Creation of employment along the value chain; and ▪ Helping to improve balance of payments.
<p>Support available</p>	<ul style="list-style-type: none"> ▪ Tanzania’s target on poultry keeping as a means of promoting the economy; ▪ Good infrastructure, which includes roads and communication networks, electricity and markets; ▪ Proximity to border with Zambia, Malawi, and DR Congo served with railway (TAZARA) and Songwe International Airport; and ▪ Supported by the Agricultural Sector Development Programme phase II (ASDP II).

7. Building a dry port

Overview of the Opportunity: Dry Port

<p>Key features</p> 	<p>The region is in close proximity with Malawi, DR Congo and Zambia, thus there is an opportunity of establishing a dry port close to the border.</p>
<p>Key investment rationale</p>	<ul style="list-style-type: none"> ▪ There is a huge market across three countries, namely; Zambia, DR Congo and Malawi. Therefore there is a possibility of tapping the export demand through establishment of a dry port.

Support available	<ul style="list-style-type: none"> ▪ Fiscal policy in place is supportive; and ▪ Good infrastructure, which includes roads and communication networks, electricity and markets.
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8. Parking yard for bus/lorries

Overview of the Opportunity	
Key features 	<ul style="list-style-type: none"> ▪ Songwe Region is in close proximity with Malawi, Congo D.R.C. and Zambia; and ▪ There are many buses that pass through the region into these three neighbouring countries.
Key investment rationale	There is demand for a bus stand at Mbozi District. The bus stand should have all basic services such as toilets, hotels, garage and others.
Support available	<ul style="list-style-type: none"> ▪ Fiscal policy in place is supportive; and ▪ Good infrastructure, which includes roads and communication networks, electricity and markets.

3.2 Council Level Priority Investment Opportunities

At council level, investors can invest in Animal feeds processing; Bee keeping and processing of honey; Building hotels; Recreational centre; Shopping malls; Vocational training centre; Maize milling plant; Banking services; Sesame farming; Paddy farming; and Gold processing. Other areas of investment include medical services; tourism related opportunities; fuel station; cashew farming; fruit farming; coffee farming; waste management; hydro-electric power generation; and private day care centre and primary school. Details of the opportunities are provided hereunder.

1. Animal feeds processing

Overview of the Opportunity	
Key features 	Mbozi District Council <ul style="list-style-type: none"> ▪ The district produces a significant volume maize, sunflower and other crops that can be ideally used to processing animal feeds; ▪ Currently there is no animal feed processing facility in the region, and the demand is high;

	<ul style="list-style-type: none"> An animal feeding processing facility will cater for not only the district's demand but for the national demand as well; and Proximity of the district to countries such as Malawi, Zambia and DR Congo constitutes yet another market for animal feeds.
Key investment rationale	<ul style="list-style-type: none"> It assures market and income for the producers; It will enable livestock keepers to access the feeds; There is also an opportunity of utilising the export market; and Animal feeds will increase level of productivity of the animals.
Support available	<ul style="list-style-type: none"> The national livestock policy is consistent with the FYDP II, which emphasises the need to increasing and diversifying income of the rural farming household in which livestock keeping is an appropriate approach facilitated by processed feeds.

2. Bee keeping and processing of honey

Overview of the Opportunity	
<p>Key features</p> 	<p>Songwe District Council</p> <ul style="list-style-type: none"> The district is characterised by forests in various areas, which provide potential opportunity for bee keeping; There is a certain level of knowledge on bee keeping in the district that can be further developed; and Although honey is produced at low level, there is a potential to expanding production. <p>Mbozi District Council</p> <ul style="list-style-type: none"> The district is characterised by forests in various areas, which provide potential opportunity for bee keeping; and There is a certain level of knowledge on bee keeping in the district. <p>Momba District Council</p> <ul style="list-style-type: none"> A large part of the district is covered with forest, thus there is an opportunity of investing in bee keeping;

	<ul style="list-style-type: none"> ▪ There is a certain level of knowledge regarding bee keeping; among the farmers; and ▪ A private investor may wish to enter into contract to buy honey from farmers in addition to what will be produced by the company.
Key investment rationale	<ul style="list-style-type: none"> ▪ It assures market and income for the producers; ▪ Consumption of honey in Tanzania is increasing; ▪ There is also an opportunity of utilizing the export market; and ▪ Wax is yet another by-product that can be used differently.
Support available	<ul style="list-style-type: none"> ▪ The National Forestry Policy is consistent with FYDP II, which emphasises the need to increasing and diversifying income of rural farming households; bee keeping is one of the options.

