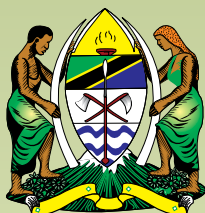


**THE UNITED REPUBLIC OF TANZANIA
THE PRESIDENT'S OFFICE REGIONAL ADMINISTRATION
AND LOCAL GOVERNMENT
MWANZA REGION**



MWANZA REGION INVESTMENT GUIDE



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FOREWORD



Welcome to Tanzania and to Mwanza region. Mwanza region investment guide is in line with the overall investment policy of Tanzania, only that it presents investment opportunities available at the regional level. It is also in line with the vision of Mwanza region and aligned with National development frameworks such as the Tanzania Development Vision 2025 and National Five Year Development Plan 2016 - 2021 (FYDP II).

The guide is also meant to execute the development pathway of the region as expressed by the Regional Commissioner Hon. John V. K. Mongella, and Mwanza Regional Development and LGAs Development Plans. This investment guide provides investment information to prospective local and foreign firms, individuals, and attracts them to exploit investment potentials in Mwanza in order to stimulate both business and enterprise development and growth.

The investment guide is also intended to enhance Mwanza's competitiveness in areas where it has strengths as well as in emerging economic areas. Other objectives of the guide are to foster the productive capacities in key primary sectors and industries, and to sustainably augment the GDP and inclusive and resilient economic growth needed to accelerate societal development and well-being of the people of Mwanza and of Tanzania at large.

Thus, Mwanza region and its eight Local Government Authorities (LGAs) have resolved to prioritize all investment initiatives and provide political support, attractive incentives and support services for investors, who set up an investment in the region. In addition, Mwanza Regional secretariat together with its LGAs of Magu, Kwimba, Misungwi, Buchosa, Sengerema,

Ukerewe, Ilemela Municipal and Mwanza City council will provide a satisfactory conducive policy, regulatory, and business environment, and are available to provide further details on the selected strategic and viable opportunities to interested investors.

I am indebted to express my sincere gratitude to the United Nations Development Programme (UNDP) for the financial support and the Economic and Social Research Foundation (ESRF) for developing this guide. I would like to specifically acknowledge Dr. Hoseana Bohela Lunogelo and his team of experts namely, Mrs. Margareth Nzuki, Mr. Hafidhi Kabanda and the late Mr. Abdallah Hassan for their commitment and technical support that collectively resulted in the successful completion of this guide. Special thanks are due to Prof. Samuel Wangwe and Prof. Haidari Amani for devoting their time to offer a technical reviews. Albeit, it is difficult to mention everyone, my thanks are extended to all other individuals from Mwanza region who contributed in one way or another towards making this investment guide possible.

I take this opportunity to welcome you to invest in Mwanza region and I assure you of our continued support to make your investments productive and grow for our mutual benefits.



Hon. John V. K. Mongella
Regional Commissioner
Mwanza Region, Tanzania

DISCLAIMER

This guidebook was published to assist potential investors to get essential information regarding investment opportunities available in Mwanza region. The guidebook does not in any way provide exhaustive information or detailed practical instructions on how to establish businesses. The information contained in this guidebook was derived from consultations with regional and districts government officials, private sector operators, as well as public and private sector agencies. Materials in this guidebook cannot be used for defense in any legal dispute or any matters of that nature.

POSITION OF MWANZA REGION IN TANZANIA



PART ONE

REASONS TO INVEST IN MWANZA REGION



*Her Excellency,
Samia Suluhu Hassan,
Vice President, United Republic
of Tanzania*



*His Excellency,
Dr. John Pombe J. Magufuli,
President of the United
Republic of Tanzania*



*Hon. Majaliwa Kassim Majaliwa,
Prime Minister of
the United Republic of Tanzania*

1.1 Investment Climate in Tanzania

Mwanza region is part of Tanzania, and it benefits from, and depends on the country's conducive investment and trade policies, political stability and well prepared development frameworks based on the National Development Vision 2025.

Tanzania, with its large and growing domestic population, strategic location, abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity. The country has a population of about 50 million people and a population growth rate of 2.9% (URT, 2012). Most of the citizens depend on natural resources for income and livelihood. Tanzania is endowed with regenerative natural resources and

non-regenerative natural resources including minerals, gold, diamond, iron, coal, nickel, Tanzanite, uranium and natural gas. The richness in natural resources constitutes a major asset and opportunity, which is fundamental for growth and economic development, including poverty reduction.

Since the liberalization of the economy in early 1990s the government has recognized the role of the private sector (both local and foreign) and other strategic partners as the engine of growth, poverty reduction and the driver of economic transformation. This important role of the private sector has been further emphasized in the current Second Year Development Plan (2016/17-2020/21) by recognizing that the realization 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.

The Government of Tanzania (GOT) uses the World Trade Organization's (WTO) Trade-related Investment Measures (TRIMs) to encourage investments in line with national priorities, and to attract and regulate foreign investment. Trade development instruments that Tanzania has adopted include Export Processing Zones (EPZs), Investment Code and Rules, Export Development/Promotion and Export Facilitation. EPZs were established by the 2002 EPZ Act and are open to both domestic and foreign investors in particular the agribusiness, textiles and electronics sectors. The Export Processing Zones Authority (EPZA) governs both EPZs and Special Economic Zones (SEZs).

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

- i) The Developer's Licence (for investment in infrastructure development including the construction of industrial buildings and warehouses, the development of internal roads, landscaping and fencing and the provision of utilities);
- ii) The Operator's Licence (for investors who are undertaking manufacturing operations including manufacturing, processing

-
- breaking bulk, repackaging, re-labelling and trading); and,
- iii) The Service Provider's Licence (for investors who are providing services and utilities to EPZ and SEZ investors within the zone, including banking, insurance and IT).

The 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, withholding taxes on rent, dividends and interest; exemption from VAT on utilities and levies imposed by local authorities. In addition, working permits for foreign staff can be obtained. More information can be found on the website www.epza.go.tz. The Special Economic Zones Act of 2006 authorized the establishment of Special Economic Zones (SEZs) to encourage Greenfield investments in the light industry, agro-processing industry and agriculture. However, so far the region has no SEZ. All of the above factors plus the country's well formulated development cum strategic frameworks have contributed to over a decade of continuous real GDP growth of about 7% and is a member of what the World Bank has dubbed the "7% Club", a group of countries forecast to achieve 7% or more real GDP growth for the next decade.

Investments in Tanzania are guaranteed against nationalization and expropriation through various agreements of protection and promotion of investments such as the Multilateral Investment Guarantee Agency (MIGA), of which Tanzania is a member. Tanzania also offers access to major markets of the world, such as America, Europe, Asia and Middle East through special bilateral trade and investment agreements and arrangements, for instance, the Africa Growth Opportunity Act (AGOA) of which Tanzania is a signatory.

Tanzania is a member of two major regional organizations. One of these is the Southern African Development Community (SADC), and the other is East African Community (EAC), both of which are growing towards stronger common markets. In terms of markets, investors will access domestic markets, regional markets in Eastern and southern Africa (in both EAC and SADC markets) and the export markets abroad in the European Union and

the United States in the growing Asian economies of China and India, and in the Middle East to mention only the leading ones. The domestic market is significant, given Tanzania's population of nearly 55 million people, growing at a rate of nearly 2.7% per annum as well as a growing middle class. As noted above, the EAC is a regional entity with a long history and deep roots. And it has actually put in place some of the things that other trading blocs have only talked about, such as a customs union and visa free travel.

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

- High degree of investment security because of unparalleled political stability that is strife-free without ethnic divisions; democratic rule that respects diversity of opinion and a strong tradition of constitutionality and rule of law;
- Business-friendly macro economic stability with low inflation (around 5%); stable exchange rates supported by unrestricted and unconditional transferability 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 liberalization measures commended by both the World bank and the IMF with business-supportive legislation continually being improved through genuine dialogue between government and the private sector;
- A well balanced package of incentives to investors with additional negotiated benefits to strategic investors;
- Rapidly emerging as the most effective entry point and gateway for trade into Eastern, Southern and Central Africa;
- Lucrative investment opportunities in infrastructure, and value adding facilities;
- Investment guarantees, and settlement of disputes; investments in Tanzania are guaranteed against political risks, nationalization and expropriation;
- Any foreign business operating in Tanzania may obtain credit from domestic financial institutions up to the limits established by the Bank of Tanzania. Major banks like CRDB, NBC, NMB, Standard chartered ABSA, Barclays, Citibank, Stanbic and Exim have invested in Tanzania.

1.2 Reasons to Invest in Mwanza Region

1.2.1 Mwanza a Leading Business Hub

Mwanza City is a leading business hub on the side of Tanzania, competing with Kisumu, Entebbe and Jinja on the Kenyan and Ugandan side, respectively. The city hosts annual East African business fora which brings exhibitors from within and outside East Africa. The region has some geographic advantage; with positive historical business and socio-cultural links with other towns within the great lakes region. Traders from Kenya, Uganda, Rwanda, and Burundi and from as far as Democratic Republic of Congo and Malawi frequently visit Mwanza region¹. Mwanza hosts the secretariat for the Lake Victoria Association of Local Authorities, which brings together mayors and town clerks from cities, municipalities and towns from Tanzania, Kenya and Uganda. The lake offers a potential attraction for water sports although yet to be fully developed. Visitors to Mwanza are usually mesmerised by the choreographically arranged natural stones on and around Lake Victoria, hence the nickname “Rock City”.

Its people are naturally polite, hospitable, faithful and hard working. This is a special combination which not many regions have, and so any newcomer to Mwanza will certainly feel most welcome. It is our hope that you will be one of those who will enjoy the hospitality and charm of Mwanza City and its people.



H.E. President of the United Republic of Tanzania, Dr. John Pombe J. Magufuli officially opening for public use a Pedestrian Bridge at Furahisha area in Ilemela district.

¹ Most common products being dried tilapia and sardines (dagaa) and “khanga” cotton textiles from Mwanza Textile Mill

1.2.2 Accessibility to Mwanza Region

The region can easily be accessed by different modes; roads, train, water and air from all the major cities of the East African Community as shown in Table 1 and Map 1. The fastest mode of transport is by flying using scheduled flights such as the National Carrier, Air Tanzania, whose flight time is about one hour from Dar es Salaam, and about 40 minutes from Arusha, Nairobi, and Kigali. It takes about half an hour from Entebbe.

Air transport system: Mwanza airport receives directly international flights, but so far most are cargo planes. There are daily scheduled flights linking Mwanza with major cities in the region: Entebbe in Uganda, Kigali in Rwanda, Nairobi in Kenya and several towns in Tanzania: Dar es Salaam, Arusha, Moshi, Zanzibar and Mbeya.

Map 1: Mwanza Region's connections with other parts of Tanzania and East Africa²



² Map adopted from URT (2016) - chapter 5.

Road Transport: Dar es Salaam via Shinyanga, Singida, Dodoma and Morogoro; and roads linking it to Kisumu and Nairobi; and another one linking to Kagera and other towns in Uganda and Rwanda.

Railway transport: The slowest mode is by train, which takes about 24 hours to travel from Dar es Salaam. The city has been expanding very rapidly after the expansion of its airport and completion of tarmac roads linking Mwanza with the rest of the country.

