

THE UNITED REPUBLIC OF TANZANIA



PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

KIBAHA DISTRICT COUNCIL



Investment Profile

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KIBAHA

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CHAPTER ONE

1.0: INTRODUCTION AND BACKGROUND

1.1 THE COUNCIL IN THE BROADER CONTEXT

Tanzania, with its large and growing domestic population, strategic location, abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity. The country with a population of 44.9 million (national census 2012) is the largest in East Africa and its new middle-class is growing rapidly. Tanzania faces the Indian Ocean; it is the natural trading gateway for the 6 landlocked countries surrounding it, which are: the Democratic Republic of Congo (DRC), Rwanda, Burundi, Uganda Malawi and Zambia. The country is further blessed with vast natural riches: minerals in the form of gold, diamonds, copper, coal; more recently discoveries of large reserves of natural gas along its shores and it enjoys vast tracts of beautiful natural scenery including game reserves and sandy beaches.

Democratic principles are firmly engrained in the country; since its independence in 1961, the country has never suffered a civil war and its political leaders have come into power through an electoral process. Free-market principles are also firmly engrained and successive Governments have continued to open up and liberalize Tanzania's economy. As a result, Tanzania has enjoyed over 5 consecutive years of 7% real GDP growth and is a member what the World Bank has dubbed the "7% Club", a group of countries forecast to achieve 7% or more real GDP growth for next decade.

The government of Tanzania plans to mobilize and spend Tsh. 31,712.0 trillion in the 2017/18 budget. Of this amount, development expenditure is estimated at Tsh. 11,999.6 trillion equivalent to 38% of the total budget, within the range of 30 to 40 % of the total budget as stipulated in the Five Year Development Plan 2016/17 – 2020/21. 75% of the development budget or Tsh. 8,969.7 trillion will be funded locally while the remaining 25% or Tsh. 3,029.8 trillion will come from foreign funds. 62% of the whole budget or Tsh. 19,712.4 trillion is destined to recurrent expenditure, including Tsh. 7,205.8 trillion for wages and salaries, and Tsh. 9,461.4 trillion for public debt and general services. Development Partners are expected to contribute Tsh. 3,971.1 trillion or 12.5% of the total budget in the form of grants and

concessional loans, of which Tsh. 2,473.8 trillion for development projects. Domestic revenue, including local government's own sources, is estimated at Tsh. 19,977.0 trillion or 63% of the total budget, or which tax revenue is estimated at Tsh. 17,106.3 trillion or 85.6 % of domestic revenue. Macroeconomic Objectives for 2017/18 The 2017/18 budget revolves around the theme **"Industrialization for Job Creation and Shared Prosperity"**, which represents a continuation of the 2016/17 theme **"Industrial Growth for Job Creation."** The 2017/18 budget is aimed at achieving the following macroeconomic targets; **(i)** Attain real GDP growth of 7.1% in 2017 up from the actual growth of 7.0% in 2016; **(ii)** Continue to contain inflation at single digit in the range of 5.0 – 8.0% in 2017; **(iii)** Narrow the budget deficit to 3.8% of GDP in 2017/18 from 4.5% in 2016/17.

The plan emphasizes successful implementation of Flagship Projects, which include: **(i)** Construction of new standard gauge railway line; **(ii)** Revamping the national air carrier Air Tanzania Company Limited (ATCL); **(iii)** Mining of coal and iron ore and construction of iron and steel complex in Mchuchuma and Liganga – Njombe; **(iv)** Establishment of Special Economic Zones; **(v)** Construction of a Liquefied Natural Gas (LNG) Plant; **(vi)** Establishment of Kurasini Trade and Logistics Centre; **(vii)** Development of Mkulazi Agricultural Farm and Sugar Factory; **(viii)** Mass training for development of specialized skills for industrialization and human development and fostering science, technology and innovations.

1.2: MARKETS FOR INVESTORS

There are mainly three markets of interest to investor; **(i)** The domestics in Tanzania; **(ii)** The regional market provided chiefly by the East African Community; and **(iii)** The export markets abroad in the European Union and the United States in the growing Asian economies of China and India, and in the Middle East to mention only the leading ones.

1.3: TRADE

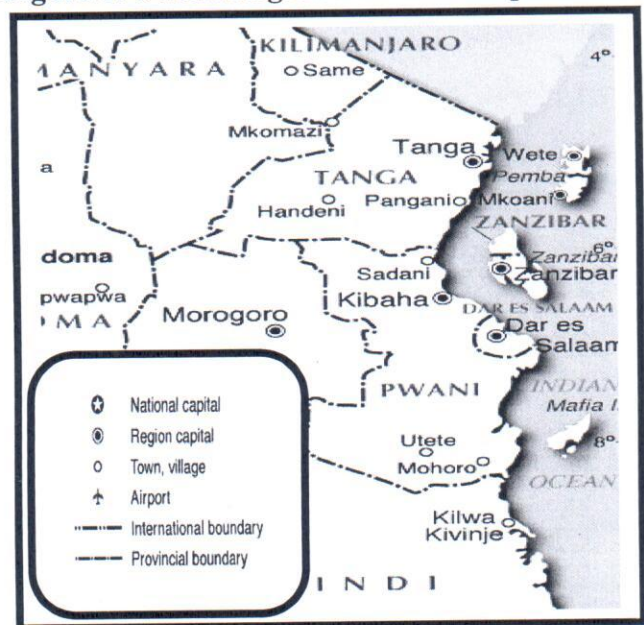
The Bank of Tanzania (BOT) published its Monthly Economic Review of March 2017, showing that the annual export value of Tanzanian goods and services amounted to USD 8,921.7 million in the year ending March 2017, about -3.0% lower than the year ending March 2016. A decline occurred in manufactured goods and to a small extent in non-traditional

exports; otherwise earnings from travel (which is mainly tourism) remained fairly unchanged over the two periods. **Traditional Exports** The performance of traditional exports was mixed across the categories during the year ending March 2017, with the total value increasing by USD 119.2 million to USD 872.8 million (+15.8%). The export value of cashew nuts dominated the improvement, as it nearly doubled the value recorded in the year ending March 2016, on account of increase in both volume and price. By contrast, export values of cloves, sisal, tea and tobacco declined. The decline in the values of sisal, tea and tobacco was in volume while that of cloves was of both volume and price. BOT notes that the prices for most of the traditional exports declined consistent with the general trend in the world market.

1.4: ADMINISTRATION AND LOCATION

Kibaha District Council is among the 9 district councils of Pwani region and was established on 1st January 1984. Pwani Region is one of Tanzania's 31 administrative regions. The regional capital is the town of Kibaha. According to the 2012 national census, the region had a population of 1,098,668, which was slightly lower than the pre-census projection of 1,110,917. The region is bordered to the north by Tanga Region, to the east by the Dar es Salaam Region and the Indian Ocean, to the south by Lindi Region, and

Figure 1: Pwani Region Location Map

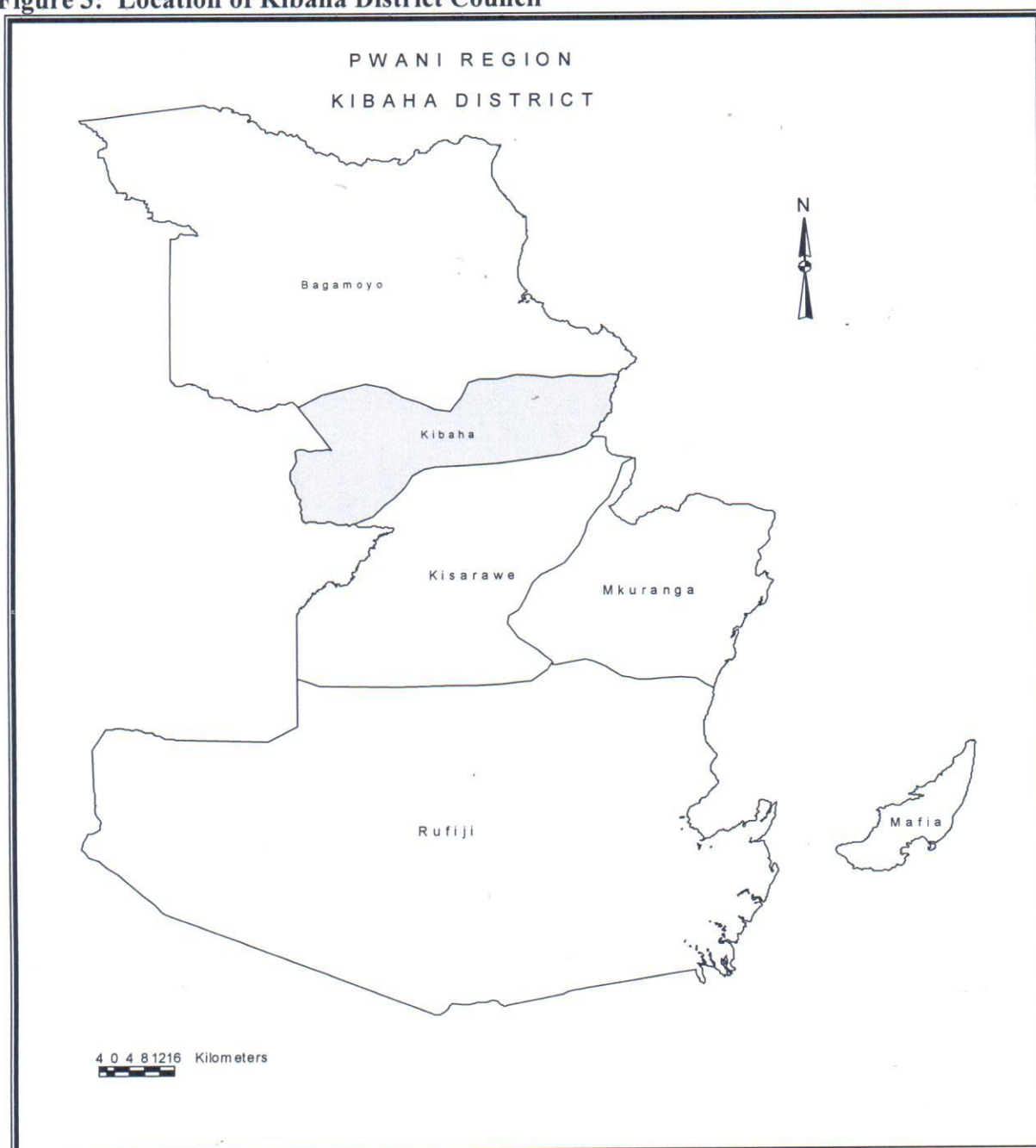


Source: Research findings, KDC 2017

to the west by Morogoro Region as figure 1 shows. The word "pwani" in Kiswahili means "coast".

The name Kibaha comes from the word "**Kibaha**", a Zaramo word meaning "**it is here**". The District Council comprises 14 wards namely Magindu, Kikongo, Ruvu, Dutumi, Bokomnemela, Kwala, Gwata, Kilangalanga, Janga, Soga, Mlandizi, Mtongani, Kawawa and

Figure 3: Location of Kibaha District Council



Source; Internet (visited July 2017)

1.5: INTER-REGIONAL TRADE/COOPERATIONS

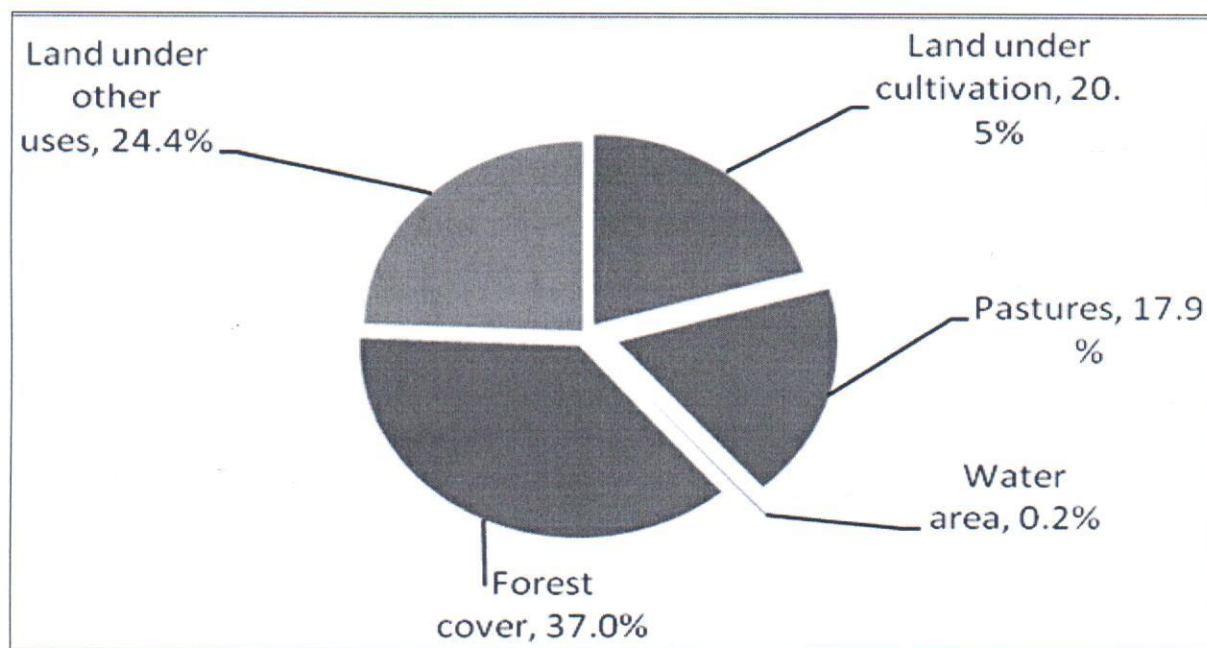
Pwani Region is connected to different economic infrastructures like railway, road, and marine transport. The railway line and road infrastructure connects Pwani Region with the commercial city of Dar es salaam and the central regions of Morogoro, Dodoma, Singida, Tabora, Mwanza,

Mbeya and Kigoma. Mwanza and Kigoma connect the country to all East Africa Community member states. At the same time, water transport connects Pwani Region to Dar es salaam, Lindi, Mtwara and Tanga as well as countries such as Kenya, Mozambique and all countries along the Eastern zone of African Continent bordered with Indian Ocean. Since Kibaha District Council is in Pwani region these connections provide favorable condition for investment.