3. Building hotels

Overview of the Opportunity	
Key features 	Mbozi District Council <ul style="list-style-type: none"> ▪ There is an opportunity of investing in hotels and other tourist services which may cater for the growing demand for accommodation; ▪ Mbozi has become the headquarters of Songwe Region, thus a large population of people is flocking into the area for various demands. These people demand good hotels and other services; ▪ There is enough land on which hotels can be built and tourism services provided; and ▪ The district has 15 acres set aside for tourist hotel construction.
Key investment rationale	<ul style="list-style-type: none"> ▪ It will widen the economic base of the district and increase income of the people' and ▪ It will bring foreign currency.
Support available	<ul style="list-style-type: none"> ▪ The Five-Year Development Plan – II (FYDP – II) promotes tourism in the country .

4. Recreational centre

Overview of the Opportunity	
Key features 	Tunduma Town Council <ul style="list-style-type: none"> There is no recreational centre in Tunduma Town; The demand for this facility is high given the cosmopolitan nature of the town; People from neighbouring countries such as Malawi, Zambia, and DR Congo provide a potential market segment; and There is enough land on which such a centre can be established.
Key investment rationale	<ul style="list-style-type: none"> Increasing the town people's incomes; and Providing employment.
Support available	<ul style="list-style-type: none"> Public policies are favourable and conducive; and Proximity to the borders of Malawi, Zambia and DR Congo ensures a large export market.

5. Shopping malls

Overview of the Opportunity	
Key features 	Tunduma District Council <ul style="list-style-type: none"> There is a lot of cross-border trade (official and unofficial) at the border between Tanzania and Zambia; A large population of people lives at the border and engages in cross-border trading; People between the two sides of the countries are interacting freely, and facilitated by an agreement to lift entry restrictions for a certain distance; Most of the shops are in dilapidated structures, widely scattered and do not appeal to customers, who are obliged to walk long distance for shopping. This situation increases transaction costs and discourages business; Given the volume of business that is taking place in the area, there is a great opportunity for establishing a large shopping mall where various items will be sold under one roof; and Land available for a shopping mall at TAZARA is 2 acres and for a business centre at Namole is 2,471.054 acres.

Key investment rationale	<ul style="list-style-type: none"> ▪ There is a large customer base for various commodities and services; and ▪ It is an opportunity to exploiting a large cross-border market.
Support available	<ul style="list-style-type: none"> ▪ The border is in close proximity to other countries such as Malawi and DR Congo. The population at the border with these countries constitute yet another segment of customers who need to be targeted; ▪ Tanzania is a SADC member state; and ▪ Supported by National Trade Policy.

6. Vocational training centre

Overview of the Opportunity	
Key features 	Tunduma Town Council <ul style="list-style-type: none"> ▪ Currently there is no vocational training centre within the Town Council despite a large population living in this area; ▪ Most of students who complete secondary school and do not qualify to join form five, fail to get a chance to join vocational training; ▪ There is an opportunity for investing in provision of vocational education/training; ▪ Such a centre will be able to attract students from other districts within the region, such as Mbozi and Ileje; and ▪ The size of land available for establishment of a vocational training centre is 4942.108 acres at Mpande.
Key investment rationale	<ul style="list-style-type: none"> ▪ Increasing number of standard seven and form leavers who need technical skills; and ▪ A high demand for a workforce with technical skills.
Support available	<ul style="list-style-type: none"> ▪ The National Education Policy and FYDP II with an industrial agenda demand a workforce with technical skills.