Seamless modes of transport: Modernisation of Tanzania’s railway system is also underway which will add to the ability of businesses to enjoy seamless modes of transport between roads, railways, water and air. A site has already been identified and land owners compensated to pave way for the construction of a new Dry Port at Fella, Misungwi. It will be a final link for the new Standard Gauge Railway (SGR) from Dar es Salaam to Mwanza, for onward freight of cargo to Port Bell in Uganda.

Table 1: Time in minutes Taken to Reach Mwanza from major EAC Urban Centres

Town/ Mode	Dar	Dodoma	Tanga	Arusha	Mbeya	Mombasa	Nairobi	Kisumu	Entebbe	Kigali	Bujumbura
Aeroplane - minutes	90	60	90	60	120	120	50	30	30	90	100
Public Bus - hours	18	10	22	15	20	24	15	6	10	20	22
Private Car - hours	15	8	20	12	17	20	12	4	7	18	20

Source: estimates by Authors

1.2.3 The Strength of Mwanza Economy

According to 2015 GDP estimates, Mwanza region was among the top five regions with the highest contribution to national gross domestic product (GDP) (9.3 percent), overtaken only by Dar es Salaam region (17.2 percent). Estimates of GDP per capita also show the region ranked second after Dar es salaam (URT, 2016). The region draws its strength from its agricultural sector, currently dominated by subsistence type of farming, which provides

an opportunity for modernisation and commercialisation of the sector. There are also plenty of opportunities to invest in new and existing agro-processing and manufacturing industries given that 96 percent of them are small-scale establishments (more than 2,420) with feasibilities to upgrade to medium and large scale industries. Most of the industries are located in the LGAs of Ilemela and Nyamagana; meaning with the improvements in power supply there will be an opportunity to establish new factories in the rest of the districts. Districts such as Buchosa, Sengerema and Ukerewe have no medium or large scale industries of magnitudes similar to those in the advantaged districts.

1.2.4 Institutional Arrangements for Private Sector Engagements with Government

Inclusiveness and participation of the private sector in Mwanza region is normally conducted through various platforms that bring together different stakeholders. These include Regional and District Chapters of Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) and the local chapter of Tanzania National Business Council (co-chaired by the District or Regional Commissioners and Chairman of the Tanzania Private Sector Foundation (represented by TCCIA at the district level).



Figure 1: Mwanza Region has assured investors to put in place facilitating environment for investors³

³ Created by Authors of this report

1.3 Available Favourable Conditions for Investments

Mwanza region has the minimum pre-requisites for a thriving business and industrial development as summarised below:

1.3.1 Policy and Legal Arrangements:

It is important to note that all sectoral policies and laws governing the conduct of stakeholders and their businesses in the country are pan-territorial and therefore applicable to all parts of the country once they are endorsed by Cabinet and/or legislated by the National Assembly of the United Republic of Tanzania. The most popular policies and laws for both foreign and local investors are those providing special tax incentives and profit repatriation schemes under the Tanzania Investment Centre (TIC), Export Processing Zones Authority (EPZA).

1.3.2 Synergies between different Local Government Authorities:

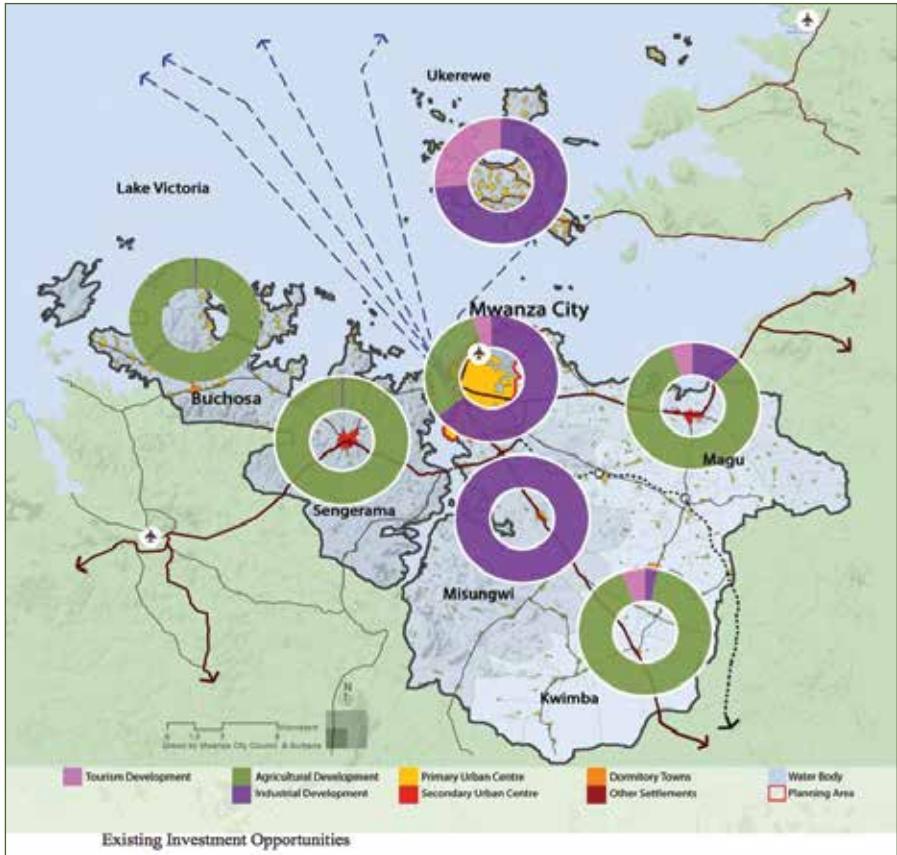
The region is lucky to possess a range of natural resources on land and water, which could easily be transformed into wealth for the benefit of the people and the economy in general (Figure 1 and Map 2).

1.3.3 Commitments by Central Government and Mwanza Regional Administration:

The Government will continue to improve in the provision of basic enablers of investments such as land, utilities and infrastructure, developed using Sectoral and District budgets as well as financial and technical support from Development Partners (DPs).

The Government will further support the private sector by enacting some enabling policies and laws so that they don't hesitate and face hitches while investing in production, transportation, storage, processing and marketing of the products; and in the development of different commodity value chains as listed in section 3 of this guide.

Map 2: Mapping of Existing Main Economic Preoccupation of people by district



The Mwanza Regional Commissioner’s Office established an “Investments Promotion Unit-IPU” as a special department to coordinate and facilitate investments at regional and district levels to work closely with the TIC zonal office. It is noteworthy that while it is possible to obtain some documents within one to three working days⁴, there are some certificates, by their nature, which take some time and expertise to complete. These include Environment Impact Assessment (EIA) certificates by the National

⁴ Such as Tax Identification Number (TIN) and Tax Clearance certificate (TCC) by Tanzania Revenue Authority (TRA), company registration certificate by BRELA and Business Licence (by the LGA)

Environment Management Council (NEMC) and Food Safety Certificates by Tanzania Food and Drugs Authority (TFDA). Investors are therefore advised to take that factor into account while planning to start projects in the region.

Figure 2: Inter-relationship between government and private sector investments⁵



1.4 Suggested Priority Investment Areas in Mwanza Region

There are four main areas of investment opportunities in the region as shown in section 3:

Establishment of Industrial and Agricultural Investment Parks: This will primarily involve identifying land and establishment of ordinary investment parks for industries or more advanced registered as Special Economic Zones (SEZ) and Export Processing Zones (EPZ) (see section 3.2).

⁵ Created by Authors of this report

Agro-processing: Focussing mainly on commodities produced within the region. It will involve adding value to semi and finished products (see Section 3.3).

Commercial agriculture: In order for agro-processing to thrive, it will be important to invest in enhancing productivity to increase quantities and quality of inputs taken to agro-processing industries (see section 3.4).

Natural Resources beneficiation: Adding value to minerals and timber is an opportunity, which is backed by recent government directive to add value to minerals and forest products before exportation (see section 3.5).

Service Sector: Include services in hotels and tourism, banking, modern markets and malls, warehouses, real estate development and land surveying and mapping (see section 3.6).

Capacity Building: This includes investments in the education sector, health sector, and vocational training centres (see section 3.7).

1.5 The Main Target of this Investment Guide

This guide will inevitably benefit many stakeholders, but the primary target and beneficiaries are primarily: National and International Prospective Investors interested to start new businesses or acquire existing ones in different sectors as listed in this guide; new national and international Investors or existing ones with businesses and seek to either expand their current operations or venture into new businesses; and Government Ministries responsible for facilitating business owners and other stakeholders to ensure that investments bring some benefits to the investors, government and the population at large.

SOCIO-ECONOMIC PROFILE OF MWANZA REGION

2.1 Geographic Location

The region is located on southern parts of Lake Victoria, about 1200 - 1,400 metres above sea level; and lies between latitudes 1°30' and 3°0' South of the Equator and between longitudes 31°45' and 34°10' East of Greenwich. The region shares borders with Lake Victoria in the North, Kagera and Geita in the West, Mara region on the East, while Shinyanga and Simiyu regions are located on the South and South-eastern side of the region.

2.1.1 Land Area and Administrative Units

The total surface area occupied by Mwanza region is 25,233 sq.km. Out of this area, 53.25% (13,437 km²) is Lake Victoria while 46.75% or (11,796 km²) is dry land. According to the THDR 2017, the region has a population of 3,125,995 as inhabitants of eight Councils of Ukerewe District, Magu District, Kwimba District, Sengerema District, Buchosa District, Misungwi District; Ilemela Municipal and Mwanza City.

2.1.2 Climatic Conditions and Topography

Most parts of the region experiences a bimodal rainfall pattern, getting short rains from October to December and long rains between March and May, with an average annual rainfall of 930 mm; the highest being in Ukerewe islands at 1,200 mm and the lowest of about 700 mm in the Southern and South-eastern parts of the Region. The temperature, mostly influenced by Lake Victoria waters, is between 25°C and 28°C from September to December and between 11°C and 20°C from June to August. The region is mostly flat with granite stone forming hills and small

mountains scattered throughout the region. The plains drain rainwater towards the North into Lake Victoria. The soils vary from sand or sandy-loam to sand-clay or loam-clay texture "mbuga soil".

2.1.3 Agro-Economic Zones (AEZ)

AEZ-I covers parts of the Sengerema district council (Katunguru and Sengerema wards); Ilemela municipal council (Ilemela and Busagala areas) and a large part of Misungwi district council. It receives moderate and unreliable rainfall with average annual of 850 - 900 mm. The soils are red to yellow-red, gritty sand clay loams which are widely cultivated. Major crops grown in the zone are cotton, cassava, maize and yellow gram or chick peas. The zone is highly populated and experiences pressures on land and competition between human and livestock requirements.

AEZ-II constitutes the majority of the areas commonly called Sukuma Heartland in Magu district council. This zone covers areas of Sanjo, Kahangara, Itumbili, Busega and Kivukoni. Rains in this Zone are erratic and undependable, with annual average of 700 - 850 mm. The soils are of the typical Sukumaland catena of granite inselbergs with a progression yellow-red "hill sands" to the poorly drained dark grey loam sands and clays of the valley bottoms, and low lying plains. Crop farming, livestock keeping and fishing are the main economic activities performed in this zone. The major crops grown in this zone are cotton, cassava, paddy, sweet potatoes and yellow grams. Population densities are slightly high with large portion of population concentrated along the lakeshore which causes pressure on land.