1.6: LAND AREA AND LAND USE PATTERN

Kibaha District Council has a total land area of 1,251.7 sq. kms which is about 3.9 percent of the total area of Pwani region most of which is plain land with very few small hills and valleys. The arable land available is 1,180.1 sq. Kms (94%). Out of the arable land in the district council, only 256.6 sq. Kms (20.5%) are actually cultivated annually, leaving the remaining 923.4 sq. Kms (74%) either lying idle for some reason such as soil leaching infestation, or being edges and river beds. About 463.1 sq. (37%) kms are forest reserves while normal forests/grassland used for grazing cover about 224.1 sq. Kms (17.9%). Other areas including water area about 2.5Km² (0.2%) and Land under other uses 305.4 Km² (24.4%). Figure 4 shows the land use pattern of the District Council.

Figure 4: Land Use Pattern in Kibaha District Council



Source: Kibaha District Council–Land, Natural Resources and Environment Department, 2016

1.7: CLIMATE

With the exception of very few slopes, the council is relatively homogeneous with gently undulating plains intersected by seasonally flooded valley bottom soil. In the extreme north east and North West this pattern gives way to open flat land for cultivation and is covered by well or moderately drained soils with textures of sandy loams.

1.8 SOIL

The soils vary between sandy loams to heavy clay soils. Moreover, there are loamy clay, silt and alluvial soils found along river basins that are saturated with water within 100cms of the surface during growing season. However the majority of these soils have high nutrient contents and are considered suitable for a wide range of food and cash crops and have the potential for profitable cultivation and therefore the council soils can best be described as moderately fertile.

1.9: TOPOGRAPHY

The council experiences hot and sunny weather throughout the year, with maximum temperature in December while minimum temperatures occur in July. The council has three distinct seasons; dry season extending between May/June and October and two rain seasons. The first season (short rain season for two months) is between October/November and December and the second one (long rains for about four months) between March and May/June. The annual rainfall ranges between 800 and 1,000mm.

1.10: DRAINAGE SYSTEM

Kibaha District Council forms part of the vast north western plateau of Pwani region, an area of flat and gently undulating plains broken in places by prominent and small hills. Most parts of the council lie between 160 meters and 182 meters above sea level and form the main watershed separating rivers flowing eastward into the Miombo woodlands and finally into the Indian Ocean.

Ruvu River and its headwater tributaries rise on the eastern slopes of the Uluguru Mountains and descend steeply to a plain 200 meters above sea level at the eastern foot of the massif. Thereafter it meanders north east to reach the coast in a swampy estuary north of Bagamoyo. The flora and fauna, a type of coastal forest with papyrus swamps, grassy floodplains and gallery forests occurs sporadically within a zone, 30-40 km wide along the Indian Ocean. The

system is exploited for floodplain agriculture, hunting and fishing. Ruvu River supplements the over increasing demand of water supply for both industrial and domestic purposes in the council before finally flowing into the Indian Ocean through Bagamoyo District Council.

1.11: TEMPERATURE

In spite of variation of climatic conditions throughout the year the weather is attractive because of its forest covers. The highest temperature occurs in November to February, during which the mean maximum temperature is about 33 degrees centigrade. The minimum temperature occurs in June to August when temperatures go down as far as 24 degrees centigrade. The mean relative humidity is about 96 percent in the mornings and decreases to about 67 percent during the evenings. The climate is also influenced by the southwest monsoon winds from April to October and northwest monsoon winds between November and March.

1.12: POPULATION

The population of Kibaha District Council has experienced significant growth. According to the 2012 Population and Housing Census the district had 70,209 people compared to 53,751 inhabitants counted in 1988 Population Census resulting in a big increase of 16,458. The increase was due to the growth rate in the Council.

Table 1: Kibaha District Populations by Ward and sex

WARD	No. of people	Male	Female	Ratio per household	Ratio per sex
Gwata	5,280	2,585	2,695	4.7	96
Dutumi	1,812	939	873	4.2	108
Magindu	4,991	2,453	2,538	4.5	97
Soga	4,713	2,428	2,285	3.7	106
Kikongo	4,238	2,112	2,126	3.7	99
Ruvu	3,466	1,719	1,747	3.8	98
Mlandizi	17,318	8,546	8,772	4.2	97
Kwala	3,472	1,749	1,723	3.8	102
Kilangalanga	10,588	4,997	5,591	4.3	89
Janga	10,926	5,242	5,684	4.0	92
Bokomnemela	3,405	1,745	1,660	3.8	105
Total	70,209	34,515	35,694	4.1	97

SOURCE: Population and Housing census 2012 (Note That; there are other wards divided and increased the number of wards in which there population not yet identified officially, these include Mtongani, Kawawa and Mtambani.)

Mtambani. The council has 25 villages, 100 hamlets and 17,124 households and it is settled at Mlandizi Ward as figure 2 shows below. The District Council shares borders with Bagamoyo District Council in the North, Kibaha Town Council in the East, Kisarawe District Council on the South, while Chalinze District Council lies on the Western side of the District Council as shown in Figure 3 below. In terms of international identification, the District Council lies between latitudes 6 and 8 south of the Equator and between longitudes 38.9 and 39.05 East of Greenwich. It is about 40 kilometers away from Dar es salaam City along the Tanzania – Zambia and Malawi highway.

Figure 2: Center of the Council - Mlandizi Town



Source; Research Findings, KDC 2017.

CHAPTER TWO

2.0: CURRENT INVESTMENT SITUATION

2.1: AGRICULTURE AND LIVESTOCK

2.1.1: Agriculture

Agriculture remains the main stay of the District Council engaging over 95% of the population. This occupation accounts for majority of the people. The District Council has about 181,200 Ha of land, with 142,162 Ha (i.e. 78%) of land being arable and approximately only 60,000 Ha (i.e. 42%) of arable land is currently under traditional cultivation.

2.1.1.1: Food crops; The main Food crops grown are cassava, paddy and cowpeas. The council has food insecurities due to persistent droughts. Irrigation scheme can resolve the problem as there is plenty of water from river Ruvu and from ponds along the available numerous river valleys in the council.

2.1.1.2: Cash crops; Cash crops are cashew nuts, coconuts, sesame, fruits and vegetables. The land has great potential for other tree crops such as oranges, mangoes, avocado etc. Currently, there is very small number of farmers engaged in the tree crops cultivation in Oranges and Mangoes whilst in Avocado there is no one. The table below is showing the trend of productions for the past 6 years.

Table 2: Estimated Production in tones of major cash crops from 2011-2016

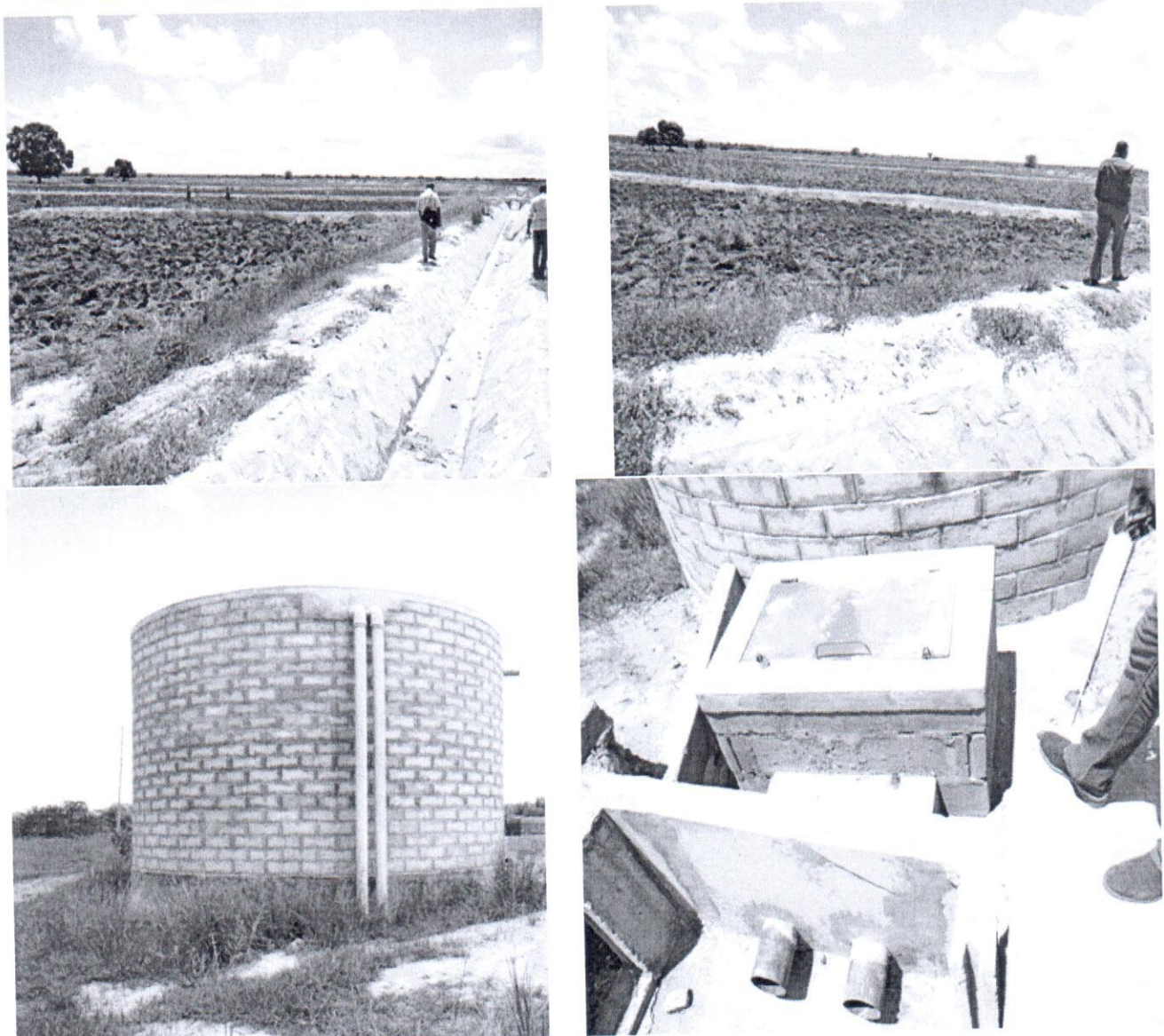
CROP	2011	2012	2013	2014	2015	2016
Coconut	959	283.3	262.5	306.7	281.25	263.4
Orange	42.7	46.5	51.8	864.6	374	2232.1
Cashew	49.7	50.4	527.8	667.7	778	844.9
Mango	623.3	2120.2	2544	1062	4,062.7	4273.7
Sesame	500	430	400	333.4	128	14
TOTAL	2174.7	2930.4	3786.1	3234.4	5623.95	7628.1

SOURCE: Kibaha District Council – Agriculture, Irrigation and Co-operative Department, 2017.