7. Maize milling plant

Overview of the Opportunity	
<p>Key features</p> 	<p>Tunduma Town Council</p> <ul style="list-style-type: none"> ▪ The district is famous for maize production as a secondary activity; ▪ About 48,184 tonnes of maize was produced in the district in year 2018; ▪ Establishment of a processing industry within the council will help to get a clear stockpile of maize produced within the council; and ▪ The size of land allocated for this industry is 2 acres. <p>Momba District Council</p> <ul style="list-style-type: none"> ▪ There is a large amount of maize produced in the district; and ▪ Currently the district is producing 48,184 tonnes of maize, which is sufficient to justify establishment of a milling plant. <p>Mbozi District Council</p> <ul style="list-style-type: none"> ▪ The district is famous for production of maize, thus there is an opportunity for establishing a maize processing plant. The district is well connected with other regions and neighbouring countries, namely Malawi, Zambia and DR Congo. <p>Songwe District Council</p> <ul style="list-style-type: none"> ▪ Maize is equally produced in large quantities in this district. So far very little investment has been done in milling, therefore there is an investment opportunity in milling and preparation of maize by-products.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> ▪ It assures a market and income for maize producers; ▪ A lot of maize produced in the district lacks a market; ▪ There is still an opportunity to increasing maize production and productivity within the district; and ▪ Demand for maize flour, corn oil and maize bran for animal feed is growing fast in many areas of Tanzania.

Support available	<ul style="list-style-type: none"> ▪ The Five-Year Development Plan II (FYDP – II) promotes production and processing of maize; and ▪ The Agricultural Sector Development Programme Phase 2 calls for promotion of agricultural processing industries.
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8. Banking services

Overview of the Opportunity	
Key features 	Momba District Council <ul style="list-style-type: none"> ▪ This is a newly established district that relies heavily on smallholder commercial agriculture. Crops produced for the market and household consumption include paddy, beans, maize, sesame and others. Productivity and production of these crops is relatively high, thus during the harvest seasons, buyers would flock into the district to purchase the produce; and ▪ The size of land allocated for establishment of a bank is 3 acres.
Key investment rationale	<ul style="list-style-type: none"> ▪ It enhances access to financial services such as savings and credits to farmers; ▪ Increasing population and income in the district will certainly increase the demand for financial services; and ▪ Access to credits will facilitate adoption of improved technology and augment the level of technical efficiency of most of the crops grown in the district.
Support available	<ul style="list-style-type: none"> ▪ National Finance Policy promotes sustainable development of banking sector as a means to ensuring that the Five-Year Development Plan II (FYDP – II) is implemented.

9. Sesame farming

Overview of the Opportunity	
Key features	Momba District Council <ul style="list-style-type: none"> ▪ The district has high potential for production of sesame due to availability of land with good soils and favourable weather condition; ▪ The size of land allocated for sesame farming is 240,000 ha in Momba district; and ▪ An investor may opt to use an out-grower scheme.

Key investment rationale	<ul style="list-style-type: none"> Contract farming will help to ensure that there is technology transfer, and production and productivity are increased due to availability of credit to farmers; and Will help to increase the income of the farmers through increased competition.
Support available	<ul style="list-style-type: none"> The National Agricultural Policy and the Five-Year Development Plan II (FYDP – II) emphasise increasing investment in farm productivity to promote agro-processing industries.

10. Paddy farming

Overview of the Opportunity																
<p>Key features</p> 	<p>Momba District Council</p> <ul style="list-style-type: none"> Paddy is one of the crops that are produced in the district, and there is still a large area which can still be used to increase production; and Available land potential for production of paddy is 60,500 ha, thus private investors are invited to embark in paddy production. <table border="1"> <thead> <tr> <th>No.</th> <th>District</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Momba</td> <td>36,000</td> </tr> <tr> <td>2</td> <td>Songwe</td> <td>21,625</td> </tr> <tr> <td>3</td> <td>Ileje</td> <td>2,875</td> </tr> <tr> <td colspan="2">Total</td> <td>60,500</td> </tr> </tbody> </table>	No.	District	Hectare	1	Momba	36,000	2	Songwe	21,625	3	Ileje	2,875	Total		60,500
No.	District	Hectare														
1	Momba	36,000														
2	Songwe	21,625														
3	Ileje	2,875														
Total		60,500														
Key investment rationale	<ul style="list-style-type: none"> Assures income for the investor; Demand for rice is increasing in both rural and urban areas of Tanzania, due to increasing income and change in consumption habits; and There is a possibility of exporting to other neighbouring countries. 															
Support available	<ul style="list-style-type: none"> High political will at both regional and national levels; and The district is part of the Southern Agricultural Growth Corridor (SAGCOT), which promotes PPP arrangements. 															