AEZ-III is an area of moderate population and livestock densities of Nyanchenche in Sengerema district council, Mbarika and Inonelwa in Misungwi district council, Ngudu, Ngula and Ibindo in Kwimba district council, and Ngalu in Magu district council. The Zone has an average rainfall of 800 - 900 mm per annum with soils varying from relative small areas of hill sands to large areas of poorly drained greyish loamy sandy and black clays. Main crops grown in this zone are cotton, sorghum, millets, paddy, cassava and sweet potatoes.

AEZ-IV is predominantly flat to depressed areas with very isolated hill masses and rock hills covering areas of Ng’wamashimba and Nyamilama in Misungwi and Kwimba district councils respectively. Rains in this zone are reliable with annual rainfall ranging between 750 and 900 mm, but compensated by the high water retaining capacity of the soil. The soils are mostly poorly drained to water logged grey loamy sands and black clays. Crop farming and livestock keeping are the main economic activities practiced in this zone. Major crops produced are maize, chick peas, sorghum, millet, cassava, sweet potatoes and cotton. The population and livestock densities are moderate and get adequate land for cultivation.

AEZ-V is densely populated area occupying Ilagala, Ukara, Mumulambo and Mumbuga in Ukerewe islands characterized with heavy rains of an average rainfall of 1200 mm per annum. Crop farming and fishing are main economic activities performed, while livestock keeping lowly practiced. The soils in this zone are of a sandy type and arable land is very limited. Main crops grown are; sweet potatoes, cassava, beans, peas, coffee, vegetables and fruits.

2.2 Regional Economy

According to 2012 census, about 62.8 percent of economically active population were engaged in agriculture (crops and livestock). The rest of the population are preoccupied with elementary occupations (7 percent), trade and small businesses (6.1 percent), crafts (4.9 percent) and fishing (3.3 percent). According to 2017 Tanzania Human Development Report, the region’s Gross Domestic Product (GDP) was TZS 7,451,706 million in 2016 and its GDP per capita was TZS 2,004,353. The region’s GDP per capita ranked number 7 out of 26 regions.

2.2.1 Socio-economic Context

Mwanza region is considered to have attained relatively impressive levels of socio-economic development; judging from different measures such

as Human Development Index⁶ (HDI) and Multidimensional Poverty Index⁷ (MPI). The HDI for the region is 0.646, ranked number 8th which is above the national HDI of 0.614. The score for MPI is 0.228, ranked 14th, which is slightly below the national average index of 0.217. However, the poverty incidence⁸ in Mwanza region was 49.01%, which is just slightly higher than 47.40% for the whole country. In terms of average intensity⁹ of poverty, Mwanza was ranked 14th, with 46.55% of its population facing severe poverty intensity, compared to 45.48% for the whole country. The proportion of population who are vulnerable¹⁰ to poverty was 26.57% in Mwanza, slightly better than 27.69 for the whole country.

2.2.2 Workforce

According to the Tanzania Human Development report (THDR 2017) the region's expected years of schooling is 9.7, ranking 8th among the 26 Tanzania Mainland regions; hence the region possesses adequately

⁶ 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 the **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.

⁷ **MPI** is made up of three indicators with a total of ten dimensions, namely: health represented by nutrition and child mortality dimensions; education represented by expected years of schooling dimensions; living standards represented by type of cooking fuel, sanitation, availability of clean and safe water, access to electricity, type of roof and ownership of assets.

⁸ **Incidence of poverty:** It is the fraction or *percentage* of people in households with income below the *poverty* level as *defined* by the government agency. It is used as a measure of how many people are in need of government help. Because of poverty programs only a fraction of people below the poverty level are actually destitute.

⁹ The intensity of poverty (or poverty gap) is an indicator used to assess the extent to which the standard of living of the poor population is under the poverty line. The higher the indicator, the greater the poverty gap is said to be, in that the standard of living of the poorest is a very long way below the poverty threshold.

¹⁰ **Population vulnerable to poverty: Vulnerability** is the degree to which a **population**, individual or organization is unable to anticipate, cope with, resist and recover from the impacts of disasters. ... **Poverty** – and its common consequences such as malnutrition, homelessness, poor housing and destitution – is a major contributor to **vulnerability**. Vulnerability in this context can be defined as the diminished capacity of an individual or group to anticipate, cope with, resist and recover from the impact of a natural or man-made hazard. The concept is relative and dynamic.

literate people suitable for any type of average intensive technology. More than 90 percent of the people in Mwanza are literate with primary school education, 13 percent with secondary school education and 3.2 percent have some type of post primary or post secondary school training. Despite the seemingly low proportion of people with post-secondary education, the country's labour laws are flexible and allow firms to recruit workers from any part of the country. On the other hand, *this low penetration of post-primary education offers an opportunity for investments in the education sector*, focussing on privately built and managed secondary schools, high schools and tertiary education facilities. There is also an opportunity for printing of books, and manufacturing of laboratory and learning equipment.

2.3 Productive Sectors

2.3.1 Agriculture Sector

One of the general characteristics of farming in the region is the dominance of subsistence farming undertaken by smallholder peasants with very little commercial inclinations in their husbandry practices. Most of them use low yielding plant seeds and livestock breeds, with minimal application of yield boosting inputs such as fertilizers and disease prevention applications. Crops are cultivated on 61 percent of the suitable arable land.

Food Crops: Maize is the predominant crop, occupying 51.8 percent of the planted area (mostly grown in Buchosa, Kwimba and Misungwi), followed by cassava (29.9 percent, mostly grown in Kwimba, Buchosa and Ukerewe), paddy (7.5 percent, mostly grown in Magu and Ukerewe), sweet potatoes (5.7 percent, mostly in Ukerewe and Buchosa) and sorghum.

Cash crops: Cotton is the most predominant cash crop, with an average of 55,215¹¹ ha per year for the whole region, compared to area under maize (131,547 ha), and cassava (75,940 ha) or paddy (18,921 ha) for the same period between 2010/11 and 2014/15.

¹¹ Average of five years between 2010/11 and 2014/15

Horticultural crops: Buchosa, Magu, Ukerewe and Ilemela are regarded as main suppliers of vegetables and fruits in the region, with surplus exported to other regions such as Dar es Salaam. Buchosa had more than 307.8 ha under horticultural crops in 2015, which included mangoes and pineapples. Magu has been using part of the 1,178 ha for paddy to cultivate horticultural products as a second crop utilizing residual moisture. Ilemela had 40 ha in 2015. Greenhouse farming: is practiced in the outskirts of Ilemela municipality and a 12 ha greenhouse (Ngongoseke Farm) in Magu (products sold in Arusha, Mwanza and Dar).

Irrigated agriculture: There is limited use of irrigation in the region given that only 2,884 ha of the cultivated land is irrigated, out of the 10,649 ha with potential for irrigation. Irrigated crops are paddy and horticultural crops such as tomatoes, egg plants, water melon and cabbage.

Forestry: Although data on total biomass available for commercial utilisation is not available, Sengerema and Buchosa are the main sources of forest products, and as such have ambitious plans to continue planting more trees so as to maintain their lead in the sector. Although not seen as a main source of vibrant wood industries, other districts have forest resource as well. Ukerewe, for example, has Rubya forest and five other natural forest reserves.

Livestock: According to the recent livestock census, the region in 2016 had a stock of 1,155,871 indigenous cattle, 523,145 goats, and 138,917 sheep; some of which could be transformed into processed meat. There were as well 19,244 improved dairy cows, 61,677 pigs, 6,985 donkeys and 2,588,438 chicken. Kwimba had the largest share of cattle (34 percent), followed by Misungwi (21 percent), Magu (18 percent) and Sengerema (16 percent). Land that is suitable for grazing land is estimated at 172,977 ha, of which 70.5 percent (121,874 ha) is being used for the purpose.

Fisheries: The main locations of fishing activities in the region are Ukerewe, Magu, Mwanza city, Sengerema, Ilemela, Misungwi and Buchosa districts.

In 2015 the region had issued 33,582 fishing licences, with about 27,629 fishermen and 6,743 registered vessels engaged in fishing business. The catch in 2015 amounted to 38,165.6 million tons of fish, valued at TZS 187 billion. Most of the income was earned by residents of Ilemela MC, Sengerema DC and Ukerewe.

2.3.2 Nature and Tourism

Mwanza region is a land of much wonder holding an unparalleled diversity of fauna, flora and many natural features, most of which have not been used to attract tourism business. The wonders of rocks, the scenery, topography and very friendly people, harbour, the growth of excellent cultural tourism beach holidays, game hunting, infrastructure ventures, historical and archaeological ventures and certainly the best wildlife photographic safaris in the continent. Each LGA has identified special sites for tourists: ranging from cultural sites (e.g. Sukuma Cultural Museums) to wildlife in Saanane Island. There are already some developments in hotel accommodation, but about 76 percent are in Mwanza City.

2.3.3 Industrial Development

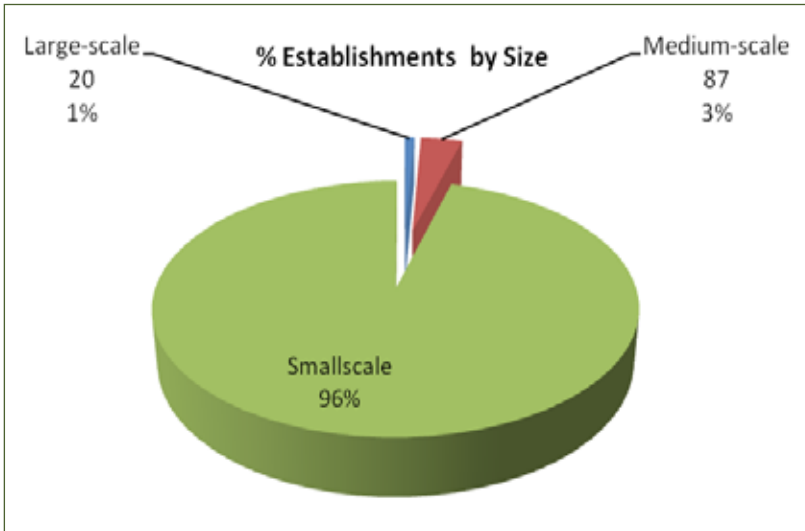
According to the National Bureau of Statistics (NBS), enterprises are grouped into three categories according to capital outlay and number of people employed:

- Micro industries are those employing less than 50 people and with capital of less than TZS 5 million
- Small-scale industries are those with capital of more than TZS 5 million but less than TZS 200 million and employing less than 50 people
- Medium scale industries are those with capital of more than TZS 200 million but less than TZS 800 million and employing less than 100 people
- Large scale industries are those with capital of more than TZS 800 million and employing more than 100 people

An industrial census conducted in 2015 revealed that Mwanza region was the 4th region after Dar es Salaam, Arusha and Kagera in terms of number of large scale manufacturing industries in the country. The region's industrial economy is dominated by small scale industries (96 percent), followed by medium scale industries (3 percent), which are engaged in different type of manufacturing (Figure 3).

There were 2,420 small-scale industries in 2015 whose distribution by council was as follows: Ukerewe district council (31.5 percent), Magu (6.7 percent), Mwanza city (17.8 percent), Kwimba (8.8 percent), Sengerema (4.5 percent), Ilemela (23.9 percent), Misungwi (6.8 percent) and Buchosa did not have small scale industries data due to newness of the council.