2.1.1.3: Irrigation agriculture; The District Council has a vast potential area for irrigation schemes. Unfortunately this type of agriculture is practiced at very minimum. Ruvu river valley with approximately 40,000 Ha is one of the vast unexploited fertile valleys, which is highly suitable for irrigated agriculture with great ground water potential. In other sides,

boreholes, shallow wells and even earth dams could be constructed for irrigated agricultural purposes. Currently, irrigation is carried out in very small area which is about 30% of the total irrigated land area in the council. The Council has a natural dam which has been used by small holder's farmers in Mongomole at Kwala Ward for small irrigation scheme. The dam can be an attractive source of investment in the Council. There is a construction progress that is going on at this natural dam of Kwala Vilage. The ongoing project is known as Mongomole Irrigation Scheme as figure 5 shows below;

FIGURE 5: Mongomole Irrigation Scheme



Source: Research findings, KDC 2017

2.1.2 Livestock

Cattle had entered Kibaha District for over past fifty (50) years. In the 1960s the Masai community found their way through and settled in Magindu Ward. In 1990s the Barbaig community also immigrated and occupied the range lands of Kwala Ward.

Dairy cattle to small keepers have been supported and supervised by Heifer Project International (HPI) Project while Research on Poverty Alleviation (REPOA) were conducted in supporting Dairy goats' project to small holder keepers.

Table 3: The Number of Cattle in the Council

Ward	Cow	Goats	Sheep	Camel	Donkeys	Pigs	Cat	Chickens	Ducks	Guinea fowl	Turkey	Pigeons	Dogs
Mlandizi	93	82	24	-	-	197	112	33,345	416	136	56	89	249
Mtambani	473	487	164	-	-	229	99	13,609	552	128	22	84	337
Janga	206	170	19	-	2	71	98	9,104	255	43	13	-	183
Kawawa	132	131	13	-	-	58	47	8,246	262	32	-	-	228
Kilangalanga	91	124	27	-	-	-	141	2,624	117	75	47	-	238
Mtongani	198	751	182	-	-	-	55	1,424	72	38	-	-	129
Kikongo	2933	1,206	544	-	39	122	24	5,741	219	-	-	-	181
Soga	187	367	2	-	-	919	43	4,813	116	8	-	211	267
Bokomnemela	1295	377	528	12	-	225	25	34,422	93	57	8	3,000	63
Magindu	13179	3,854	903	-	-	-	38	3,825	-	-	-	-	849
Gwata	11243	5,126	1,534	-	-	95	83	10,407	872	31	-	86	765
Kwala	7427	3,655	2,331	-	334	-	35	22,853	167	-	-	56	528
Ruvu	3399	1,464	589	-	48	-	83	2,238	325	-	-	13	436
Dutumi	7848	432	261	-	11	-	35	5,139	97	-	-	-	352
Total	48,704	18,226	7121	12	434	1,916	918	157,789	3563	548	146	3,539	4,805

SOURCE: Kibaha District Council – Livestock Department, 2017.

2.1.2.1: Livestock infrastructures; The Region has various infrastructures which include livestock markets, cattle crushers, dips, charco dams, slaughter slabs and houses.

Table 4: Livestock infrastructure Available in Kibaha District (2017)

Ward	Livestock Markets	Charco Dams	Cattle Dips	Cattle Crushes	Slaughter Slabs
Kwala	1	2	0	1	0
Mlandizi	0	0	0	0	3
Magindu	0	4	7	0	0
Gwata	0	3	0	0	0
Soga	0	2	0	0	0
Total	1	11	7	1	3

SOURCE: Kibaha District Council – Livestock Department, 2017

2.1.2.2: Marketing of Livestock and Livestock Products; Currently, there is no company which buy, sell, process, hides or skins, most of livestock are sold alive and transported to Dar es salaam for slaughtering. A very small number of livestock has being slaughtered and consumed within the council. Along with live animals, other livestock products sold includes milk, eggs, hides and skins.

2.1.2.3: Leather Processing; Currently, there is no leather processing company in the council, small traders have been transporting cattle leather to Dar es salaam in which a large number of processing firms is existing.

2.1.3: Rearing systems

All livestock rearing systems namely, intensive, Semi – intensive and free-range systems can be found in Kibaha District Council. The intensive and Semi-intensive systems are mostly practiced within the Kibaha Town Council while free range system is mostly dominant in the Kibaha District Council areas of Kwala and Magindu Wards with indigenous cattle.

2.2: COMMERCE (TRADE) AND INDUSTRY

Kibaha District Council is a typical Rural District having all the characteristics envisaged in rural areas. It has many investment opportunities but not well developed to monitor sustainable commercial and industrial Development. As a result, with the speed of economic and community development growth required in the modern epoch of Globalization, the underdeveloped opportunities are to be opened not only to Tanzanians out of Kibaha District Council but also to the world at large, so that prospective investors could be aware for informed investment decisions. The current status shows only 4 large companies have been

invested in the council; these are Equator SUMA JKT (Tractors and vehicles assembling), Mohamed Enterprises (Sisal processing), Mitoboto Farm (Poultry keeping) and the only heavy manufacturing industry of Kiluwa Steel Group and Company (Iron steel manufacturing). There is also KUKUNOGA-Mkuza Chick Company (Poultry keeping) that has been categorized as the medium size company as well as 125 small scale companies.

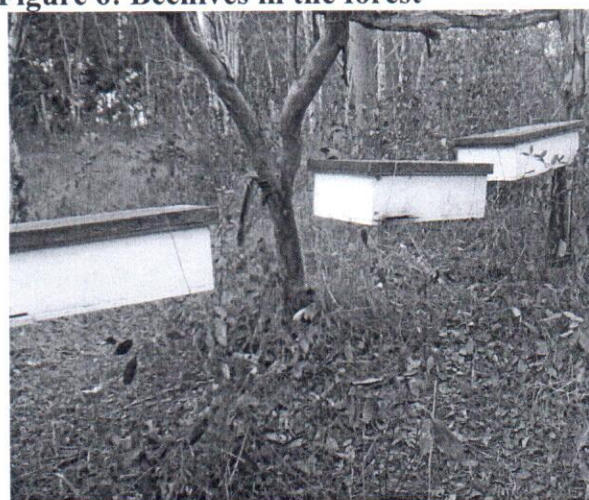
2.3: NATURAL RESOURCES

2.3.1 Forestry

The Council has about 100,000 Ha of forest reserves in which, 20 Ha is planted forestry and the rest is the natural forest. Planted forests are allocated at Lukenge (1000 Ha) and Kipangege 500 Ha. The main activities in the forests are forest conservation and bee-keeping.

2.3.1.1: Beekeeping; Kibaha District Council has total of 77 beehives at; Mwanabwito (40), Ngeta (20) and Minazimikinda (17). The beekeepers use local modern and drum hives to produce bee products. The council is still making effort to encourage bee keeper to use modern hive since they are highly productive. Bee keeping products includes honey, wax, royal jelly and pollen. The products are being sold within the council and outside it.

Figure 6: Beehives in the forest



Source: Research findings, KDC 2017

Table 5: Beekeeping Products and Value harvested in Kibaha District Council

Year	Honey		Beeswax	
	Litre	Tshs.	Litre	Tshs.
2008	1,050	2,650,000.00	60	180,000.00
2009	3,200	9,000,000.00	260	780,000.00
2010	3,375	10,125,000.00	280	840,000.00
2011	4,000	12,000,000.00	300	900,000.00
2012	4,500	18,000,000.00	325	1,300,000.00
2013	1,000	10,000,000.00	78	1,014,000.00
2014	2,000	20,000,000.00	153	1,989,000.00
Total	1,925	62,375,000.00	1,456	7,003,000.00

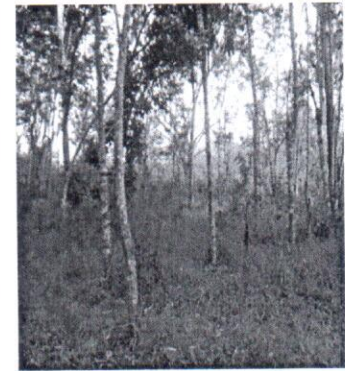
SOURCE: Kibaha District Council –Land and Natural Resource Department, 2017

2.4: TOURISM

Though we don't have remarkable traditional Tourist attraction developed areas yet we can do something to provide the bases of tourism in our district. Bagala forest which is not widely known to the outsiders is an attractive tourist area. As figure 7 shows, the forest has both big and small animals ranging from Elephants, Lions, Buffaloes, Greater Kudu, Waterbucks, Southern reedbucks bush pigs, Pigmy antelopes Velvet mochas, Yellow Baboons and Hares; others are reptiles like Python, Cobras and Lizards, birds like Francolin, Cornet fowls and various weavers. We need this area surveyed concerned and declared a game reserve area; after which it will lay a base for tourist investment.

It is important that the natural forest and its habitat is reserved not only for tourism attraction but also for environmental care and future generation view. Bagala forest is very close to the Selous Game reserve. During the movement of wild animals frequently they enter the Bagala forest.

Fig 7: Typical Elephant Inside the Bagala Forest



Source: Research findings, KDC 2017

2.5: LAND/REAL ESTATE

The largest market for investors in the real estate sector can be found in office development, but there are also some opportunities in the development of retail, industrial and residential spaces as well. Currently, there is no investment in this sector.

2.6: INDUSTRIES

An important role must be assigned to industrial activity as a vehicle of economic growth since the macroeconomic objectives for the 2017/18 budget revolves around the theme **“Industrialization for Job Creation and Shared Prosperity”**, which represents a continuation of the 2016/17 theme **“Industrial Growth for Job Creation”**. Industrial establishments possible are those geared towards processing/adding value on locally produced agricultural, fishing and livestock raw materials. These include;

2.6.1: Flour Meals Factories

Currently the Council has 18 commercial millers mainly based in small town of Mlandizi. All of them are owned by the private individuals in very small scale units. In peripheral areas paddy milling is conducted in some days of a week where by paddy farming is conducted in a large scale somehow.

2.6.2: Agro – Based Industries

The Council has no fruit canning and juice concentrates making industries. It has very small number of individuals who are dealing with agro based industries who are producing locally by using local manufacturing machines/tools. They are producing juice, mango pickles and spices (*achali & chachandu*) and selling to each other within the villages.

2.6.3: Fish Processing Industries

Kibaha District Council has no fishing processing industry though there is enough investment opportunity and good physical infrastructures in transportation sector.

2.6.4: Brewing Industries

Currently the Council has no brewing industry though there is enough investment opportunity and good physical infrastructures in transportation sector.

2.6.5: Timber Industries

The region has over 7 small scale timber industries, which produces timbers of different sizes. The timber processed includes pines, '*mininga*' and '*mitundu*' from other region and the peripheral areas of the District. About 590 cubic meters of timbers are processed yearly in the council. The actual demand of timber in the Council is around 870 cubic meters per annum. There sector employ over 200 casual laborers. Whereas about 4 registered businessmen are dealing with timber selling in the Council.

2.7: INFRASTRUCTURE

2.7.1: Roads

There is one major highway which cuts across the District from the commercial city of Dar es salaam to capital city of Dodoma and other region including Morogoro, Singida, Tabora,

Mbeya and Mwanza. Kibaha District Council is the outlet from Dar es Salaam City to upcountry and neighbouring countries of Kenya, Zambia, Malawi, Rwanda, DRC and Burundi. This trunk road covers about 55km from Dar es Salaam to Kibaha District Council. Gravel covers approximately 58km of road and is passable throughout the year, while earth roads connecting villages take about 270km. The land terrain has gentle slopes, easily passable.

Figure 8: Highway Across the District



Source: Research findings, KDC 2017

Table 6: Road Network Surface Condition by District at Kibaha District Council

Grade	Type of Road Surface (Km.)			
	Tarmac	Gravel	Earth	Total.
District	0	58	270	328
Feeder	0	0	75	75
Total				395

SOURCE: Kibaha District Council – Works Department, 2017

2.7.2: Railway

The Central Railway line passes through Mpiji village, Soga, Ruvustation and Kwala village. There is also a diversion of railway from central railway at Kikongo village to industrial area of Disunyara. This could as well be useful in transportation of bulk goods to Dar es Salaam City or to upcountry as far as Kigoma and Mwanza City both bordering with neighbouring countries of Democratic Republic of Congo, Burundi, and closer access to Uganda and Kenya.

2.8: COMMUNICATIONS

2.8.1: Telecommunication

Tanzania telecommunication sector is undergoing extensive modernization. The sector is dominated by the Tanzania Telecommunication Company Ltd (TTCL), which is the main

gateway to international exchanges. The sector was liberalized in 1993, opening the market for both local and foreign investment.