11. Gold processing

Overview of the Opportunity									
<p>Key features</p> 	<p>Songwe District Council</p> <ul style="list-style-type: none"> The district is characterised by a very large presence of miners (artisanal and large-scale mining operations). Unfortunately, gold that is produced is sold unprocessed. Therefore, there is an opportunity to establish a gold processing plant within the district; and Amount of gold produced in the district: <table border="1" data-bbox="456 477 992 655"> <thead> <tr> <th>WEIGHT (gm)</th> <th>VALUE (USD)</th> <th>ROYALTIES (USD)</th> <th>INSPECTION AND CLEARANCE FEE (USD)</th> </tr> </thead> <tbody> <tr> <td>22,452,035.10</td> <td>373,542,750.55</td> <td>17,991,256.15</td> <td>12,524,256.59</td> </tr> </tbody> </table>	WEIGHT (gm)	VALUE (USD)	ROYALTIES (USD)	INSPECTION AND CLEARANCE FEE (USD)	22,452,035.10	373,542,750.55	17,991,256.15	12,524,256.59
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22,452,035.10	373,542,750.55	17,991,256.15	12,524,256.59						
<p>Key investment rationale</p>	<ul style="list-style-type: none"> There is a significant amount of gold produced in the district; and Generating employment and income to the local people in the district. 								
<p>Support available</p>	<ul style="list-style-type: none"> Mining policy promotes value addition of minerals and gemstones within the country. 								

12. Medical services

Overview of the Opportunity	
<p>Key features</p> 	<p>Songwe District Council</p> <ul style="list-style-type: none"> The district has a high demand for medical services; There are very few health care providers registered to provide the much-needed health care services, while demand for such services is increasing; It is in this respect that an investor is invited to tap the opportunity to invest on provision of medical services within the district; and The size of land allocated for the hospital is 87 acres. <p>Tunduma Town Council</p> <ul style="list-style-type: none"> There is a very high demand for health care services in the district;

	<ul style="list-style-type: none"> ▪ The state of health care facilities owned and operated by the Government need to be complimented by the private sector; ▪ Established modest hospital services in the town will be utilised by people from other neighbouring countries as well. For example, people from Malawi, Zambia and DR Congo, especially those living close to the border; and ▪ Land available for construction of a hospital is 123.5 acres.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> ▪ Hospital services are in high demand in the districts, therefore meeting this demand will reduce the disease burden in the councils; ▪ It will ensure a health work force, and eventually people will be able to produce more with a much higher level of productivity; ▪ Investor will generate income and provide employment opportunities to people in the district and the region as well; ▪ Reduced pressure on public health care facilities; and ▪ Relatively high per capita income of the people living in the region and those living across the borders with other countries.
<p>Support available</p>	<ul style="list-style-type: none"> ▪ The National Health Policy requires the establishment of health care centres for each ward and a dispensary for each village; ▪ The health policy has taken cognizant of the function of private health care providers; and ▪ The Five-Year Development Plan – II (FYDP – II) promotes human development.

13. Tourism

<p>Overview of the Opportunity</p>	
<p>Key features</p> 	<p>Songwe District Council</p> <ul style="list-style-type: none"> ▪ The district has various tourist attractions such as hot springs, a mountain range, a beach along Lake Rukwa, Mt Kwimba, of wildlife, and a large reserve forestry; and ▪ Cultural tourism, tour companies and meteor sighting are some of the opportunities relating to tourism in Songwe.

Key investment rationale	<ul style="list-style-type: none"> ▪ Songwe District as well as the entire Songwe Region have not yet utilised these tourist attractions; and ▪ The district aims to increase utilisation of hunting blocks from 1 in 2017 up to 6 in 2020.
Support available	<ul style="list-style-type: none"> ▪ The National Tourism Policy and Tourism Strategy support the opening of the southern tourism circuit; and ▪ Political will is favourable.