Figure 3: Proportional share of industries by size in Mwanza region - 2015

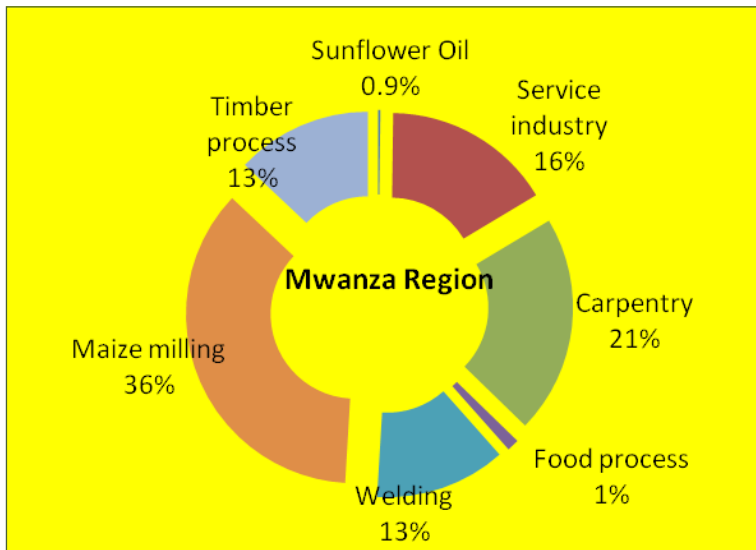


Among the establishments, 873 industries were in maize milling (36 percent); 505 industries were in carpentry (21 percent), and 392

industries were services (16 percent). Another 303 industries were for welding services (13 percent), while 314 (13 percent) were in timber processing, 28 industries (1.0 percent) in food processing and the remaining 5 industries (0.9 percent) were in sunflower oil processing.

The distribution of medium scale industries by council in 2015 were as follows: Mwanza city (60.9 percent), Ilemela (18.3), Magu (13.7 percent) and Misungwi (6.8 percent) of the total of 87 industries which were available in the region during the survey in 2015 and some additional 7 that were established after the 2012 Census (Table 2).

Figure 4: Type of Small-scale industries by products in Mwanza region¹²



¹² Source: table 8 in this report

Table 2: Type of Medium Scale Industries by Council, Mwanza Region in 2015

Council ¹	Type of Industry	Number of industries	Council ¹	Type of Industry	Number of industries	
Magu	Manufacturing	4	Ilemela	Fish Processing	5	
	Processing/ Manufacturing	5		Marine vessel Manufacturing	1	
	Processing/ Manufacturing	1		Steel Industry	1	
	Meat processing	1		Textiles	1	
	Cotton Sorting	1		Soft Drink Industry	2	
Mwanza City	Pharmaceutical	1		Misungwi	Mineral Processing	3
	Bricks	1			Plastics	2
	Local soap	1			Breweries	1
	SGS Mining	1			KASCO - Crushing	1
	Publisher	1			Nyanza Road – Crushing	1
	Maize Milling	2	Chobo Investment – Meat		1	
	Timber processing	2	Mwanza Gas – Gas		1	
	Service industry-garage	30	JASCO – Crushing		1	
	Carpentry	7	Manawa – Cotton ginning		1	
	Mwanza Fishing	1	Bukumbi ginnery		1	
	Eincher Mwanza Branch	3	Sengerema		Sembo maize milling	1
	Mabati chapa Kiboko	3			Mother dairy products	1
	Ukerewe	Bure garden (cassava flour)			1	STN Rice milling
Bure garden-soap		1		FIC CO. LTD-Bricks	1	
Pamako wine		1				
Total	94 factories (87 data by Regional Commissioner (December 2016 report) and 7 data from updated data given by Regional Trade Officer in September 2017)					

Note: ¹No data for Buchosa district, while information informally provided by the Regional Trade Officer indicated that in 2017 Sengerema had 4 processing industries and Ukerewe had 3

Source: *Compiled Data from the District Executive Directors' Offices, Mwanza Region, 2016*

Table 3 gives a number of large scale industries which were available in the region in 2015. The distribution of large scale industries by council were as follows: Mwanza city (12 industries), Illemela (7 industries) and Misungwi (1 industry) which were available in the region in 2015.

Table 3: Number of Large Scale Industries by in Mwanza Region by Councils in 2015

Council	Type of Industry	Number of industries		Council	Type of Industry	Number of industries
Mwanza City	Fishing gear	1		Magu	Manufacturing	1
	Poly bags	1			Manufacturing/ Sampling	3
	Vegetable oil	1			Plywood/Steel processing	2
	Gas plant	1			Meat processing	1
	Marine service	1		Misungwi	Sayona Steel	1
	Mattress	1		Ukerewe		0
	Fishing Processing	2		Kwimba		0
	Power-TANESCO Plant	1		Buchosa		0
	Beer-Serengeti Breweries Ltd	1		Sengerema		0
	Soda-Nyanza Bottling Ltd	1				
	Food processing Biscuits	1				
Total					20	

Source: Compiled Data from the District Executive Directors' Offices, Mwanza Region, 2016

2.3.4 Mining Sector

Mining is a promising economic activity not well developed in the region. Most of the commercial activities are still at the stages of surveys and there are researches by mostly foreign companies to establish mineral

deposits in terms of quantity and quality. Local companies have so far mainly invested in small scale mining ventures at Misungwi, Ilemela and Mwanza city council (mostly extracting gold, quarrying and sand minerals).

REGION'S PROFILE OF INVESTMENT OPPORTUNITIES

3.1. Stakeholders' Views on Priority Investment Opportunities

The investment opportunities identified in the region are grouped into seven strategic areas as follows:

3.1.1 *Establishment of Industrial and Agricultural Investment Parks*

This will primarily involve identifying land and establishment of ordinary investment parks for industries or more advanced registered as Special Economic Zones (SEZ) and Export Processing Zones (EPZ). **This opportunity is currently being spearheaded by the Regional Administration** in collaboration with all Local Government Authorities in identifying land area for those purposes. However, there is an opportunity for private sector operators to invest on their own or in collaboration with LGAs and/or central government under public-private sector partnership (PPP) arrangements (see section 3.2).

3.1.2 *Agro-processing*

Agro-processing will focus mainly on commodities produced within the region. It will involve adding value and transforming cotton to textiles/apparels; leather to leather goods; processing and packaging of horticulture products; production and packaging of vegetable oil (mainly from cotton seed, sunflower and groundnuts); beef processing and packaging; animal feeds (for cattle, poultry and fish); and, cereals milling and packaging of fortified flour. Fish processing appear to be saturated due to scarcity of fish from Lake Victoria so is not listed among the priority areas, but one should consider commercial fish farming as a promising opportunity (see section 3.3).

3.1.3 Commercial agriculture

In order for agro-processing to thrive, it will be important to invest in production of products such as cotton, horticulture (using for example green-houses and drip irrigation), oilseeds (e.g. sunflower), cattle ranches, poultry, dairy farms, and legumes (e.g. soya beans and chick peas) (see section 3.4).

3.1.4 Natural Resources Beneficiation

Adding value to minerals and timber is an opportunity, which is backed by recent Government directive that none of the country's minerals (e.g. gold, diamond and tanzanite) or tree logs should be exported without processing to semi-finished goods, finished goods or secondary products from the raw materials (see section 3.5).

3.1.5 Service Sector

Include services in hotels and tourism, modern markets and malls, warehouses, banking, real estate development and land surveying and mapping (see section 3.6).

3.1.6 Capacity Building

This includes investments in the education sector (e.g. early learning, primary and secondary education offering alternative quality education to complement government facilities; health sector involving health centres, specialised hospitals and modern laboratory facilities. It also includes establishment of vocational training centres (see section 3.7).

A cross-cutting area is that of "investment enablers", which primarily will have to be done by government. Investment in improved roads, reliable water and energy supply, ICT facilities and security are critical for enabling businesses operate competitively.

3.1.7 Government is Committed to be the Lead Investor in Improving Public Goods

The Government is committed, as indicated in the various sectoral plans at national and LGAs levels to continue with its obligations to invest in the improvement of public goods and services: infrastructural services (electricity, roads, railways, marine ports and airports; social services such as water supply, health services, extension services and research; and putting in place the facilitating policies, laws and institutions (see Figure 3).

The main objective is to attract investors to Mwanza and set up commercial farms, agro-processing facilities, manufacturing of non-agricultural goods, banking, insurance, trading and other types of businesses including real estate development, and other investments.

3.2. Allocation of Dedicated Land for Investors in all the LGAs

3.2.1 Industrial Parks

It is part of national industrial development policy that each LGA must allocate land for the development of industrial parks. The Regional Secretariat for Mwanza has directed that all districts and town councils should identify and allocate land for industries. The LGAs have already identified or allocated land as follows:

Mwanza City Council: Has already identified 24 plots of varying sizes for different uses; the largest being 150 ha for industries in Buhongwa area.

Ilemela Municipal Council: Industrial parks identified at Ihalalo (260 ha) and some 72.768 ha at Nyamhongolo Plot 559, Block A.

Magu DC: About 302 ha at Bundiya (Kahangara Ward) for industries as a special economic zone.

Kwimba DC: Some of the sites set aside for industrial parks are at Sangu village, Mhande ward: 3,750 ha and at Mwashikuga village, Hungumalwa ward: 210ha. Smaller sites with less than five hectares are found at Ngudulugulu, Kakora, Hungumalwa sokoni, Sumve, and Malya.

Misungwi DC: Some 2,400 ha set aside for Industrial park at Nyangomango in Ukiliguru ward.

Sengerema DC: Industrial area at Kishinda 26.8 ha and warehouses at Katungulu.

Buchosa DC: About 57 ha of land for industrial park available at Nyamadoke and Kayenzele.

Overview of Investment Opportunities in Industrial Parks Development

Key features

The region is supposed to comply with national policy for each district to establish industrial parks. According to stakeholder views, the parks could host different types of industrial or service clusters.

1. Agro-processing factories cluster:

- Value Addition of Horticultural Products (Primary Processing: Sorting, Grading, and Packaging) and cold storage;
- Secondary Processing of Horticultural Products: Conversion of Horticultural Products into Other Products such as Oranges to Orange Juice;
- Meat Processing and packaging;
- Grains Milling (mainly maize and rice);
- Cassava flour processing and packaging;
- Cotton ginning factories;
- Oilseed processing (from sunflower and cotton seeds);
- Factory for Packaging Materials for both Primary and Secondary Processing Industries;
- Hatchery machines and hatching of one day old chicks;
- Processing of Milk into Various Dairy Products;

Overview of Investment Opportunities in Industrial Parks Development

	<ul style="list-style-type: none">• Animal Feeds Processing Industry (sunflower and cotton seed cakes); and• Natural Honey processing and packaging. <p>2. Manufacturing industrial cluster:</p> <ul style="list-style-type: none">• Cotton wool into threads and textiles/garments;• Tanneries: conversion of leather to leather products;• Mining: stone quarry and precious minerals;• Saw Mills for timber and furniture fabrication;• Solid Wastes Management, including recycling industry; and• Cement Industry. <p>3. Assembling cluster: Assembly, repackaging, machinery, equipment, and other industrial goods for value addition. E.g., farm machinery and implements, abattoirs equipment, etc;</p> <p>4. Pharmaceuticals: Drugs and medical equipment manufacture in Misungwi and Ilemela among newest investments in the region;</p> <p>5. Forest and timber products: High potential in Buchosa district council to produce chipboards, plywood, fiberboard, furniture, poles. Also potential for beekeeping industry development; and</p> <p>6. Packaging and supply chain management facilities</p>
Key investment rationale	<ul style="list-style-type: none">• Need for a well-designed and participatory planned sustainable development approach where government support to provide public goods such as electricity, communication facilities, water, roads and security are easily provided to investors;• Need of public and private investments in urban planning and urban infrastructure development so as to have well planned towns in line with and laws and regulations;• Mwanza has to take advantage of its strategic geographic position to develop industries that can produce goods at competitive costs for penetrating and accessing the EAC, SADC and Common Market for Eastern and Southern Africa (COMESA) trading blocs through land, water and air ways; and• Strong support by national and regional authorities.