Currently there are five cellular mobile network operators licensed by Tanzania Communication Commission (TCC) which are MIC (T) Ltd (Tigo); Zanzibar Telecommunication Company (ZANTEL), Vodacom (T) Ltd and Tanzania Telecommunications Company Ltd (TTCL), TTCL through Airtel. All mobile phones are operating in both the mainland and Zanzibar.

Currently there are four Public Data Communication Service Providers including Simbanet (T) Ltd a subsidiary of International Communication Systems (ICS), Datel (T) Ltd, Wilken Afsat (T) Ltd and Equant (T) Ltd.

TTCL is currently implementing a rural automation project, which is geared at ensuring that all district centers and suburbs (with economic potential) have full automation digital exchanges. Another programme underway is the Telecommunication Restructuring Programme (TRP). The TRP has managed to raise teledensity from 3 telephones per 1,000 inhabitants to 7 telephones per 1,000 people. From its proximity to Dar es Salaam commercial City, Kibaha district enjoys almost all of the telecommunication facilities. Television services are accessible. Most residents presently use satellite dishes to access more TV channels.

2.9: ENERGY AND POWER SUPPLY

Major sources of commercial energy in the council are petroleum; hydropower and over 70% of the council's households depend on kerosene for lighting in residential sector. Power cuts are common due to low water levels in the hydro-electric dams since the council is depending on the power supply from the National Grid. Almost all 14 wards in the council are connected to the electricity services except few villages. The urban areas of the council are connected to the National Grid Power, whilst the peripheral areas are connected through the rural electrification programme implemented by Rural Electrification Agency (REA). However, the settlements where electricity line passes are connected. Although electricity line passes near many communities but the level of connection to the power is minimal due to poverty. Some

institutions belonging to the religious organizations, government and very few individuals are using solar energy technology.

2.10: NEWS AND MEDIA

There are more than 12 Radio Stations which can be accessed in council including; Radio Maria, Radio One, TBC1 FM, Radio Free Africa (RFA), TBC Taifa, KISS FM, Clouds FM, Capital radio, Abood FM, Uhuru FM, Mwangaza FM and East Africa radio. Television stations can be accessed via satellites by using antennas, dishes and boosters. Some of the local stations which can be accessed include TBC1, ITV, Star TV, Channel 10, Channel 5, TVE, TABIBU TV, ZBC1, ZBC2, Clouds TV and EATV, depending on the type of the antenna used. Other international world wide stations such as CNN, BBC, CFI, Al Jazeera, and other more may be accessed.

2.11: FINANCIAL SECTOR

The council has only one (1) local bank operating which is National Microfinance Bank (NMB). There is a positive trend in lending to SMEs that builds confidence in banking growth potential. Furthermore, The council is not far with Bank of Tanzania (BOT) main office which allocated in Dar es salaam. BOT is ensuring that both commercial banks and other financial institutions that operating in Pwani region conduct their business on a sound prudential basis and according to the various laws and regulations in force.

2.11.1: Non -Banking Financial Institutions

Non-banking financial institutions that operating in the council are KIBAHA VIJANA SACCOS, FINCA, PRIDE, BLUE FINANCIAL, SELF, and others. These institutions lend and keep money from the customers under certain conditionalities.

2.12: EDUCATION SECTOR

2.12.1: Pre – Primary and Primary Education

The Council has 40 primary schools in which 39 have pre-primary education centers. Out of 40 schools private sector owns 3 and the rest are under the government. The total number of students in pre-primary centers and primary schools is 18,283 in which boys are 9219 and girls are 9064.

2.12.2: Secondary School Education

The council has a total number of 13 Secondary School. In which, 8 of them are public and 5 are private secondary schools. Schools with Advanced Level Secondary Education ('A' Level) are 3. Currently the council has a total number of 6006 students (for both private and public schools) in which boys are 2474 and girls are 3532.

2.13: HEALTH INFRASTRUCTURE

The current status on medical facilities has a total number of 24 dispensaries, out of which 18 are owned by council. There are 3 health centers whereby 1 is owned by the council.

Table 7: Available medical facilities

NO.	NAME OF FACILITY	LOCATION	OWNERSHIP
1.	Health Center		
i.	Mlandizi	Mlandizi	Public
ii.	JKT	Mlandizi	Private
iii.	St. Michael	Kawawa	Private
2.	Dispensaries		
i.	Bokonemela	Bokonemela	Public
ii.	Soga	Soga	Public
iii.	Vikuge	Soga	Public
iv.	Ngeta	Kikongo	Public
v.	Kikongo	Kikongo	Public
vi.	Mwanabwito	Kikongo	Public
vii.	Lupunga	Kikongo	Public
viii.	Ruvu	Ruvu	Public
ix.	Kitomondo	Ruvu	Public
x.	Kwala	Kwala	Public
xi.	Mperamumbi	Kwala	Public
xii.	Msua	Kwala	Public
xiii.	Dutumi	Dutumi	Public
xiv.	Gwata	Gwata	Public
xv.	Gumba	Gwata	Public
xvi.	Magindu	Magindu	Public
xvii.	Lukenge	Magindu	Public
xviii.	Ruvu Secondary School	Mtongani	Public
xix.	Umoja	Mlandizi	Private
xx.	Upendo	Janga	Private
xxi.	Jabar Hilla	Mlandizi	Private
xxii.	St. Getrude	Janga	Private
xxiii.	Mico	Gwata	Private
xxiv.	Rose	Mlandizi	Private

SOURCE: Kibaha District Council – Health Department, 2017

CHAPTER THREE

3.0 INVESTMENT AREAS AND OPPORTUNITIES

There are significant varieties of areas suitable for investment ranging from Agriculture, Livestock, Fishery, Agro-processing industries and Real estate. At Kibaha District Council 70% of the land is owned by the Village Council, 29% is owned by the Council and the rest of 1% is owned by Government (Ministries). Land for investment can be acquired through purchasing from the council and individuals by paying compensation to individuals, companies or applying to village councils. The council has settled the investment areas of 3,959Ha into 3 wards of Mlandizi at Kisabi area, Kikongo and Soga as follows;

TABLE 8: Council Investment Areas

No.	Ward	Village	Size
1	Kikongo	Disunyara	2,383 Ha
		Mwanabwito	
		Mkino	
		Kikongo	
2	Kikongo	Kikongo	1082.4 Ha
		Lupunga	
3	Kikongo	Mkino	114.7 Ha
4	Soga	Soga	379 Ha
5	Mlandizi	Kisabi	83 Acres
Total Ha			3,959 and 83 Acres

SOURCE: Kibaha District Council – Land and Natural Resource Department, 2017

3.1: INVESTMENT AREAS

3.1.1: Kikongo Area of 3,580.1 Ha

This area is allocated along Mzenge road about 4.8 km from highway of Dar es salaam to Mwanza. The area is in three sub-areas spread into different villages as follows;

- The first sub-area has 2,383ha and cutting across 4 villages of Disunyara, Mwanabwito, Mkino and Kikongo.
- The second one has 1082.4ha and cutting across two villages Kikongo and Lupunga.
- And the third one is at Mkino village and has 114.7ha.

Currently, there are illegal occupiers who are doing small scale agricultural activities in all areas. They will be removed when the investments activities starts. Both areas are bordered

2.12.2: Secondary School Education

The council has a total number of 13 Secondary School. In which, 8 of them are public and 5 are private secondary schools. Schools with Advanced Level Secondary Education ('A' Level) are 3. Currently the council has a total number of 6006 students (for both private and public schools) in which boys are 2474 and girls are 3532.

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viii.	Ruvu	Ruvu	Public
ix.	Kitomondo	Ruvu	Public
x.	Kwala	Kwala	Public
xi.	Mperamumbi	Kwala	Public
xii.	Msua	Kwala	Public
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xiv.	Gwata	Gwata	Public
xv.	Gumba	Gwata	Public
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SOURCE: Kibaha District Council – Health Department, 2017

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Total Ha			3,959 and 83 Acres

SOURCE: Kibaha District Council – Land and Natural Resource Department, 2017

3.1: INVESTMENT AREAS

3.1.1: Kikongo Area of 3,580.1 Ha

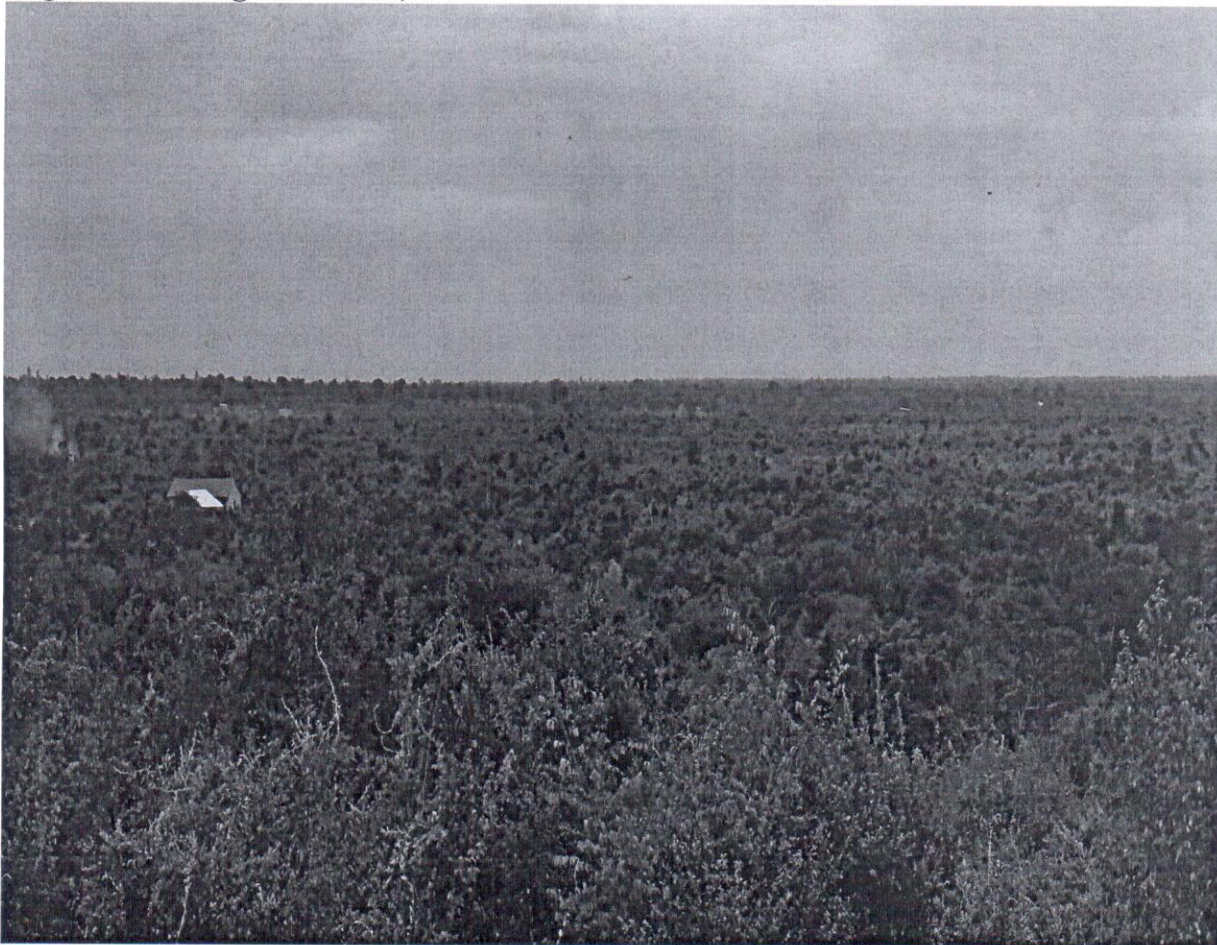
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- The first sub-area has 2,383ha and cutting across 4 villages of Disunyara, Mwanabwito, Mkino and Kikongo.
- The second one has 1082.4ha and cutting across two villages Kikongo and Lupunga.
- And the third one is at Mkino village and has 114.7ha.

Currently, there are illegal occupiers who are doing small scale agricultural activities in all areas. They will be removed when the investments activities starts. Both areas are bordered

with one another by being separated by road infrastructures and they have the same characteristics and geographical features.

Figure 9: Kikongo Area of 3,580.1 Ha



Source: Research findings, KDC 2017

3.1.1.1: The current status of the area; The main people who are living in this area belong to Zaramo tribe who are dealing with agricultural activities and small scale entrepreneurship. The area has no land use conflicts and it has well developed transport network system, which allows smooth transportation of goods to and from neighbouring Regions.