14. Fuel Station

Overview of the Opportunity	
Key features	<p>Momba District Council</p> <ul style="list-style-type: none"> ▪ Investors are invited to establish fuel filling stations in Momba; and ▪ The district is located far away (about 70 km) from the main Mbeya-Tunduma road, and there is no fuel station that can provide services within the district.
Key investment rationale	<ul style="list-style-type: none"> ▪ Demand for fuel is growing, and the 70 km distance to the main road of Tunduma-Mbeya creates a rationale for establishing fuel stations.
Support available	<ul style="list-style-type: none"> ▪ Government policy and political will are favourable.

15. Cashew farming

Overview of the Opportunity	
Key features	<p>Momba District Council</p> <ul style="list-style-type: none"> ▪ There is a potential land which can be used for cashew farming; and ▪ Areas with such potentials include Msangano, Chilulumo, Chitete and Kamsamba.
Key investment rationale	<ul style="list-style-type: none"> ▪ Soil is favourable; and ▪ Weather condition is good and supportive.
Support available	<ul style="list-style-type: none"> ▪ Government policy on the crop is good and supportive; and ▪ Ministry of Agriculture has embarked on a national campaign to promote cashew nuts.

16. Fruit farming

Overview of the Opportunity	
Key features 	Momba District Council <ul style="list-style-type: none"> There is a potential land at Chitete, Ndarambo and Kamsamba that can be used for production of various fruits such as water melon, orange, mango, and avocado.
Key investment rationale	<ul style="list-style-type: none"> Available good agricultural land that can support fruits farming; and Conducive weather condition that is consistent with demand of such fruits.
Support available	<ul style="list-style-type: none"> Government's drive to promote good nutrition in addition to food security; and The National Food and Nutrition Centre (TFNC) supports agro-processing for nutritious food.

17. Coffee farming

Overview of the Opportunity	
Key features 	Momba District Council <ul style="list-style-type: none"> There is a potential land that can be used for coffee production. About 1000 ha is available in Luasho Village in addition to land available in other villages as well.
Key investment rationale	<ul style="list-style-type: none"> Weather condition is very good and conducive for coffee production; and Coffee curing factories are not very far from the production site.
Support available	<ul style="list-style-type: none"> Supported by ASDP II; and FYDP II and national agricultural policies are all supportive.

18. Wastes management

Overview of the Opportunity	
Key features	Tunduma Town Council <ul style="list-style-type: none"> There is a lot of waste that is produced within Tunduma Town Council, particularly at the border

	<ul style="list-style-type: none"> with the Zambia; and The Town Council can only collect 160 tonnes per day, which is very low compared to 400 tonnes produced per day.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> Tunduma Town is highly populated; and There is a lot of business that produces waste materials.
<p>Support available</p>	<ul style="list-style-type: none"> National Environmental Policy is supportive; and FYDP II and the Local Government Act are both supportive.

19. Hydro-electric power generation

Overview of the Opportunity	
<p>Key features</p> 	<p>Ileje District Council</p> <ul style="list-style-type: none"> The district has falls on the rivers flowing from its mountainous area.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> The district and the region have not used the available potentials of generating electricity from the existing falls.
<p>Support available</p>	<ul style="list-style-type: none"> Government policy and political will are favourable.

20. Private day care centre and primary school

Overview of the Opportunity	
<p>Key features</p> 	<p>Ileje DC</p> <ul style="list-style-type: none"> The district does not have a private day care centre and primary school to cater for a growing demand within the district; and There is demand for working mothers to have centres for day care of their infants while at work.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> There is sufficient land, and population is increasing;

	<ul style="list-style-type: none">▪ Establishment of a border post at Isongole is likely to create a higher demand from Tanzania as well as from Malawi; and▪ Agriculture is commercialised; therefore, indigenous people are likely to demand this services as well.
Support available	<ul style="list-style-type: none">▪ The National Education Policy supports the establishment of private schools; and▪ There is good political will to promote investments in the education sector.

FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES

This part provides summary related to facilitation, processes, requirements, and incentives for investment in Tanzania and Songwe Region.