Overview of Investment Opportunities in Industrial Parks Development

Support available

- Mwanza Region has established a dedicated unit for Investment Promotion to work closely with the Tanzania Investment Centre (TIC) Zonal Office based in Mwanza; and
- Government has promised to solve electricity supply in due course.

3.2.2 Social Services Parks and Establishment in all the LGAs

Mwanza City Council: Has already identified an area for a proposed golf field of 46.43 ha in Block G- Luchebele and 25.7 acres of land in Mkuyuni ward for construction of a modern boats landing site.

Kwimba DC: Smaller sites with less than five hectares are found at Ngudulugulu, Kakora, Hungumalwa sokoni, Sumve, and Malya could be useful for real estate development.

Overview of Investment Opportunities in Social Services Parks Development

Key features

1. Social services cluster: Passenger transportation stations; Well-being centres; Learning centres (pre-primary, primary and secondary schools and vacation training centres); and Shopping malls; Modern and Specialized Hospitals;
2. Dry port: A site already identified and land owners compensated to pave way for the construction of a new Dry Port at Fella, Misungwi;
3. Hospitality industry: hotels, restaurants, recreation centres, tourism;
4. Market Centres: Modern markets in all the LGAs; and
5. Commercial Business and Trade Services Centre: Business centre, Financial and Insurance Centre; Trade Centre with an agro-commodity exchange; and Supply Chain Services Centre; Cold Chain Trucks.

Key investment rationale

- Need for a well-designed and participatory planned sustainable development approach where government support to provide public goods such as electricity, communication facilities, water, roads, are security easily provided to investors.

	<ul style="list-style-type: none"> • Need of public and private investments in urban planning and urban infrastructure development so as to have well planned towns in line with and laws and regulations; and • Mwanza has to take advantage of its strategic geographic position to develop industries that can produce goods at competitive costs for penetrating and accessing the EAC, SADC and COMESA trading blocs through land, water and air ways.
Support available	<ul style="list-style-type: none"> • Strong support by national and regional authorities; • Mwanza Region has established a dedicated unit for Investment Promotion to work closely with the (TIC) Zonal Office based in Mwanza; and • Government has promised to solve electricity supply in due course.

3.2.3 Commercial Agricultural Production

Mwanza City Council: Has already identified land at Kishili for a Livestock Auction park of 20 ha. There is also an area of 12.76 ha in Nyakato for a planned livestock slaughter house.

Magu DC: Already greenhouse farming is practiced at Ngongoseke farm (12 ha). Otherwise, there is also land for irrigation development at Sawenga (150 ha), Mwamibanga (800 ha), Chabula (410 ha, near the lake).

Misungwi DC: Land for an irrigation park already identified at Mbalika (1,000 ha) formerly developed with support of Israel Government.

Sengerema DC: Fruit farming investment land about 100 ha or more at Iganga, and Irrigation land of about 600 ha at Isole.

Buchosa DC: About 200 ha at Kalibezo village set aside for commercial farming of fruits.

Overview of the Investment Opportunities in Commercial Agricultural Production

Key features	<ol style="list-style-type: none"> 1. Commercial irrigated farming in Magu (1000 ha), Misungwi (Mbalika, 1,000 ha). Buchosa (200 ha for fruits); 2. Upgrading of livestock auction centres in cattle rich LGAs of Kwimba, Misungwi, Sengerema and Buchosa; 3. Fruit farming in Sengerema at Iganga (100 ha) and Isole (600 ha); 4. Livestock auction market at Kichiri in Mwanza City Council; 5. Livestock slaughter house in Nyakato; and 6. Forest and timber products: high potential in Buchosa district council to produce chipboards, plywood, fiberboard, furniture, poles. Also potential for beekeeping industry development.
Key investment rationale	<ul style="list-style-type: none"> • Need for a well-designed and participatory planned sustainable development approach where government support to provide public goods such as electricity, communication facilities, water, roads, are security easily provided to investors.
Support available	<ul style="list-style-type: none"> • Strong support by national and regional authorities; • Mwanza Region has established a dedicated unit for Investment Promotion to work closely with the TIC Zonal Office based in Mwanza; and • Government has promised to solve electricity supply in due course.



Mwanza Regional Commissioner accompanied by the District Commissioner for Magu on a field tour to inspect cotton farms as part the region's campaign to promote cotton development.

3.3. Agro-based Industries Opportunities

3.3.1 Cotton to Textile Products Industry

The region produces an average of 56,906 tonnes of cotton per year (constituting 47.5 percent of cash crops grown by farmers and provide 26.2 percent of farm earnings in the region). This means supply of cotton can be stimulated by increasing area or production technologies. Leading districts in cotton production are: Kwimba (83.3 percent) and Misungwi (15.96 percent). The region has therefore some potential to produce more cotton for the development of textile industry.

Overview of the Opportunities in Cotton Industry

	<p>Establish new factories and also revive and expand existing factories for all or part of the following value chain in cotton processing:</p> <ul style="list-style-type: none">• Ginning of cotton to separate seeds and get cotton lint;• Cotton lint into threads;• Threads into textile materials; and• Transform textile materials to finished garments.
Preferred Location of Investment	<ul style="list-style-type: none">• Ginneries: Kwimba and Misungwi district councils; and• Textile Mills for apparels and garments: Mwanza city and Ilemela Municipality (for ease of logistics to buy ginned cotton from other districts beyond Mwanza region).
Key investment rationale 	<ul style="list-style-type: none">• Cotton can also be outsourced from neighbouring regions of Geita and Shinyanga;• Currently only one textile factory, Mwanza Textile Mill is operating but no garments are produced; and• Most of the cotton is exported as lint due to limited capacity to transform into textiles and garments.

Overview of the Opportunities in Cotton Industry

Support available

- Government has plans to increase and stabilise power supply;
- Available workforce and supporting labour laws; and
- Department of weights and measures poised to enhance its surveillance to prevent cheating by both farmers and traders.



Hon. John V.K. Mongella, Mwanza Regional Commissioner being briefed on textile manufacturing processes during his tour of Mwanza Textile Mills (MWATEX) located in Ilemela district

3.3.2 Horticultural Products: Primary Value Addition

Buchosa, Magu, Ukerewe and Ilemela: regarded as main suppliers of vegetables and fruits in the region, with surplus exported to other regions such as Dar es Salaam. Buchosa has more than 307.8 ha under horticultural

crops in 2015, which included mangoes and pineapples.

Magu has been using part of the 1,178 hectares for paddy to cultivate horticultural products as a second crop utilizing residual moisture. Ilemela had 40 ha in 2015. Greenhouse farming: is practiced in the outskirts of Ilemela municipality and a 12 ha greenhouse (Ngongoseka Farm) in Magu (products sold in Arusha, Mwanza and Dar).

One of the main impacts of an assured market for horticultural products through value addition (sections 3.3.3 and 3.3.4) will be to stimulate more investment in commercial farming of horticultural products.

Overview of the Opportunities in Horticultural products: Sorting, Grading and Packaging



- Primary value addition by grading and packaging of: vegetables, including tomatoes, onions, green pepper, cucumber, water melons, pineapples, mangoes, avocado, French beans;
- Adding value by drying fruits such as mangoes, pineapples and banana;
- Primary processing for vegetables such as tomatoes; and
- One vegetable sorting and packaging facility already built in the outskirts of Ilemela Municipal Council. Its products are sold to supermarket outlets in Mwanza, Arusha and Dar es Salaam. However, it cannot cope with the supply during peak season.

Preferred locations for investment

- **Buchosa, Magu and Ilemela**: Regarded as main suppliers of vegetables and fruits in the region; and
- **Sengerema and Buchosa**: Also showed interest in developing fruit farming.

Key investment rationale

- Value addition at farm gate level reduces post-harvest loses; increases prices to farmers and provides secondary processors with quality raw materials and at the same time provides consumers of the unprocessed commodities with fresh and healthy consumer goods.

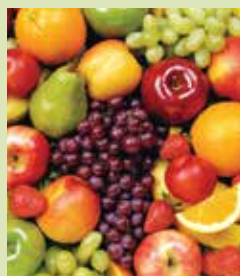
Overview of the Opportunities in Horticultural products: Sorting, Grading and Packaging

Support available

- The districts will promote the establishment of Vocational Training Institutes focusing on skills development for value addition with intention of imparting such skills to farmers;
- Districts have commitments to attract investments in producing packaging materials that will meet the specific requirements of different horticultural products; and
- Policy and political support at national, regional and local level.

3.3.3 Horticultural Products Secondary Processing

Overview of the Opportunities in Processing of Horticultural Products into Juices, Pastes, Powders, etc



- Processing of pineapples, mangoes and water melons into packaged juices of different types (pure and blended juices);
- Processing of tomatoes into packaged pastes and juices;
- Processing of avocado into body health products; and
- Processing of spices such as ginger, garlic, and pepper into dried powder and pastes.

Key investment rationale

- **Minimize post-harvest losses:** The rationale behind this proposal is solely based on the adequate volumes of output with frequent spoilage of horticultural products (see section 3.2.3 above). Processing is seen as a major avenue for reducing post-harvest losses along with provision of employment to the residents, mainly the youths in the districts;
- **Local knowledge and interest:** There is already some interest by inhabitants of the region to cultivate horticultural crops;
- **High value per unit area:** Hence horticultural crops offer a better approach to enhance farm

Overview of the Opportunities in Processing of Horticultural Products into Juices, Pastes, Powders, etc

	<p>income and offer higher profits to investors and at the same time and reduce poverty in the region; and</p> <ul style="list-style-type: none"> • Impact of Assured markets: Will likely stimulate more investment in commercial farming of horticultural products.
<p>Support available</p>	<ul style="list-style-type: none"> • LGAs have shown commitment to provide conducive environment for investment including allocation of land needed for constructing industries where need be; • LGAs are also ready to enter into PPP with potential investors and/or promote Build Operate Transfer (BOT); • Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and • Policy and political support at national, regional and local level.

3.3.4 Oilseeds Processing and Packaging: Oilseeds and Livestock Feeds

Kwimba and Misungwi districts are main suppliers of cotton seeds; sunflower seeds and groundnuts. Kwimba district supplies to the market about 84 percent of the cotton seeds. Mwanza City and Ilemela Municipality are centrally located for logistics of aggregating raw materials from different districts and processing them into edible oil.

Overview of the Opportunities to Invest in Processing of Oilseeds and Animal Feeds from cotton seeds, groundnuts and sunflower



- Processing of cotton seeds into cooking oil for human use;
- Processing of groundnuts into cooking oil for human use;
- Processing of sunflower seeds into cooking oil for human use; and
- Converting of by-products from processed cotton seeds, groundnuts and sunflower seeds into cakes for livestock use (cattle, poultry, pigs).