- **Roads Network;** There is a good road of 4.8km which is passable throughout the year that connects the area with the main highway of Morogoro road which is from Dar es Salaam to upcountry regions (Morogoro, Dodoma, Singida, Kigoma, Mwanza, Tanga, Kilimanjaro and Arusha). Figure 10 below shows the current condition of the road.

Figure 10: The grave road that connect the investment area with the highway



Source: Research findings, KDC 2017

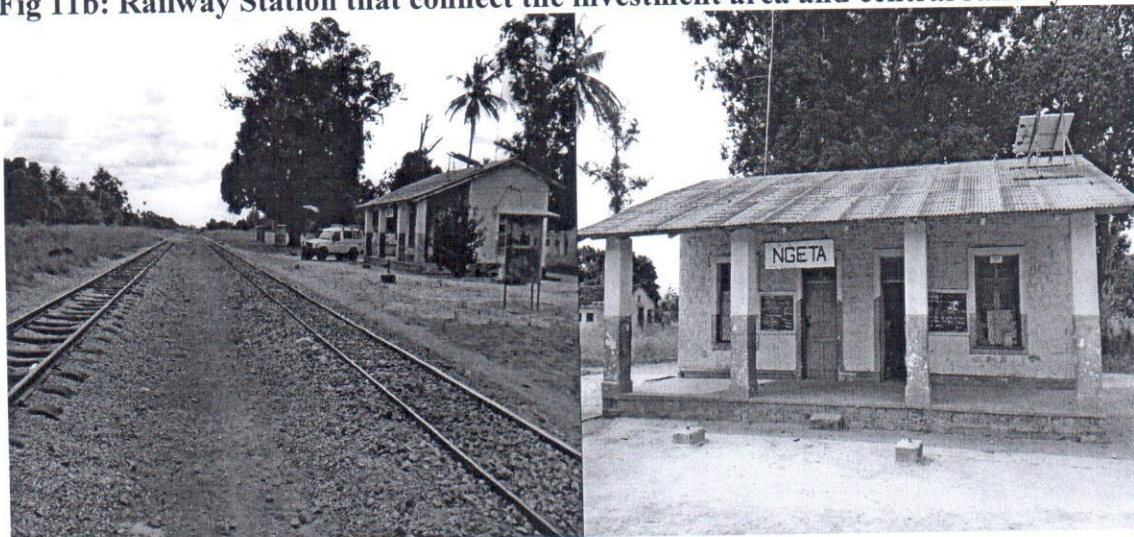
- **Railway Line;** There is also a railway line of 6.8 km that connects the investment area at Ngeta Railway Station with the Central Railway Line. The central railway line connects Dar es salaam with upcountry regions of Kigoma, Mwanza, Tanga and Arusha through the capital city of Dodoma as figure 11 shown below. Currently, the railway is used by Kiluwa Steel Group Co. Limited which is producing iron and supplying to different areas within and outside the country.

Figure 11a: Railway that connect the investment area and central railway line



Source: Research findings, KDC 2017

Fig 11b: Railway Station that connect the investment area and central railway



Source: Research findings, KDC 2017

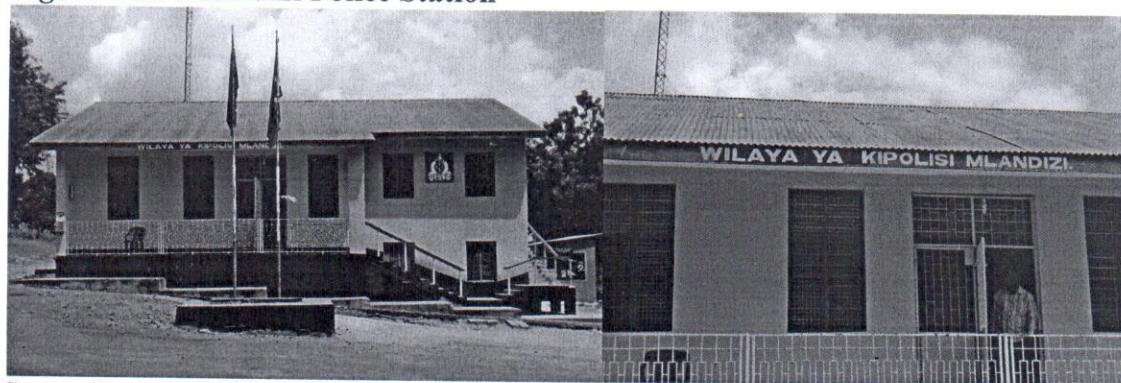
- **Political and security;** The area also has stable political situation and strong security. As figure 12 shown below, there is a District Police Station nearby for the distance of 4.8 km from the investment area. But there is also the ongoing progress of constructing the Police Station within 0.5 kilometres from the investment area within Kikongo ward as figure 13 shown below. And for the case of power energy, availability of power energy is secured for 24hrs per day throughout the year.

Figure 12a: Mlandizi Police Station



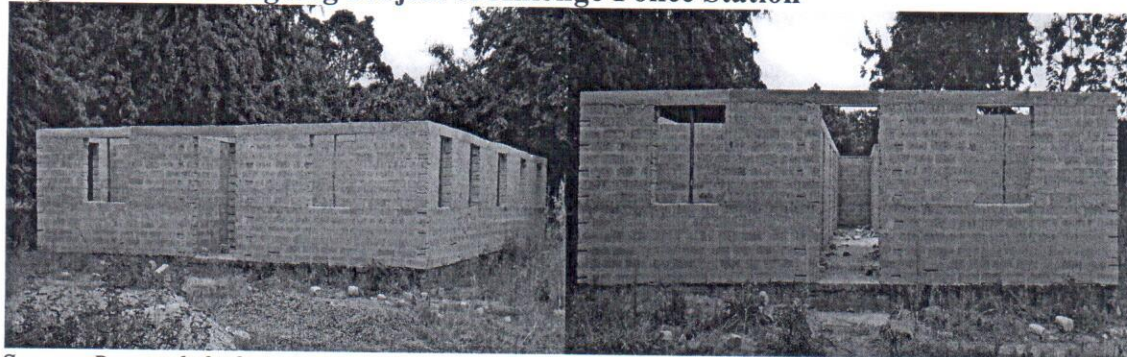
Source: Research findings, KDC 2017

Figure 12b: Mlandizi Police Station



Source: Research findings, KDC 2017

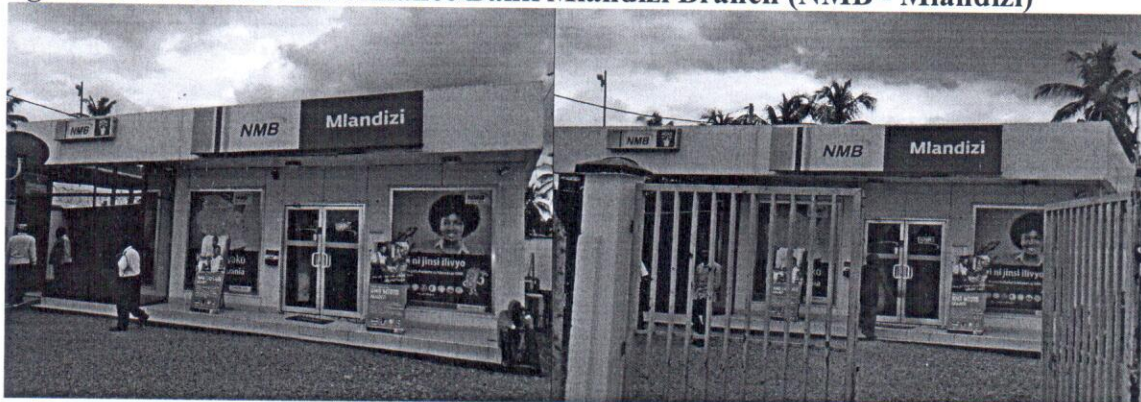
Figure 13: The Ongoing Project of Kikongo Police Station



Source: Research findings, KDC 2017

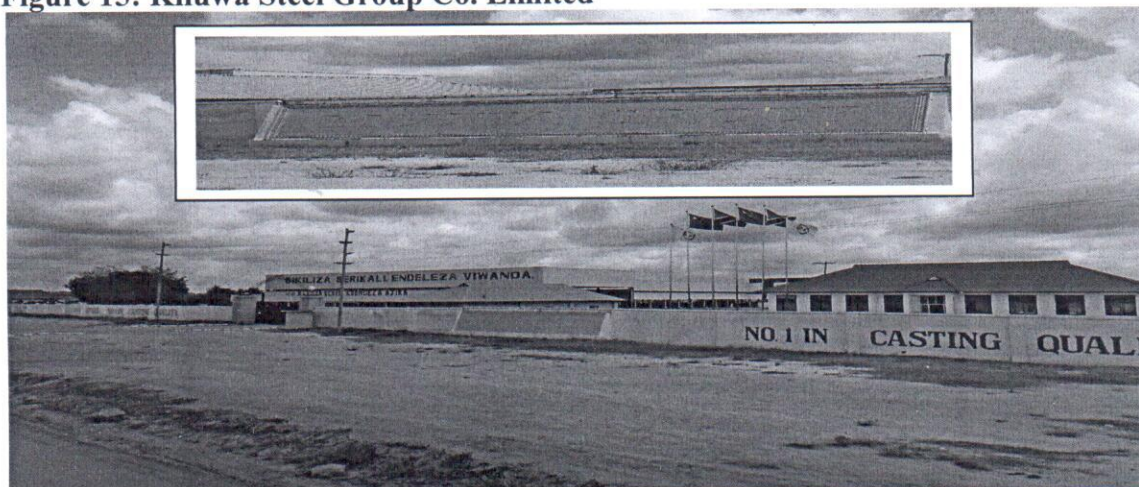
- **Financial institution;** However, there's financial institution near the investment area and good health facilities as figure 14 shows below. The industrial activity that is taking place currently is the production of iron steel produced by Kiluwa Steel Group Co. Limited.

Figure 14: National Microfinance Bank Mlandizi Branch (NMB - Mlandizi)



Source: Research findings, KDC 2017

Figure 15: Kiluwa Steel Group Co. Limited



Source: Research findings, KDC 2017

3.1.2: Soga Investment Area of 379Ha

The area is allocated at Soga villages about 14 km from highway. People who are living there belong to Zaramo tribe who are dealing with agricultural activities and small scale entrepreneurships and there's is no land use conflicts. The figure16 below shows the current feature of the area. The nearby investment is the Workshop & Assembling Centre of RAHCO which is on the progress of construction under the project of Standard Gauge Railway Project (SGR) of the Ministry of Work, Communication & Transportation that supervised by Railway Authority Holding Cooperation (RAHCO).

Figure 16: The Status of Investment Area of 379Ha at Soga



Source: Research findings, KDC 2017

Road Infrastructures; The area has good and reliable physical infrastructures needed for investment. The available road is passable throughout the year as figure 17 shown below.

Figure 17: The Available Road That Cut across the Investment Area



Source: Research findings, KDC 2017

Railway infrastructure; There is also railway infrastructure and a railway station allocated very nearby. The available railway line is Central Railway Line as figure 18 shows below. Currently, there are illegal occupiers who are doing small scale agricultural activities who will be removed when the investments activities start.

Figure18: Railway Line and Station Which is Nearby to the Investment Area



Source: Research findings, KDC 2017

Security; This area is good for investment due to the ongoing progress of the construction of Police Station near the investment area as figure 19 shows. The project of constructing the police station will increase and improve the security to investors and citizens around who are living within and nearby areas. There's also a Primary Court Building very nearby

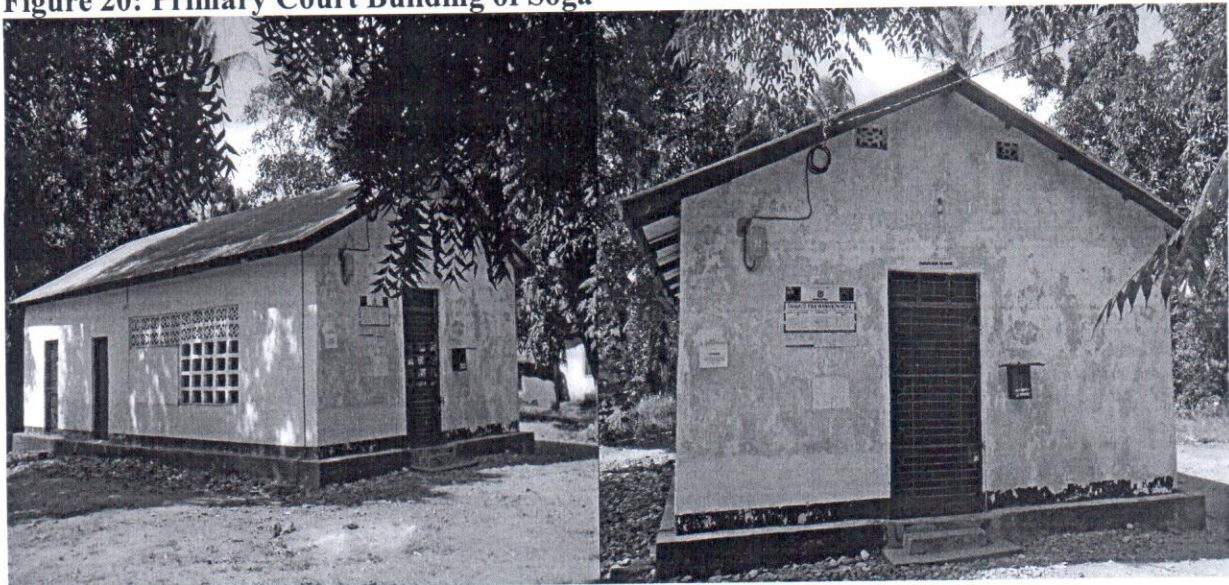
investment area (figure 20 below) which is currently used in executing those who are going centrally to the country laws and regulations.