4.1 Supportive Policies and Legal 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 Songwe 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 Songwe Region 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 Songwe Region are: Tanzania Investment Act (1997); Tax Legislations; Land Act (1999); Village Land Act (1999); Mining Act (1998); Tanzania Bureau of Standards Act (2009); Tanzania Food and Drugs Act (2003) and Regulations; Plant Protection Act (1997) and Regulations; The Mining Act (2010); The Mining Regulations (2012); and other sector Acts and relevant Songwe Region 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; Five-Year Development Plan (FYDP II); Second Agricultural Sector Development Programme 2017-2022 (ASDP II); Livestock Sector Development Programme (2011); Ministry of Industry, Trade and Investment's Reports; and Integrated Industrial Development Strategy (IIDS 2025). Others are the National Rice Development Strategy; Tanzania Agriculture and Food Security Investment Plan; and Agricultural Growth Corridor in Tanzania.

With the above policies, regulatory frameworks, strategies and plans, the investment climate in Songwe Region is supported by sound frameworks that offer an appropriate environment that encourages investments in the region. The key issue is for the regional leadership to make sure that the processes and requirements outlined below are interpreted and adapted earnestly at the regional and local level. The leadership of Songwe Region is determined to do that and ensure speedy implementation of the 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 private sector in bringing about socio-economic development through investments. The Public-Private Partnership (PPP) framework provides 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 PPCP 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 in investing.

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 (in energy), Tanzania Petroleum Development Corporation (in bio-fuels), and the National Housing Corporation (in real estate ventures).

4.2 Facilitation

Songwe Region and Central Government have set and are improving favourable conditions to entice and facilitate investment in the region and ensure speedy decision making. The region has the obligation to interpret and adapt these processes, requirements and incentives for investment so as to fit the region's investment profile and priorities. The main processes that need to be undertaken by prospective investors in Songwe 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 enquires 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. It also assists all investors to obtain permits, authorisation etc., required by other laws to set up and operate investment in Tanzania.

TIC contacts are:

Head Quarters: Executive Director, Tanzania Investment Centre, Plot no; 9A&B, Shaaban Robert Street, P.O Box 938, Dar-Es-Salaam, Tanzania, Tel: 255 22 2113365/116328-32, Fax: 255 22 2118253, Email: information@tic.go.tz
There is a functioning regional level Investment Facilitation Committee and a Special Investment Facilitation Desk. These institutional investment arrangements are cascaded to district level.

4.2.2 Main institutions dealing with investment in Tanzania and Songwe Region

The main institutions dealing with investment issues in Songwe Region and Tanzania at large are: Tanzania Investment Centre (Email: 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), water supply

companies in the region, Local Government Authorities in respective districts (on land issues), Ministry of Water and Irrigation (MWI), Prime Minister's Office (Investment), Ministry of Agriculture (MA) and Ministry of Livestock and Fisheries (MLF).

4.2.3 Registration

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

4.2.4 Taxes

The taxes involved in investment projects in Songwe Region are various and include:

a) Corporate tax

Corporate tax is charged at the rate of thirty percent (30%) for both resident and non-resident corporates. 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-resident corporates. Further, corporates with perpetual unrelieved losses for three consecutive years (excluding corporates conducting agricultural business, provision of health care services or education), corporate tax is 0.3 percent of annual turnover for resident corporates.

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 a non-resident individual is chargeable at the rate of twenty percent (20%); (the monthly income includes basic salary, overtime, bonus, commission and other allowances). The skills and development levy (SDL) is payable by any employer who employs four or more persons; the rate is 4.5 percent (4.5%) of the gross wage. Exempted employers from SDL include diplomatic missions, registered education institutions, charitable organisations, farm employment, and foreign institutions dealing with technical assistance and United Nation and its agencies/organisations.

c) Withholding taxes

Withholding taxes on dividends from corporations listed in Dar es Salaam Stock Exchange listed are five percent (5%) for both resident and non-resident persons. The rate on dividend from other corporations is ten percent (10%). The rate withheld on interest is ten percent (10%) and on royalties is fifteen percent (15%) for resident and non-resident persons. Further, the rates withheld on management & technical services fees [mining, oil and gas] are five percent (5%) for residents and fifteen percent (15%) for non-residents.

d) Value-Added Tax (VAT)

VAT is a consumption tax charged at a single rate of eighteen percent (18%). Registration is compulsory for any business that has a turnover of more than TZS 100 million per annum. However, there is an exception to the registration of those 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 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 public holiday. For imports, VAT is payable at the time the import duty is due and payable in accordance with the East African Community Customs Management Act, 2004. Exports are zero rated under the VAT Act, 2014, which also provides for VAT exemption. Exempt supplies & imports are provided in the schedule to the VAT Act, Cap 148 r/w Finance Act 2017.