Overview of the Opportunities to Invest in Processing of Oilseeds and Animal Feeds from cotton seeds, groundnuts and sunflower

<p>Preferred location of investment</p>	<ul style="list-style-type: none"> • Mwanza City and Ilemela Municipality as centrally located centres for logistics of aggregating raw materials from different districts; and • Kwimba and Misungwi as main suppliers of cotton seeds; sunflower seeds and groundnuts.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> • The region is among leaders in cotton (56,906.1 tonnes per year), whose seeds are the main by-products after ginning of seed cotton; • The region also produces significant amounts of groundnuts and sunflower, whose production can be stimulated to increase if the market offers competitive prices of the two commodities; • Market development: At the moment most of the groundnuts and sunflower are utilised at household level and some of it processed by small oilseed milling machines scattered in the villages; • Improved quality of edible oils: Should command better market prices. Formal processing of the oilseeds will result to better quality refined products without harmful residues which cannot be removed using basic technologies applied using simple oil pressing machines; • Local knowledge and interest: Easier for takeoff in increased production because there is already some interest by inhabitants of the region to cultivate the crops with oilseeds; and • Impact of Assured markets: Will likely stimulate more investment in commercial farming of oilseed crops.
<p>Support available</p>	<ul style="list-style-type: none"> • LGAs have shown commitment to provide conducive environment for investment including allocation of land needed for constructing industries where need be; • LGAs are also ready to enter into PPP with potential investors and/or promote Build Operate Transfer (BOT); • Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and • Policy and political support at national, regional and local level.

3.3.5 Modern Abattoirs for Slaughter of Livestock

The region in 2016 had a stock of 1,155,871 indigenous cattle, 523,145 goats, and 138,917 sheep; some of which could be transformed into processed meat. There were as well 19,244 improved dairy cows, 61,677 pigs, 6,985 donkeys and 2,588,438 chickens. Kwimba had the largest share of cattle (34 percent), followed by Misungwi (21 percent), Magu (18 percent) and Sengerema (16 percent). There are only two beef processing factories, Alpha Choice in Magu and Chobbo meat, the most recently built in Misungwi.

There are 9 “abattoirs”, all of them below required standards, in the whole region. Consumers depend on meat from 68 slaughter houses whose conditions require some improvements. Sengerema has an area in Komakona which could be used for cattle fattening for beef processors. The area has a carrying capacity of 200 cattle at a time. These livestock can provide needed material for modern abattoirs (section 3.3.6) and beef processing factories (section 3.3.7).



Overview of the Opportunities in Modern Abattoirs for cattle, sheep, and goats	
	<ul style="list-style-type: none"> • Construction of Modern Slaughter Houses in Ukerewe, Magu, Kwimba, Misungwi, Sengerema and Buchosa; and • Investment in modern butcheries in all urban centres like that serving Mwanza City Council (see photo insert).
	
Preferred Locations	All urban centres except Mwanza City and Ilemela, which already have such facilities.

Overview of the Opportunities in Modern Abattoirs for cattle, sheep, and goats

<p>Key investment rationale</p>	<ul style="list-style-type: none"> • The existing abattoirs are not only small but also inefficient particularly with respect to meeting supply requirements for meat processing and tanneries; and • Ensure skins and hides are properly prepared for supply to the leather industries/tanneries in the region and beyond.
<p>Support available</p>	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; • Good infrastructure which includes roads networks, communication, electricity and markets; and • According to TANESCO's plans, electricity supply shortfalls currently experienced will be solved in the next two years.

3.3.6 Beef Processing

Overview of the Opportunities for Beef Processing

<p>Key Features</p> 	<ul style="list-style-type: none"> • Two functional meet processing factories, one in Magu (Alpha Choice factory) and another newly built at Misungwi (Chobbo Factory); and • There is need to increase the number of beef processing factories. 
<p>Preferred locations</p>	<p><u>Kwimba</u> possessing 40.9 percent of indigenous cattle breeds; <u>Magu</u> with a share of 21.2 percent, <u>Misungwi</u> with a share of 13.6 percent and Sengerema (9.7 percent). Ukerewe and Buchosa DCs have shares of 6.2 and 5.2 percent, respectively.</p>
<p>Key investment rationale</p>	<ul style="list-style-type: none"> • There is only one beef processing factory (Chobbo Beef Factory) located in Misungwi district;

Overview of the Opportunities for Beef Processing


	<ul style="list-style-type: none">• High demand for quality meat in the region by both domestic consumers and tourists;• Mwanza Airport provides an appropriate transport system for beef products to be transported to selling outlets within Tanzania and in the EAC market; and• There is an opportunity to sell some of the cut beef to markets outside East Africa.
Support available	<ul style="list-style-type: none">• Policy and political support at national, regional and local government level;• Good infrastructure which includes roads networks, communication, electricity and markets; and• Completion of TANESCO's backbone transmission infrastructure project power line from Iringa to Shinyanga through Dodoma and Singida will improve power situation.



Inspection of Chobbo Meat Processing factory built by a Tanzanian investor in Misungwi district.

3.3.7 Tanneries: Transform hides and skins to finished leather products

According to 2015 data, the market system managed to get about 170,832 hides and skins from cattle, sheep and goats per year, out of which 26,216 pieces came from outside the formal slaughter system. This was because the number of recorded animals slaughtered per year was 144,616 of which 81,128 were cows, 39,404 goats and 24,084 sheep. The leather that comes out of these remains unprocessed and often sold as raw materials outside of the region. Some of the leather is exported to Kenya as raw hides.

Overview of the Investment Opportunities in Leather Industry	
	<ul style="list-style-type: none"> • About 170,832 pieces of hides and skins were officially recorded to have been sold in 2015, of which cattle hides were 72,932 pieces per year; • The region has medium or large scale leather processing plants; • There is need to build a new leather processing plant that will convert raw leather into wet blue leather, finished leather and leather products (shoes, bags, etc); and • The only large scale leather factory (Mwanza Tanneries) is dysfunctional after it was privatised and the new owner decided to change its uses after removing the machines.
<p>Preferred locations</p>	<ul style="list-style-type: none"> • Any of the LGAs could host small and medium industries by sourcing materials from other districts. Mwanza city could be more suitable for large scale industries due to relative advanced power infrastructure.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> • The region in 2015 had a stock of 1,155,871 indigenous cattle, 523,145 goats, and 138,917 sheep; some of which are slaughtered for beef and provides hides and skins for the leather industry; and

Overview of the Investment Opportunities in Leather Industry

	<ul style="list-style-type: none"> The establishment of leather processing plants is expected to increase demand for properly prepared hides and skins from the modernized slaughter houses.
Support available	<ul style="list-style-type: none"> Political support from national, regional and local government level; Good infrastructure which includes roads networks, communication, electricity and markets; Completion of TANESCO's backbone transmission infrastructure project power line from Iringa to Shinyanga through Dodoma and Singida will improve power situation; and The government intends to exempt VAT on capital goods used in the production of edible oil, textiles, leather, and pharmaceutical (including veterinary) products.

3.3.8 Processing of Milk into Various Dairy Products

Overview of the Investment Opportunities in Dairy Industry

Key features	<ul style="list-style-type: none"> More than 24 million litres of surplus milk were sold into the market in 2015, produced from predominantly indigenous cows, mostly from Sengerema and Magu; Milk from improved dairy cows (about 5.4 million litres in 2015) was mostly produced by residents from Mwanza city, Ilemela and Magu district councils; and There is a need for establishing some small-scale milk processing plants.
Preferred locations	<ul style="list-style-type: none"> Magu, Sengerema and Ilemela are main producers of milk but will need to get extra supplies from other districts.
Key investment rationale	<ul style="list-style-type: none"> Mwanza is producing a lot of milk most of which is unprocessed hence failing to meet demand for various dairy products such as cheese, yoghurt, etc.; In relation to the above dairy farmers would now benefit income wise from processed milk;

Overview of the Investment Opportunities in Dairy Industry

	<ul style="list-style-type: none"> • Dairy industries like all other industries will generate employment to the people of the region; • An assurance of market for surplus milk is likely to stimulate more investments in dairy farming; and • Mwanza Airport provides an appropriate transport system for dairy products to be marketed outside the region.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; and • <i>VAT Special Relief on Project Capital Goods:</i> VAT exemption on insulated milk cooling tanks and aluminium jerry cans used for storage and collection of milk in dairy industry.

3.3.9 Food Milling Industries: maize, paddy, sorghum, millets, cassava and potatoes

Overview of the Investment Opportunities in Grain and Tubers Milling

Key features	<ul style="list-style-type: none"> • Maize: Milling plants to produce mineral/vitamin fortified maize flour and packaging Plants; • Sorghum and millets: Milling plants to produce mineral/vitamin fortified sorghum and millet flour and packaging Plants; • Cassava and potatoes: Milling plants to produce mineral/vitamin cassava and potatoes flour and packaging Plants; • Paddy Milling and Packaging Plants; and • Chick-peas and pigeon peas: Milling plants to produce mineral/vitamin fortified flower from chick peas and pigeon peas and packaging the flour.
Key investment rationale	<ul style="list-style-type: none"> • There is surplus production of maize (31 percent), cassava (29 percent), paddy (14.6 percent), sweet potatoes (11.1 percent); and about 4,443 tonnes of chick-peas and 0.554 tonnes of green peas were marketed in 2015; and • The by-products from maize milling is a major raw material for feeds industries, which is currently in high demand in the region.

Overview of the Investment Opportunities in Grain and Tubers Milling

Location for investment	<ul style="list-style-type: none"> • Maize: Misungwi (32.1%), Buchosa (21%), Kwimba (19.8%) and Sengerema (13.6%); with Kwimba contributing 67.4% of the surplus maize sold in 2015; • Cassava: Sengerema (24.6%), Magu (24.1%), Ukerewe (23%) and Buchosa (20.8%); with Buchosa contributing 38.4% of cassava sales, while Magu contributed 32.6 percent (Sengerema and Kwimba) contributed 24.5% of sales); • Paddy: Magu (43.3%), Sengerema (29.8%) and Ukerewe (22.5%); with Ukerewe contributing the most in surplus sales (58.8%), followed by Magu (31.1%). No record of surplus sales from Sengerema although is second to Magu in production; and • Sorghum: Sengerema (85.9%) and Ukerewe (14.1%).
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; • Good infrastructure which includes roads networks, communication, electricity and markets; and • Completion of TANESCO's backbone transmission infrastructure project power line to improve power situation in Mwanza region.

3.3.10 Animal Feeds Processing Industry

Overview of the Opportunity

Key features	<ul style="list-style-type: none"> • Building of animal feeds processing factory for cattle, pigs, and chicken; and • Construction of animal feeds industry.
Preferred locations	<ul style="list-style-type: none"> • All of the LGAs except Ukerewe could be ideal for setting up animal feeds industries.
Key investment rationale	<ul style="list-style-type: none"> • Mwanza region is one of the main regions with a relative small dairy industry: but given shortage of natural pasture and rising demand for animal feeds, there is need for establishing animal feeds industries. The shortage of animal feeds also affects other livestock like beef cattle, goats, chicken and pigs;

Overview of the Opportunity

	<ul style="list-style-type: none"> • The region produces some if not most of the raw materials for feeds industries: Such raw materials are maize bran, which is the product of maize milling; • Establishment of animal feeds processing industry is expected to promote further production of maize and related products; • The increased supply of animal feeds will increase the productivity of livestock (dairy) and therefore increase supply of milk to dairy industries (value chain); and • Animal feeds industry like all other industries will generate employment to the people of the region.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level for animal feeds.