Figure 19: Project of Soga Police Station



Source: Research findings, KDC 2017

Figure 20: Primary Court Building of Soga



Source: Research findings, KDC 2017

Health facilities; For the case of health facilities there is a dispensary within the village of Soga as figure 21 shows below, and it is very nearby to the investment area. There is council ambulance that transfer sick people whose being referral to Mlandizi Health Centre for more and advanced treatment. The area has good and reliable power energy throughout the year.

Figure 21: Soga Dispensary Which is Nearby Investment Area



Source: Research findings, KDC 2017

Existing Investments; The very good attraction in this investment area is the availability of the very big project of constructing the workshop of Railway Assets Holding Company (RAHCO) as figure 22 shows below. This project is implemented by the government through the Ministry of Works, Transport and Communications and being supervised and monitored by Railway Assets Holding Company (RAHCO).

The main objective of this project is to ease congestion on roads and in the port of Dar es salaam, and to provide local employment opportunities. It is located 50km west of Dar es Salaam at the area of 500 hectares in Soga. The location is close to two major railway lines, which are targeted for major investment and renewal. The location was chosen based on advice from Washington, USA-based Black IVY Group. The Central Railway runs northwest to Kigoma on Lake Tanganyika, while the TAZARA line heads southwest into Zambia.

The government and Tanzania Ports Authority are both keen to increase rail's share of freight haulage from the port. A rail connected dry port would relieve pressure on the space constrained seaport and remove trucks from Dar's overburdened roads. So the council is expecting the development and improvement into different sectors when the construction is finished and the project starts to operate. The investment of this project at this area was attracted by the availability of enough land, stable security, and accessibility due to available good transportation infrastructures for both local and foreign companies.

Figure 22a: The Ongoing Construction Project of RAHCO workshop at Soga



Source: Research findings, KDC 2017

Figure 22b: The Ongoing Construction Project of RAHCO workshop at Soga



Source: Research findings, KDC 2017

3.2: INVESTMENT SECTORS

3.2.1: Agro-processing Industries

The industrial sector in developing countries is typically dominated by small manufacturing firms. Such firms are generally characterised by poor physical infrastructure, limited human capital endowment and unskilled labour with low levels of education (UNIDO, 2000; Shifer et al., 2012 and Daniel et al., 2012). A large number of these manufacturing firms are agro-related, using agricultural products as their main raw material or those producing agricultural inputs (UNIDO, 2000).

Tanzania's industrial sector contributes around 25% to the country's GDP and experienced an average annual growth of 8% over the past 5 years. The general industrial structure of Tanzania is comprised of manufacturing (53%), processing (43%), and assembling industries (4%). In Tanzania there are only a few large agro-processing firms focusing on regional and international markets meanwhile the sub-sector being dominated by small and medium sized firms. Over 90% of these firms are characterised by low technology, undertaking semi-processing of products that are sold in the local market (Tiisekwa et al., 2005a and Hawassi, 2006).

Currently, the majority of crops in Tanzania are marketed in their raw forms, while value-addition to agricultural products is mostly on small-scale secondary level. Still, the Tanzanian agriculture value-added net output rose by 61% during the period 2009–2014, from USD 8.6bn to USD 13.8bn. Currently, value-added products in Tanzania include cotton yarn, manufactured coffee and tobacco, sisal products (yarn and twine), and wheat flour. In line with the 2025 Vision of the Ministry of Agriculture, Food and Cooperatives of Tanzania, there should be at least two new products developed from each of the staple crops, horticultural crops, livestock and fisheries by that year.

About 75% of small agro-processing firms in Tanzania operate below their installed capacity recording only 15% capacity utilization on average, which contributes to high post-harvest losses (Tiisekwa et al., 2005a). It is currently estimated as 30 % of cereals, 70% of fruits and vegetables, and 20% of fish are lost in the post-harvest phase due to lack of processing

facilities (URT, 2008 and URT, 2009). For these reason only about 1% of available agricultural raw produce are being processed in Tanzania compared to 40-50% in Thailand, 78% in the Philippines, and 83% in Malaysia (Mukami, 2003).

3.2.1.1: Reason for the Agro-processing Industries in Kibaha District; The main purpose of the Government's SIDP is to design a plan for industrializing Tanzania so that the country becomes semi-industrialized by 2025. In order for Tanzania to become a semi-industrialized country, the contribution of manufacturing to the national economy must reach a minimum of 40% of the GDP by 2025. Foreign Direct Investments (FDIs) are expected to provide the capital for the desired industrial development. Since The Government of Tanzania (URT) conceives industrialization as the main catalyst to transform the economy and generate sustainable growth and reduce poverty, Kibaha District Council stands as the key area for the industrial investments due to the following reasons;

- The presence of an investment profile that highlights opportunities in the Council.
- Availability of railway of Central line for transportation of cargoes in and outside the District.
- Availability of National Microfinance Bank (NMB - Mlandizi Branch) for macro and micro financial transactions.
- Available health facilities which include Mlandizi Health Center and dispensaries nearby investment areas.
- A variety of opportunities for high value investment.
- Strategic location with easy access to and from other regions as well as Mwalimu Nyerere International Airport that allocated in Dar es salaam and Dar es salaam Seaport.
- Availability of an inexpensive labour force (skilled and unskilled).
- Reliable power energy supply for both small and large investment.
- Availability of raw materials in which 80% of them are available within the District and nearby Districts.
- Availability of land with very minimal bureaucratic procedures.

3.2.1.2: Investment Opportunities in agro-processing industries Investment in agro-processing industries entails adding value, and improvement of standards of quality. The following are key areas:

- **Fruit/ Vegetable processing:** A large variety of fruits and vegetables are produced in the Council. The most important fruits include mangoes, oranges, pineapples and passion fruits whilst other fruits like bananas, avocados, jackfruits, papayas, peaches, pears, guavas and grapes are produced at nearby districts. The main vegetables produced in Kibaha District Council include tomatoes, okra (bamia) and chilies. There is a significant potential for provision of heavy equipment for commercial farming and processing of fruits and vegetables for the local market as well as export market.
- **Cashew nut Processing:** Cashews are a major cash crop in Kibaha District Council and production has been increasing at a decreasing rate at the percentage of 4% tons per year. However, only about 10% of the cashew nuts produced within the Council is processed. There is an opportunity in establishing medium or large scale processing plants.
- **Oil seeds:** Tanzania still imports a lot of edible oil. Processing of oilseeds locally is now on the rise, therefore there is potential in supplying oil pressing and processing equipment. Common oil seeds produced in the country include sunflower, sesame, groundnuts, palm oils, etc. In Kibaha District Council there are small farmers who are cultivating sesame in small quantities due to lack of stable market but the available land is very suitable for this product. Contrary, the nearby Districts are producing large quantities. If there will be an industry within the council the production of sesame will have increased to the maximum.
- **Textile and apparel:** Though the raw materials needed for this sector are not available or produced within the Council, but still the council has great and attractive investment environments as what mentioned above such as accessibility due to strategic-location of

the council. With the high level of unemployment and the high availability of raw material from other region there is a very great potential for establishing clothing factories that can produce garments for export. Tanzania produces abundant cotton but only 20 percent is locally processed. The sector has great investment potential in establishing fully integrated textile mills as well as plants for cotton ginning, yarn fabric production (spinning, weaving and printing) and Cut, Make and Trim (CMT) units.

- **Leather sector:** Tanzania has a large livestock population (17.7m cattle, 12.5m goats and 3.5m sheep) and produces about 2.6 million pieces of raw hides and skins annually. A large portion is exported as raw and only 10 percent is processed. Investment opportunities in the leather sector include establishment of modern tanneries and leather finishing production units are key priorities in Kibaha District Council.
- **Meat and Dairy Sector:** Given the large number of livestock population within the council and its neighbor districts, the Council is ideal for meat processing (Beef curing, Beef packaging, Sausage packaging, Beef canning, etc), packaging and processing of dairy products, etc. Investment opportunities include establishment of meat processing plants, dairy products processing plants and cattle ranches.
- However, opportunities exist in the **Chemical Industries** too as there is local demand for fertilizers, pesticides. Investors can establish manufacturing operations in the investments areas of Kibaha District Council and enjoy the lucrative incentives provided by the scheme. Suffice it to say that Agro-Processing Industries is the main investment opportunity in Kibaha District Council.

3.3: AGRICULTURE

The overall performance of the Tanzanian economy remains strong with a high rate of growth, and a low rate of inflation over the past five years. Today, agriculture is the main contributor to the value of Tanzania's economy, while tourism is the leading sector in terms of foreign

exchange earnings. The agriculture sector, as a whole in Tanzania has an annual growth rate of 6% and accounts for nearly half the GDP contribution, 70% of the rural household income, and absorbs 80% of the entire workforce. (TIC Investment Profile 2013-14). Tanzania has immense agricultural potential. Only 5% of land is permanently cultivated, but 20% is considered cultivatable. However, while most other sectors are growing, agriculture faces stagnation in productivity growth. In 2016, agriculture accounted for nearly 30% of GDP and was the largest contributor to employment for about 70%. However, it continues to be dominated by small-scale and subsistence farmers with average farm sizes between 0.9 and 3 hectares and with little capital to invest in machinery and irrigation. As a consequence the Government is supporting large-scale investment into the agricultural sector. Several reforms have been undertaken in this sector such as a review of land laws to allow for long term leases for foreign companies and redefining the role of government and private sector that allow for the latter to participate in production, processing, and public support functions.

Kibaha District Council has irrigation area of about 3000Ha which is suitable for paddy, cashenuts, sesame and horticulture. It also has arable land of 102,796Ha, cultivated land of 51,100Ha whilst land bank is 51,696.

3.3.1 Paddy

There is a very big potential in paddy production along the Ruvu river basin. Paddy has markets both internal and external. We look forward to improve variety by intensifying use of Super and SARO 305. Large or medium scale farmers can seek for the opportunity.

Figure 23: Paddy production at Mongomole



Source: Research findings, KDC 2017

3.3.2 Cashew nuts

Cashew nuts, is the major cash crop at Kibaha District Council. About 1,500 Tons of raw cashews produced in the following Wards: Soga, Kwala, Mlandizi and Ruvu. Cashew just needs a big push especially in the processing industry; otherwise external markets are very lucrative. Medium scale processing plants are required here which will increase employment, improve quality and packaging and fetch good prices.

Figure 24: Cashew nuts production



Source: Research findings, KDC 2017

3.3.3 Sim sim (Sesame)

Sim sim (Sesame) is an oil seed crop. This crop is grown mainly in Magindu Ward. Very little is used for preparing some edibles, over 90% is used to extract cooking oil. Sim sim production is about 10% of the total oil seed production in the country. There is potential for increasing and improving quantity and quality production. There is great demand in domestic market since the quality is good. Raw sesame can also fetch external markets such as Japan. Installation of crushing and refining processing machineries would stimulate quality and quantity production.