4.3 Incentives

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

Import duty and VAT exemption on deemed capital goods: Import duty exemption is granted to the tune of seventy-five percent (75%) of the import duty payable on the approved deemed capital goods (investor shall pay twenty-five percent (25%) of import duty due). Deemed capital goods that are eligible for exemption are specified depending on the project sector. Investments in Tanzania are guaranteed against nationalisation and expropriation. Tanzania is a member of both the International Centre for Settlement of investment Disputes (ICSID) and Multilateral Investment Guarantee Agency (MIGA).

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

4.4 Access to Resources

4.4.1 Land for Investment in Tanzania

The Ministry of Lands, Housing and Human Settlement is mandated with land management in Tanzania. Land in Tanzania is under three categories, namely village land general lands 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 prohibits allocation/grant of land to non-citizens unless the land is for investment purpose under the Tanzania investment Act, 1997. Land for investment purpose shall be identified, gazetted and allocated to the Tanzania Investment Centre. More information on acquisition of land for investment is available at www.ardhi.go.tz.

Songwe Region has taken initiatives to set aside land for investment in every district and to facilitate its availability when needed to suit special requirements of investors.

4.4.2 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 various markets and *clientèle* operating in Tanzania: local private banks, regional banks, international banks and multi-national banks. Overall, the outlook for the banking industry in Tanzania is very positive and there are appealing opportunities for newcomers to the sector as investors and borrowers. Banks are found in all districts of Tanzania.

Tanzania's higher-than-average economic growth rate is fuelling the emergence of an educated middle class that aspires to achieving a more affluent lifestyle in which traditional depository, credit, insurance, and investment products play an important role. The creation of this middle class is expanding national demand for financial services from established providers, and could represent a new opportunity for financial services companies looking for growth.

Currently, there is a positive trend in lending to SMEs, a trend 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.

4.4.3 Labour

Access to skilled labour is still limited but currently the region is served by its neighbour, Mbeya Region. A priority investment opportunity lies in training institutions at all levels (artisanal, technical and tertiary levels). Investors are being invited to invest in skill development facilities.

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 Partnership investments in order to increase its value addition in key sectors like agriculture, as well as manufacturing, to strengthen competitiveness and to raise its GDP. The regional secretariat 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 products.

However, for the private sector to play its role effectively, the Songwe Region authorities will create an enabling environment through provision of prerequisite infrastructure, incentives, formulation/review and enforcement of investment friendly policies, regulations, and procedures. Regional authorities will promote Public-Private Partnership (PPP), Public-Private-Community Partnership (PPCP) and also facilitate joint ventures between potential investors and local private investors, which are critical for the achievement of 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 facilitating access to affordable input and output factors nationally and internationally.

PART FIVE

KEY CONTACTS IN SONGWE REGION

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

5.1 Key Websites

Office	Website
Songwe Regional Secretariat	http://www.songwe.go.tz
Songwe District Council	http://www.songwedc.go.tz
Mbozi District Council	http://www.mbozidc.go.tz
Ileje District Council	http://www.ilejedc.go.tz
Momba District Council	http://www.mombadc.go.tz
Tunduma Town Council	http://www.tundumatc.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)	23, Songwe	+255 25 258 0305	rc.songwe@tamisemi.go.tz
Regional Administrative Secretary (RAS)	23, Songwe	+255 25 258 0305	ras.songwe@tamisemi.go.tz

5.2.2 Tunduma Town Council

Office	Town Director		E-mail
	Post Office Box	Telephone/Mobile Phone	
Council Chairman	P. O. Box 73, Tunduma Songwe	+255 25 2957 389 +255 754 763 975	td@tundumatc.go.tz
Town Director	P. O. Box 73, Tunduma Songwe	+255 754 549511	td@tundumatc.go.tz

5.2.3 District Councils

LGA	District Executive Director		E-mail
	Post Office Box	Telephone/Mobile Phone	
Songwe District Council	P. O. Box 77, Mkwajuni Songwe	+255 767 129827	ded@songwe.go.tz
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