3.3.11 Packaging Materials and Storage Facilities for Products from Primary and Secondary Processing Industries

Overview of the Investments Opportunities in Packaging and Storage Facilities

Key features	<ul style="list-style-type: none"> • Industries to manufacture packaging materials for horticultural crops, milk, juice, eggs, beef, fruits, honey, cereals and other products; and • Cold Chain Trucks targeting horticultural and fisheries products.
Preferred locations	<ul style="list-style-type: none"> • Mwanza City where there is highest concentration of industries. However, this doesn't pre-empt the feasibility of establishing such factories in other LGAs.
Key investment rationale	<ul style="list-style-type: none"> • High demand of packaging materials by current industries and future industries; • Currently, there is no appropriate packaging industries; • It is the government policy to prevent usage of plastic packing materials and therefore, a need to establish appropriate packaging materials; and • The region is inviting more investments in constructing industries, markets, and shopping malls all of which will require packaging materials.

Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; • Land is available for the building packaging materials industry; and • Good infrastructure which includes roads networks, communication, electricity and markets.
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3.3.12 Solid Waste Management and Utilisation for Biogas Production and Organic Fertiliser

Overview of the Investment Opportunities in Recycling of Urban and Farm Solid Wastes	
Key features	<p>Growing urban centres such as Mwanza City and farm residues as well as by-products from agro-processing all do generate thousands of tonnes of organic matter that could be transformed into:</p> <ul style="list-style-type: none"> • Electricity generation through combustion and steam driven turbines; • Bio-gas generation; and • Charcoal briquettes (from farm waste). <p>A site for waste recycling project identified in Ilemela Municipality.</p>
Preferred locations	<p>Mwanza City produces the highest amount of urban waste while other LGAs generate more farm-waste. This means depending on project feasibility study and the technology for waste processing, all the LGAs are good candidates for this type of investment.</p>
Key investment rationale	<ul style="list-style-type: none"> • Alternative source of energy for domestic and commercial uses; • Initiative to reduce climate change effects; • Increase the life span of landfill; • Reduce greenhouse effects; and • Create jobs opportunity.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level for clean energy.

3.4. Commercial Agriculture

3.4.1 Irrigation Infrastructure and Contract Farming

Overview of the Investment Opportunity in Irrigation Infrastructure Development

Key features	<ul style="list-style-type: none"> Expand area under irrigation from the current irrigated area of 2,884 ha to reach at the potential area of 10,640 ha that is suitable for irrigation.
Preferred locations	<ul style="list-style-type: none"> Government has already shown the way by investing in several schemes with the support of IFAD, AfDB, FAO and Israel government, but may require further investments to improve water use efficiency and introduce better crop husbandry practices as well as double cropping: <ul style="list-style-type: none"> o Kwimba: Mahiga scheme; o Ukerewe: Bugolora and Miyogwezi schemes; o Misungwi: Igongwa and Mbalika (600 ha) schemes; o Magu: Chabula (410 ha near the lake), Sawenga (150 ha), Mwamibanga (800 ha) Chinembo, and Ilungu schemes; and o Sengerema: Isole (600 ha), Sukuma, Katunguru, Kasela schemes; and Bugelela Farm. Private sector investors should target irrigation of high value crops such as tomatoes, green vegetables, cucumber, green pepper, eggplant, pineapples, mangoes, and water melon; and Revive abandoned Mbarika irrigation scheme (1,000 ha) under PPP with Misungwi district council and Ministry of Agriculture, Livestock and Fisheries (originally developed with support of Israel government).
Key investment rationale	<ul style="list-style-type: none"> The Region's agro-processing agenda will succeed if supply of agricultural products as outlined above is increased; and There are untapped irrigation potentials in the said areas; small farmers have not been able to fully utilize the irrigation potentials mostly due to lack of financial and technical capacities.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local government level for local and foreign investment; and The current supply is unlikely to meet demand for processing the said horticultural produce and hence promote investment to increase supply.

3.4.2 Cotton farming

Overview of the Investment Opportunity in Cotton Farming



- Mwanza Textile Mill, the only textile mill remaining active in the region, reported to be operating at 25 percent of its installed capacity of 10 tonnes per day due to inadequate supply of cotton;
- Contract farming with smallholder farmers to raise yield per unit area and also raise the quality of seed cotton produced;
- Invest in commercial large scale production of cotton;
- Introduce improved seeds with long staple cotton to replace the short staple variety of cotton; and
- Both models are possible: where an investor can have a model farm and is supporting smallholder farmers with technical inputs and access to markets.

Ideal Sites for Cotton production

Leading districts in cotton production are: Kwimba (83.3 percent) and Misungwi (15.96 percent).

Key investment rationale

- The region produces an average of 56,906 tonnes of cotton per year (constituting 47.5 percent of cash crops grown by farmers and provide 26.2 percent of farm earnings in the region);
- But this production is below the requirements by Ginneries, which are operating at below capacity due to inadequate seed cotton production;
- Need to supply more in response to anticipated investments in textile mills and demand for local clothes;
- EAC has plans to phase out imported garments hence the need to expand production of cotton to supply the new and revived textile mills;
- Cotton can also be outsourced from neighbouring regions of Geita and Shinyanga; and

- Mwanza Textile Mill cannot produce other products besides khanga, vitenge and bed sheets due to the type of cotton produced. Hence the need to adopt new varieties by investors.

Support available

- Government has plans to increase and stabilise power supply;

Overview of the Investment Opportunity in Cotton Farming

- Available workforce and supporting labour laws; and
- Government poised to enhance its surveillance to ensure farmers get quality seeds and fertilisers.

3.4.3 Oilseeds farming

Overview of the Investment Opportunities in Oilseed Production



- Contract farming with smallholder farmers to raise yield per unit area and also raise the quality of oilseeds from groundnuts and sunflower;
- Invest in commercial large scale production of sunflower and groundnuts; and
- Both models are possible: Where an investor can have a model farm and is supporting smallholder farmers with technical inputs and access to markets.

Preferred locations

- Kwimba and Misungwi are ideal for the cultivation of sunflower seeds and groundnuts.

Key investment rationale


- The region has the potential to **produce more amounts of groundnuts and sunflower**, if the market for these products is assured and stimulated by investments in agro-processing factories;
- **Local knowledge and interest:** easier for take-off in increased production because there is already some interest by inhabitants of the region to cultivate the crops with oilseeds; and
- **Impact of Assured markets:** will likely stimulate more investment in commercial farming of oilseed crops.

Support available

- LGAs have shown commitment to provide conducive environment for acquiring land for large scale farming and/or facilitating contract farming with smallholder farmers;
- Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and
- Policy and political support at national, regional and local level.

3.4.4 Horticulture: vegetables and fruits

Overview of the Production Opportunities in Horticultural Sector

<p>Key features</p> 	<ul style="list-style-type: none"> • Farming of vegetable crops, including tomatoes, onions, green pepper, cucumber, water melons, pineapples, mangoes, avocado, French beans; and • Production essential for raw materials to be the established processing of the commodities.
<p>Preferred locations for investment</p>	<ul style="list-style-type: none"> • Buchosa; • Sengerema; • Magu; and • Ukerewe and Ilemela.
<p>Key investment rationale</p>	<ul style="list-style-type: none"> • Increasing market for vegetables and fruits due to an increasing proportion of enlightened and middle income working class; • Expanding market in neighbouring countries; and • Link with the established processing and packaging plants being established.
<p>Support available</p>	<ul style="list-style-type: none"> • Government to transform some areas of the existing paddy irrigation schemes to cater for horticultural production; • Government has removed taxes on imported equipment for greenhouses and drip irrigation, which is now being encouraged in order to ensure production is throughout the year; • Districts have commitments to attract investments in producing raw materials to feed the established industries as per government motto; and • Policy and political support at national, regional and local level.

3.4.5 Legumes (chicken peas) farming

Overview of the Investment Opportunities for Legumes

Key features	<ul style="list-style-type: none"> • Enter into contract farming with smallholder farmers to raise yield per unit area and also raise the quality of legumes, especially chick peas, pigeon peas and soybeans are highly demanded in the Indian and Chinese markets; and • Invest in commercial large scale production of soya, chick peas and pigeon peas, possibly using the existing paddy farms as a second crop.
Preferred locations	<ul style="list-style-type: none"> • Magu, Kwimba and Misungwi are already engaged in production of legumes for export.
Key investment rationale	<ul style="list-style-type: none"> • There is already confirmed demand for legumes in India and China; and • The current level of production of legumes such as soya, chick peas and pigeon peas is far below the demand in the local and export markets.
Support available	<ul style="list-style-type: none"> • LGAs have shown commitment to provide conducive environment for acquiring land for large scale farming and/or facilitating contract farming with smallholder farmers; • Some LGAs are ready to facilitate joint ventures between potential investors and local private investors; and • Policy and political support at national, regional and local level.

3.4.6 Beef fattening

Overview of the Investment Opportunity in Beef Fattening



- In 2016 the region had a stock of 1,155,871 indigenous cattle, 523,145 goats, and 138,917 sheep; some of which could be transformed into processed meat. This could be the primary source for establishing fattening lots; and
- Sengerema has an area in Komakona which could be used for cattle fattening for beef processors. The area has a carrying capacity of 200 cattle at a time.

Overview of the Investment Opportunity in Beef Fattening

Preferred locations	<p>Source of cattle for fattening could include: Kwimba which has 40.9 percent of indigenous cattle breeds; Magu with a share of 21.2 percent, Misungwi with a share of 13.6 percent and Sengerema (9.7 percent). Ukerewe and Buchosa DCs have shares of 6.2 and 5.2 percent, respectively.</p>
Key investment rationale	<ul style="list-style-type: none"> • The two beef processing factories (Chobbo in Misungwi and Alpha in Magu) have to get quality beef cattle from other districts due to absence of high quality cows for slaughter; • High demand for quality meat in the region by both domestic consumers and tourists; • Meat industries like all other industries will generate employment to the people of the region; and • Railway system and lake vessels provide appropriate transport systems for fattened animals to be transported alive to customers within Tanzania and in the EAC market.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; and • Good infrastructure which includes roads networks, communication, and markets.

3.4.7 Aquaculture, Hatcheries and Fish Feeds

Overview of the Opportunity: Fisheries sector-farming, aquaculture and feeds


Key features	<ul style="list-style-type: none"> • Installation of fish cages in suitable sites along Lake Victoria; • Development of fish ponds; • Hatcheries for the production of fingerlings to farmers using fish cages and fish ponds; and • Manufacture of fish feeds and supply to fish farmers.
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Overview of the Opportunity: Fisheries sector-farming, aquaculture and feeds

Preferred Investment areas	<ul style="list-style-type: none"> • Ukerewe - Produced 4.775 million tons of fish in 2015. Some suitable sites include Ihabo village; • Buchosa - In 2015 it recorded fish production of 2.157 million tons; • Sengerema - In 2015 it recorded fish production of 1.28 million tons; and • Ilemela (both a producer and a collection point of fish from other districts, totalling 28.558 million tons).
Key investment rationale	<ul style="list-style-type: none"> • Dwindling fish stocks from Lake Victoria require alternative options to increase fish supply into the market; and • Fish farming at household could easily increase household level income as well as improved nutrition.
Support available	<ul style="list-style-type: none"> • Already some institutions like Economic and Social Research Foundation are providing training in aqua culture; • Support by National Fish Policy 2015; Government has strongly supported investment in aquaculture training, with degree programmes at Sokoine University of Agriculture and the University of Dar es Salaam, and skills training at Mbegani Fisheries Development Centre and FETA; and • Tanzania will be one of the beneficiaries (along with Uganda and Kenya) of a major EU funded project Support to Promoting Aquaculture in the East Africa Community, planned for launch in 2017, with funding up to EUR10 million.