3.3.4 Horticulture (Vegetables and Fruits)

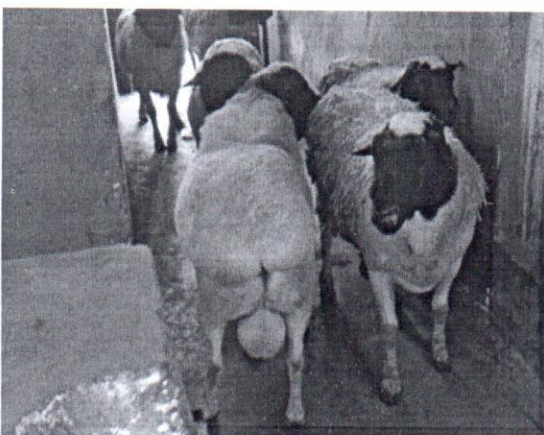
Tomatoes, Okra, Water Melon, Egg Plant and Green Pepper all these can be grown intensively along the Ruvu River Basin. These fetch readily internal markets. Medium scale processing and packaging plants can fetch external markets. Fruit canning can be another investment avenue. There is great potential for growing mangoes, oranges and pineapples.

3.4: LIVESTOCK

The spatial distribution of livestock in Tanzania depends on the agro-climatological zones; Arid, semi-arid, sub-humid, humid and the highlands. Pastoralism in which traditional cattle, sheep and goats predominate is concentrated in the northern (Arusha and Manyara) savannah plains where climatic and soil conditions do not favour crop production. Agro-pastoralism is found in low rainfall areas of western (Shinyanga and Tabora) and central (Dodoma and Singida) zones where shifting cultivation of sorghum and millet is practiced. Smallholder dairy production include cattle under coconut systems in the coastal regions and stall fed crossbred dairy cattle in the Northern and Southern highlands, Kagera and peri-urban and urban dairying in and around major cities and towns. Commercial ranching (mostly NARCO beef ranches) accounts for about 7% of the marketed milk (FAO, 2015). A number of technical, policy and institutional and specific agro-ecological zone related constraints have influenced the performance of the livestock sector.

Investment in Livestock has opportunities in Meat Processing Industries, Tannery Industries, Animal Feedlotting, animal feed industries and fish farming. Number of livestock available in the Council includes 48,704 cattle, 18,226 goats, 7121 sheep, and 1,916 pigs.

Figure 25: Livestock keeping



Source: Research findings, KDC 2017

3.5: CONSTRUCTION INDUSTRY

The construction industry in Tanzania includes real estate, transport infrastructure, and other civil works, including water supply. Construction contributed 13.6% to Tanzania's GDP during 2015, reaching almost USD6b. In 2010 the sector accounted for only 7.8% of the country's GDP or USD1.6b. The growth rate of the Tanzanian construction sector was 4.3% in Q1 2016, compared to 23.2% in Q1 2015. According to the Tanzania National Bureau of Statistics (NBS), the slowing of the growth rate was due to reduced investments in construction activities.

In Kibaha District Council the available investment opportunity is in Real Estate sector. The Real Estate sector including the construction of recreation centers, shopping malls, supermarkets, Public Servants Housing Scheme and Airport.

3.5.1: Real estate

The developments within the Tanzanian construction sector have positively influenced and benefited Tanzania's real estate and housing sector through the creation of additional real estate space. The current real estate development projects that are under way, as well as those that are being developed, have created various opportunities for interested local and foreign investors. The Tanzanian housing sector's fast-growing demand is mainly driven by the fast-growing Tanzanian population which is estimated to be 50 million and that is expected to be more than double by 2050. The current demand for housing in Tanzania is estimated at 200,000 houses annually, and a total housing shortage of 3 million houses.

The Council has an area of 83 acres at Kisabi area for the commercial, residential and office buildings purposes. There is availability of land for market construction in which 4.6 acres planned land is available. There is also the opportunity for construction of bus terminal where the total planned area of 8.74 acres is available. Opportunity for recreation centers, shopping malls, supermarkets, Public Servants Housing Scheme are available as well as social services development (Hospitals, health centers, educational facilities), Radio and Television broadcasting.

3.5.1.1: Investing in Shopping Complex, Recreation And Entertainment Facilities; Apart from above discussed areas for investment, the Kibaha District Council also has investment opportunities at Kisabi area of 83 acres. This area is suitable for investment of Real Estate. The Council and its surrounding Councils do not have any modern or even local shopping, recreational and entertainment facilities for the residents, transit passengers, foreigners and the general public. Since the council is making efforts to increase investors, there is hope for economic activities to increase at Mlandizi Township hence influencing the investment into this sector. This investment will give an opportunity to those who did not have time to do shopping at Dar es salaam by travelling long distance of about 50km. To have positive outcome of the investment we shall have to provide the following facilities; Supermarket, bookshops, coffee shops, restaurants, boutique and curio shops, fast food outlets, electronics, banking services, communication and secretarial services, souvenir shops, hair dressing and barber shops, vending machines, perfumes and toiletries, liquor and tobacco and many more. As well as entertainment facilities such as casinos, bowling alleys and children's play areas.

3.5.1.2: Convention Centre And Hotel At Mlandizi; Kibaha District Council is a medium size but rapidly growing council in Tanzania due to its opportunities into various sectors. The Council currently lacks a modern and large convention centre. This implies that there is great potential for mega events currently being diverted to competing destinations, notably Dar es salaam and Morogoro. Among the primary factors on which meeting planners evaluate host locations are (a) political stability, safety and security; and (b) attractions for possible pre and post-conference tours. Kibaha District Council boasts of both these factors, which provide great competitive advantage.

Conventions are a great opportunity for the council to promote the destination with its various tourist attractions if available. In Kibaha District Council there is no tourist area yet been discovered, but the location of the council is very nearby Mikumi Nation Park at Morogoro Region as well as Selou Game Reserve. Through conventions, a large number of potential repeat visitors become acquainted with a tourism area.

Meetings and conventions can constitute a major source of shoulder and off-season demand. In Tanzania, shoulder tourist season is the months of October through early December, while off-season is late January through May. However, convention tourism provides the potential for product diversification. Convention centre provides the potential market for conference and urban tourism. There is an increasingly growing need for quality accommodation. The existing facilities are inadequate.

3.6: OTHER INVESTMENT AREAS

3.6.1: Health services

Investment opportunities lie in building new and modern hospitals, health centers and dispensaries. Likewise, there will be opportunities in construction of pharmaceutical industries, intravenous infusion, medical oxygen plants and hospital equipments. Modern hospital management and establishment of health insurance investment.

3.6.2: Solid and Liquid Waste Management

Investment opportunities in solid and liquid waste management facilities are plenty since there is no reliable facility in operation as at currently.

3.6.3: Education sector

Many opportunities still exist for the establishing of education and training institutions as well as related academies. The Council encourages private sectors to set up specialized schools of excellence in Management, Science and Technology, Finance, Marketing and Tourism etc.

3.6.4: Financial services

Investment opportunities remain unlimited in establishing commercial banks and other financial institutions. The Council has strong potential for banks and other financial institutions to undertake additional activities such as investment consultations, asset valuation, sales and insurance, loans to identified groups in the rural area such as SACCOS, VICOBA etc.

CHAPTER FOUR

4.0: MANAGEMENT AND FACILITATION

4.1: INVESTMENT POLICY AND LEGISLATION

The following policies and legislation aim to contribute to a better investment environment in Tanzania, including Kibaha District Council;

- **National Investment Policy;** Is a Government statement setting out favorable conditions to investors, the investment policy objectives and strategies and issues needed in promoting and retaining investment in the Country.
- **Tanzania Investment Act;** Gives powers to T.I.C to coordinate, promote and facilitate investment in Tanzania together with advising the Government on investment policy and related matters.
- **Business Environment Strengthening for Tanzania (BEST);** A multi donor funded programme aimed at working with the Government and other stakeholders in business to eliminate hurdles to undertaking business and investment in Tanzania so as to contribute towards poverty alleviation efforts.
- **National Policies;** Relevant Sector Policies are in place to guide interventions in the relevant areas. National Forest Policy (1998), Bee keeping Policy (1998), Small and Medium Enterprises Development Policy (2003), National Land Policy (1995), Land Act (1999) and Village Land Act (1999) are relevant to develop the District Investment Profile (DIP).
- **Small and Medium Enterprises (SMEs) Development Policy;** Encourages investments in small and medium enterprises, which could be rural to contribute to poverty alleviation efforts. Kibaha District Council has a greater potential to promote the development of such SMEs.
- **Agricultural and Livestock Policy;** Is geared towards poverty alleviation and aims at attaining, among other things, increased standards of living in rural areas, increased foreign exchange earnings and increased production capability among people in the sector.

Tanzania Government with its Investment Incentive Strategies, in year 2003/2004 reduced a number of taxes that were an obstacle to investment. Consequently, the District Council also is

in the process to implement the following way forward so as to attract and facilitate investment by;

- To improve the infrastructure in the investment areas.
- To review existing District Council by-laws.
- To reduce the bureaucratic procedures so as to consider and grant an application from investors for land.
- To improve the attitude of the staff towards a more positive outlook in dealing with investors.
- Observe good governance practices in handling investor's issues including being in line with the poverty reduction strategy.
- Maintain peace and security within the District Council by establishing and maintaining dispute resolving mechanisms at all levels (land dispute tribunal). These are Village land tribunal, Ward land tribunal and District Lands and Housing Tribunal.

4.2: LAND MATTERS AND LAND DISPUTES

The Council has a strategy of preparation of Land Use Planning which will enable the village councils to prepare village land use plans. These plans will enable individuals including investors to acquire their land title more easily.

4.2.1: Land Ownership

According to the Land Act of 1999, all land shall continue to be public land and remain vested in the President as trustee for and on behalf of all the citizens of Tanzania. The law recognizes three types of land in Tanzania namely General land, Village land and Reserved land;

- **General land** is a surveyed land usually located in urban and peri-urban centres.
- **Village land** is usually land in villages and within villages in rural Tanzania. Some village land has been surveyed but the majority of the land is un-surveyed. Village land cannot be used for investment until it is transferred into general land.
- **Reserved land** includes that reserved for forestry, National parks, public recreation grounds etc.

4.2.1.1: Land Ownership for Tanzanian; All land in Tanzania is vested in the office of the President on behalf of all citizens. In Tanzania, land is divided into three categories which are general land, village land and reserved land. The Land Act provides for the General land and Reserved land. Under this Act, a person who wants to occupy land can apply and be issued the granted right of occupancy, subject to fulfilling the required conditions. The terms of right of occupancy are between 33 years and 99 years.

Village land is governed under the Village Land Act and that Act recognizes the rights of villages to land held collectively by village residents under customary law. Village land can include communal land and land that has been individualized. Villages have rights to the land that their residents have traditionally used and that are considered within the ambit of village land under customary principles, including grazing land, fallow land and unoccupied land.

4.2.1.2: Land Ownership for foreigners; The Land Act is very clear that a non-Tanzanian is not allowed to own land, save for investment purposes under the Tanzania Investment Act. This includes corporate bodies which are registered in Tanzania and have a majority shareholding by foreigners, which are considered as foreign entities.

The Tanzania Investment Act establishes the Tanzania Investment Centre (TIC), an entity over which the land designated for investment is registered under its name. It has mandate to issue derivative rights to investors who meet the requirements provided under the law. Under the TIC, a foreigner can be allocated land designated for investment purposes and which is already listed, or can look for desirable land owned by a Tanzanian national, and after agreeing on the acquisition of such land with the owner, the owner will submit the existing title deed to the Ministry of Lands whereby it will be re-issued as a land designated for investment purposes under the name of TIC and thereafter derivative rights issued to the investor (foreign entity).

Foreigners have a wide range of options when choosing land, depending on their requirements, and are not limited to only acquiring land listed under TIC. However, when choosing land so listed, should the foreigner/investor fail to meet the conditions of investment agreed upon on

granting of the said derivative right, TIC can re-acquire the said land and the foreigner is entitled to compensation on the developments made on such land.

Although this seems to be one of the best ways for investors to enjoy the use of land in Tanzania, it comes with certain challenges to the investors; for example most of the banks in Tanzania are not comfortable with taking derivative right titles as a security, mainly because their enforcement is associated with a number of challenges, the main one being the TIC right to re-acquire the property. However, there is also the fact that such land is already registered under TIC as land designated for investment purposes and therefore when a bank decides to sell it in order to recover they have a limited range of buyers.

Another challenge associated with derivate rights is the timing of issuance of the title, especially when an investor purchases a property from a Tanzania individual or registered entity. Relevant approvals at the Municipal Ministry of Lands and TIC to the point of issuance of the title takes approximately a year or more, which is after the investor has made all necessary payments associated with acquisition of the said land. Whilst for land already registered under TIC, it can take just two to three months.

Apart from derivative rights, there are other ways by which investors have been able to make use of land in Tanzania and that is through long leases and joint ventures. Using a long lease, a foreign investor will enter into a lease with local land owners for the most part of the term of right of occupancy of that land, save for few days less that term of occupancy. It is worth noting that the granted right of occupancies have a term of up to 99 years with an option of renewal.

Using the joint venture route, a company joins ownership with a Tanzanian entity which owns 51% of the shareholding of the company, and hence, is allowed to enjoy use of land as a Tanzanian company. Such companies can enter into joint venture agreements and/or shareholders agreements which should provide for a structure of such company and the rights of the parties to it.

4.2.1.3: Land disputes; When looking at the concept of land ownership in Tanzania, it is important to understand the court systems especially relevant to land matters in case a dispute arises. Under Tanzanian law, land matters fall under the District Land and Housing Tribunal (DLHT) which covers the district level, and matters involving amounts above one hundred million Tanzanian Shillings, or appeals from the DLHT, are referred to the High Court Lands Division.

Due to its pecuniary jurisdiction, most matters fall under the High Court Lands Division, which has a huge backlog of cases and the timing for a case to reach judgment ranges between 4 and 10 years. Although the High Court Lands Division is not so exceptional in terms of timing compared to other courts in Tanzania, the country has witnessed a high number of land disputes over the years.

One of the reasons for this state of affairs is that much of the land is not surveyed. Another reason is lack of awareness of the land regulations which means a large number of people do not have formal documentation in relation to ownership of land. These are just a few causes of land disputes in Tanzania. As in other countries, it is also highly advisable to do proper due diligence before buying land in Tanzania. Situations such as a fake title deed, a fake owner, no consent of the spouse, and inherited land sold by some of the beneficiaries without proper estate administrators being appointed are some of the common problems.

4.3: INVESTMENT PROMOTION STRATEGIES

The following are our investment promotion strategies for both local and foreign investors:

- To advertise the identified investment areas and encouraging the implementation of Public & Private Partnership Policy.
- Working very closely with the Tanzania Investment Center so as to provide support whenever necessary to investors in our District.
- Providing required support to facilitate processes of obtaining permits, licenses and other required documents.
- Providing support for amicable solutions during settlements of disputes

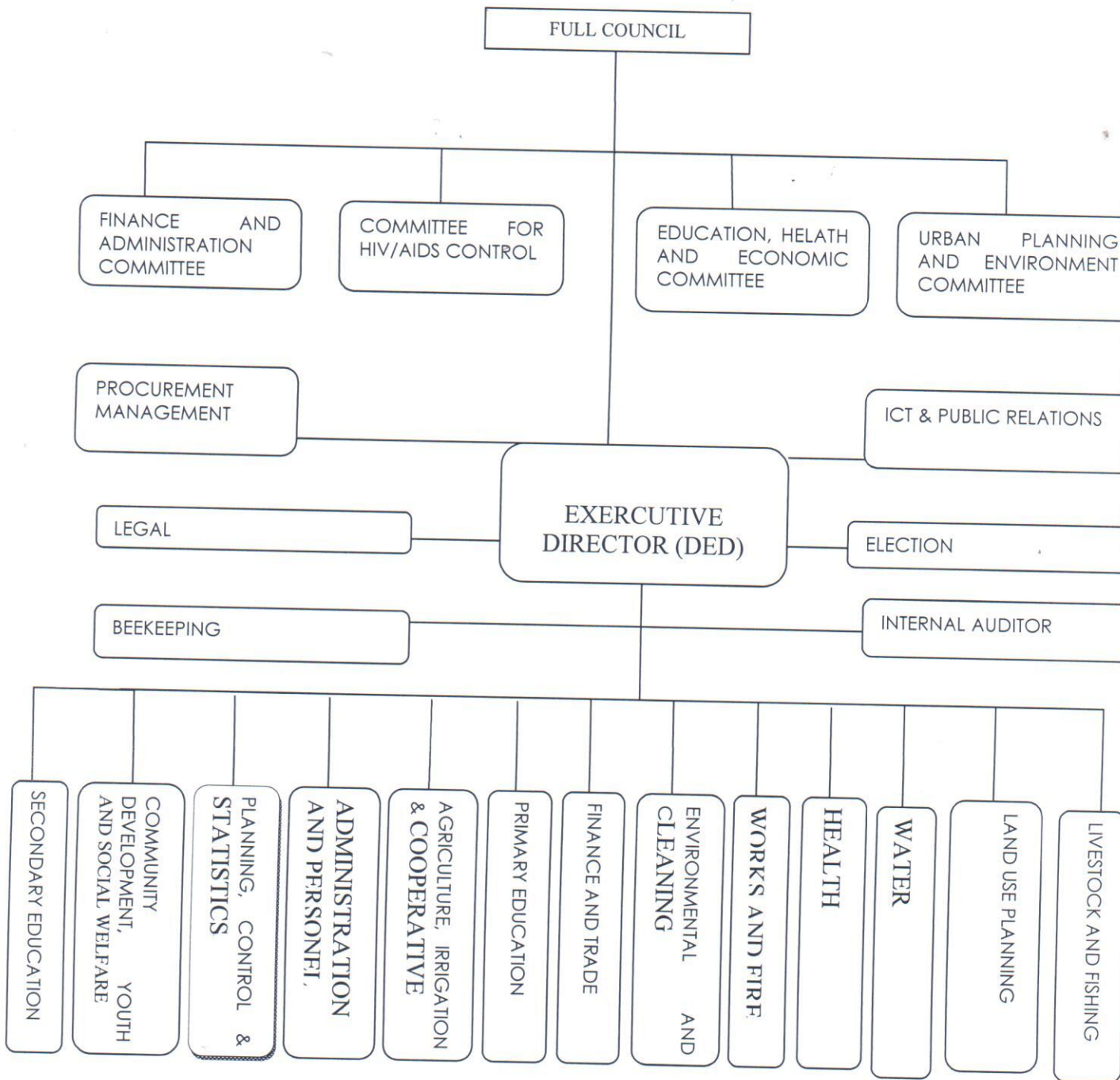
- Assisting thoroughly in the identification and acquisition of investment sites
- Providing appropriate information timely so as to make investors make well informed decisions hence decreasing investment costs
- Improved Telecommunications Services

4.4: CONCLUSION

The District comprises number of opportunities suitable for resources exploitation, investors from Tanzania and around the globe are warmly welcome to share with us the huge virgin potentialities as we expect a win-win situation. In summary the investment opportunities under agriculture sector include large scale farming of various crops such as cashew nuts, coconut, groundnuts, fruits such as oranges, mangoes and pineapple, paddy, sorghum, cassava and oil Crops.

APPENDIX I

KIBAHA DISTRICT COUNCIL ORGANIZATION STRUCTURE



APPENDIX II

Below is a detailed summary of the bureaucratic and legal hurdles faced by entrepreneurs wishing to incorporate and register a new firm in Tanzania. It examines the procedures, time and cost involved in launching a commercial or industrial firm with between 10 and 50 employees and start-up capital of 10 times the economy's per-capita gross national income;

No.	Procedure	Time to Complete	Associated Costs
1	<p>Apply for clearance of the proposed company name</p> <p><i>Agency:</i> Business Registration and Licensing Authority (BRELA)</p> <p>A business name and a company name refer to two different names. Regarding the company name, the applicant writes a letter to BRELA with at least three proposed names for the company. BRELA will then approve one of the names proposed.</p> <p>A company can have different businesses or projects, which are registered under the umbrella of the company but can have different names. An application for registering a business name can be submitted either by mail to the Registrar of Companies or at the counter of the Business Registration and Licensing Authority (BRELA) for clearance. Upon receiving notification that the name is available, the applicant prepares the memorandum and articles of association and submits to BRELA. If the memorandum and articles of association have been prepared and presented for registration without name clearance, the search will be conducted during the registration process. If a search reveals a similar name in the Register, the name application will be rejected.</p> <p>Recently, the Business Registration and Licensing Authority (BRELA) enabled the online name search service to be conducted on its website: www.brela.go.tz.</p>	1 day	no charge
2	<p>Obtain a notarized declaration of compliance</p> <p><i>Agency:</i> Notary</p> <p>Entrepreneurs visit the notary for notarization of the declaration of compliance. Notaries charge within the range</p>	1 day	TZS 10,000- 50,000

	of TZS 10,000-50,000 for notarial services for normal documents such as form No. 14 b.		
3	<p>Apply for company incorporation and obtain the certificate of incorporation</p> <p><i>Agency:</i> Registrar of Companies</p> <p>Companies can be registered only in Dar es Salaam. A lawyer is not required, but using one is common practice.</p> <p>To apply for a certificate of incorporation, a subscriber, secretary, or a person named in the articles of association as a director must submit the following to the Registrar of Companies:</p> <ul style="list-style-type: none"> - 14a (First Directors and Secretary and Intended situation of Registered Office) - 14b (Declaration of Compliance on Application for the Registration of a Company) <p>The Memorandum and Articles of Association are also filed with the forms.</p> <p>After the forms are filed, the certificate of incorporation is usually processed within 3 days. Registration forms are free.</p> <p>A company can prepare its own articles of association but Table A of the Schedules to the Companies is in most cases adopted by companies limited by shares.</p> <p>Company registration fee (based on share capital):</p> <ul style="list-style-type: none"> - Share capital from 20,000 to 1,000,000: TZS 95,000. - Share capital from 1,000,000 to 5,000,000: TZS 175,000. - Share capital from 5,000,000 to 20,000,000: TZS 260,000. - Share capital from 20,000,000 to 50,000,000: TZS 290,000. - Share capital 50,000,000 and over: TZS 440,000. <p>Filing fee: TZS 66,000: 22,000 per document</p> <p>Stamp duty fee:</p> <ul style="list-style-type: none"> - Original memorandum and articles of association: TZS 6,200. - Every additional copy: TZS 5,000. 	4 days	TZS 337,200
4	<p>Apply for taxpayer identification number (TIN).</p> <p><i>Agency:</i> Tanzania Revenue Authority (TRA).</p> <p>TIN registration is free of charge. Tax registration has been computerized. It takes a minimum of 2 days to obtain a TIN</p>	1 day	no charge

	<p>number, depending on the number of requests made to the Revenue Authority (TRA) at the time.</p> <p>The Certificate of Incorporation shall be attached to the TIN application enclosed with Memorandum and Articles of Associations when a person makes application to TRA.</p> <p>The limited liabilities company can apply for TIN certificate by filling TIN application forms as follows;</p> <ul style="list-style-type: none"> ➤ Application for the company. ➤ Application for each shareholder/director, in case any director has already issued with TIN certificates for other purpose he or she cannot make another application. The same TIN number will be used. 		
5	<p>Obtain taxpayer identification number (TIN)</p> <p><i>Agency:</i> Tanzania Revenue Authority (TRA)</p> <p>At least one of the directors of the company must be physically present at the tax office to give their fingerprints (biometric data). The applicant must visit TRA offices to pick up the TIN number in person. The company will be required to declare its estimated income or turnover for the provision tax assessment for the particular year. At the TRA office, the tax officer may interview the company founders/directors and record their business and personal particulars.</p>	1 day	no charge
6	<p>Apply for a business license</p> <p><i>Agency:</i> Ministry of Industry and Trade (MIT) or Local Government Authorities (LGAs)</p> <p>The business license is either issued by the Ministry of Industry and Trade or the Local Authorities depending on the nature of business. Together with the application, the following documents must be submitted;</p> <ol style="list-style-type: none"> 1) Certificate of incorporation 2) Memorandum and Articles of Association 3) Proof of Tanzanian Citizenship 4) Proof of a suitable company premises 5) Taxpayer Identification Number (TIN) 	6 days	TZS 1,000
7	<p>Apply for the VAT certificate</p> <p><i>Agency:</i> Tanzania Revenue Authority (TRA)</p> <p>VAT registration takes 3 to 5 days if the proposed company</p>	4 days	no charge

	has over the threshold income of TZS 100,000,000.		
8	<p>Register for the workmen's compensation insurance</p> <p><i>Agency:</i> Workers Compensation Fund (WCF) and Tanzania Insurance Regulatory Authority (TIRA)</p> <p>To register for workers' compensation insurance, employers must complete the Workmen's Compensation Tariff Proposal Form. This form should be completed once the firm begins hiring employees and just before the firm becomes operational. However, because the insurance industry is privatized in Tanzania, employers may opt to take an insurance policy instead of the workmen's compensation claims.</p>	1 day	no charge
9	<p>Obtain Social Security registration number</p> <p><i>Agency:</i> Social Security Regulatory Authority (SSRA)</p> <p>It takes a week to obtain a social security registration number. Every employer in the formal sector is required to register his/her employees with any of the mandatory schemes, provided that it shall be the right of the employee to choose the mandatory scheme to register under. These mandatory schemes are established by law and guaranteed by the Government to provide social security benefits to employees.</p>	7 days	no charge

SOURCE: BRELA website, 2017

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