3.4.8 Poultry farming

Overview of the Investment Opportunities in Poultry Farming

Key features	<ul style="list-style-type: none"> • Establishment of chick hatcheries for supply to poultry farms; • Establishment of poultry farms; and • Supply of incubators and brooding machines. 	
Preferred location	<ul style="list-style-type: none"> • Although at the moment Ilemela is leading in the production of poultry, other LGAs such as Misungwi, Magu and Sengerema have pre-requisite conditions for poultry farming. 	

Overview of the Investment Opportunities in Poultry Farming

Key investment rationale	<ul style="list-style-type: none"> • The climate of Mwanza region in all the districts is ideal for raising chicken for meat and eggs; • Chicken feeds made from by-products in processing of fish, oilseeds, maize and paddy, are easily obtained from within the region; • Increasing urban population in Mwanza region, Tanzania and the EAC region offers a ready market for poultry meat and eggs; and • Increasing purchasing power of the population also means more people able to purchase chicken meat, which is usually more expensive compared to beef.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; and • As per 2017/2018 agriculture budget, livestock keepers will be able to enjoy the exemption of VAT on locally produced animal feeds. This is an effort to encourage livestock production and promote the production of fertilized eggs used for incubation. The ultimate intention is to reduce costs to the incubation process and promote the growth of the poultry sector.

3.4.9 Support Services for Increasing the Stock of Improved Stock of Beef and Dairy Cattle

Overview of the Investments Opportunities in AI for Improved Cattle Stock

Key features	<ul style="list-style-type: none"> • Artificial insemination (AI) Centres in collaboration with LGAs (under PPP model); • Mobile Veterinary Services (MVS) for outreach to pastoralists; • Production and supply of heifers to farmers; and • Establishment of a dairy farm.
Key investment rationale	<ul style="list-style-type: none"> • Is one of the intervention for poverty reduction in rural area; • It is a better breeding practice plus better genetic approach of cross breeding; and • High productivity in terms of milk and hence potential for milk processing industries.

Overview of the Investments Opportunities in AI for Improved Cattle Stock

Support available

- Livestock policy and development programmes support expansion of dairy farming.

3.5. Natural Resources Beneficiation: Minerals and Timber

3.5.1 Quarrying for Stone products

Overview of Investments Opportunities in Mining and Polishing of Minerals

Key features

- Stone crushers to produce aggregates for building of roads, bridges and houses;
- Making of polished stones in different formats such as floor and wall tiles for houses; and
- Bulk transportation Lorries for distribution of stone products to consumers.

Preferred Investment areas

- Misungwi (e.g. Busongo, Buhunda, Lubili and Mwamazengo); Ilemela and Magu (e.g. at Kisesa).

Key investment rationale

- The region's landmark are STONES, which are scattered all over in hills and valleys; and
- The stone blocks are easily accessible and hence investors don't have to incur huge transportation costs.

Support available

- Political support from national, regional and local government level;
- Relatively fair supporting infrastructural services in terms of roads networks (though not tarmac), and communication; and
- Electricity supply in rural areas will also be solved soon.

3.5.2 Precious Minerals

Overview of the Investments Opportunities in Mining and Polishing of Minerals	
Key features	<ul style="list-style-type: none">• Buying mineral exploration rights in licensed blocks whose owners don't have capital to research and develop them;• Gold reserves already confirmed in Misungwi district;• Diamond reserves confirmed available at Mabuki Farm in Misungwi;• Mineral extraction operations and packaging for domestic and export market; and• Polishing and manufacturing of items from extracted minerals.
Preferred areas	<ul style="list-style-type: none">• Misungwi (e.g. diamond at Mabuki area).
Key investment rationale	<ul style="list-style-type: none">• Most of these identified minerals are in licensed blocks but are yet to be extracted; and• The mineral blocks are easily accessible and hence investors don't have to incur huge transportation costs.
Support available	<ul style="list-style-type: none">• Political support from national, regional and local government level;• Relatively fair supporting infrastructural services in terms of roads networks (though not tarmac), and communication; and• Electricity supply in rural areas will also be solved soon.

3.5.3 Cement Industry

Overview of the Investments Opportunities in Cement Manufacturing	
Key features	<ul style="list-style-type: none">• Construction of Cement Industry. Gypsum as a raw material is available in Misungwi district; and• There is also limestone in nearby Shinyanga region.
Preferred Investment areas	<ul style="list-style-type: none">• Magu (e.g. at Kisesa) and Misungwi (e.g. lime available from Sheraro).

Overview of the Investments Opportunities in Cement Manufacturing

Key investment rationale	<ul style="list-style-type: none"> Raw materials required for cement production are available such as gypsum in Misungwi district and nearby Shinyanga region; Some minerals like gypsum and lime stones are in high demand in the local and regional industries; and Cement production will reduce consumer prices and promotes construction of modern houses.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local government level; and Good infrastructure which includes roads networks, communication, electricity and markets.

3.5.4 Saw Mills and Furniture

Overview of the Investments Opportunities in Timber Products

Key features	<ul style="list-style-type: none"> Establishment of Modern Saw Mills; and Establishment of Furniture Factory.
Preferred areas	<ul style="list-style-type: none"> Buchosa and Sengerema (source from e.g. Buhindi plantation) and in Ukerewe timber from Rubya plantation.
Key investment rationale	<ul style="list-style-type: none"> Buchosa is a rich source of man-made forests as a source of timber; There is plenty timber products in Buchosa district which is marketed without adding any value; It is one way of generating employment for youth; and Sawdust can be used for charcoal making.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local government level; and Increase of excise duty on imported furniture (2017/18 Budget Speech).

3.6. Service Sector: Land Use Services, Hotels, Recreational Facilities and Transport Logistics

3.6.1 Land Use Plans and Real Estate Development

Most of the land in the region is not surveyed and without title deeds. It also lacks land use plans except in limited parts of urban areas. The government formalised outsourcing of such services from private companies who can provide the much needed skilled manpower and modern equipment for land surveying i.e. Geographical Positioning System (GPS) and geo-system or program used for drawing maps.

Overview of the Investment Opportunities in Surveying and Land Titling and Real estate Development



- Surveys to demarcate and prepare maps for different uses: commercial and business usage, farms;
- Preparation of title deeds of the surveyed land; and
- Real Estate development

Preferred locations

- All the LGAs are in need of this service; and
- However, Mwanza City has an urgent need and the population can relatively afford to pay for private sector services.

Key investment rationale

- Producers in need of warehouses to mitigate negative effects of seasonal price fluctuations; and
- Need for more professional storage.

Support available

- Agricultural Marketing policy and laws; and
- Commodity Warehousing Legislation.

3.6.2 Warehousing for Commodities and Industrial Inputs:

Leading surplus crops that are marketed and generate income for the people of Mwanza region are maize, which in 2014/15 contributed 37.7

percent of earned income, followed by cotton (26.2 percent), cassava (20 percent), paddy /rice (11.6 percent) and chicken peas (4 percent).

Overview of the Investments Opportunities in the Warehouses

	<ul style="list-style-type: none"> • New warehouses for storage of agricultural commodities; • Cold storage facilities; • Managing of warehouses for storage of agricultural commodities, especially those under the Warehouse Receipt System; and • Renovation of old warehouses owned by Cooperatives and Government.
Preferred locations	<ul style="list-style-type: none"> • There is shortage of such facilities in all LGAs.
Key investment rationale	<ul style="list-style-type: none"> • Producers in need for warehouses to mitigate negative effects of seasonal price fluctuations; and • Need for more professional storage.
Support available	<ul style="list-style-type: none"> • Agricultural Marketing policy and laws; and • Commodity Warehousing Legislation.

3.6.3 Tourist Hotels and Camp Sites

Overview of the Investments Opportunities in the Services Sector

Key features	<ul style="list-style-type: none"> • Building tourist hotels along the lake shores and at game reserves; • Camp site and Hotels: Makoroboi Hill city park and museum (4.7 ha); and • Building tourist hotels along the lake shores.
Key investment rationale	<ul style="list-style-type: none"> • Some districts with Tourist attractions lack good Tourist hotels, forcing tourists to travel fairly long distances from the attractions; and • In view of the above, district residences miss the opportunities to earn incomes from tourism.
Preferred locations	<ul style="list-style-type: none"> • Mwanza City: Uchele plot 341/F (1.8 ha); and • Ilemela Municipality: most recently built: Eden Palace Hotel.

	<ul style="list-style-type: none"> • Magu (e.g. hotels at Nyanguge beach; historical sites at Kayenze and Buyora; tourism natural sites at Kitongo, Ijinga and Shoga islands; Cultural and sports complex at Kageye and Chagula)
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local government level; • Land will be made available for Hotels, camping sites and Air Strips; in some of these investments PPP arrangements are envisaged. And some of these will be through joint venture between private citizens and potential investors but to be facilitated by district councils. NOTE: Currently, local governments are allowed by law to undertake some investments in their areas with or without PPP; and • Good infrastructure which includes roads networks, communication, electricity and markets.

3.6.4 Sports Stadium and Recreation Centres

Overview of the Investments Opportunities in Sports and Recreational Facilities	
Key features	<ul style="list-style-type: none"> • Construction of International Sports Stadium: Nyamagana - 1.17 ha; • Golf course: Block G-Luchebele plot 66: - surveyed 46.43 ha; • Construction of Modern Recreational Facilities, Cultural Centre and Museum; and • Investment in recreational and entertainment facilities specifically in cultural, sports, eco-tourism, and development of tourism facilities: e.g. Tampere Park (Nyamagana-unsurveyed, 3.20 ha).
Preferred locations	<ul style="list-style-type: none"> • As shown above with land already identified for the purpose.
Key investment rationale	<ul style="list-style-type: none"> • Population increase and in need of recreational facilities; and • Purchasing power increase and therefore can afford to pay entry fees for entertainment.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local level with respect to the importance of sports, as well as cultural and recreation centres.

3.6.5 Bus Stations and Vehicle Parking

Overview of the Investments Opportunities in Urban Transport Systems and Allied Services	
Key features	<ul style="list-style-type: none"> • Construction of Modern Bus Stands and Parking Lots for trucks in towns and trading centres to facilitate passenger transportation.
Preferred locations	<ul style="list-style-type: none"> • Construction of Parking Area for Heavy Duty Trucks at Buhongwa (Plot no.11A, Size 9.30 ha), Igoma (Plot 95B-Size 2.2 ha), City Centre (plot 247U, size 0.67 ha) and Kishiri (10 ha).
Key investment rationale	<ul style="list-style-type: none"> • Mwanza City and Ilemela Municipality are expanding very fast and are attracting more business transactions and trade with the rest of Tanzania. Hundreds of trucks come in and out of the two areas. It is therefore important to invest in, among others, bus station and vehicle parking areas of international standards; and • Economic activities are already increasing, as evidenced by increasing GDP and GDP per capita.
Support available	<ul style="list-style-type: none"> • Political support from national, regional and local level; and • The Municipal Council has allocated land for the construction of the International Terminal Bus station.

3.6.6 Modern Markets, Shopping Malls and Conference Facilities in Mwanza City and Ilemela Municipality

Overview of the Investments Opportunities in Marketing and Shopping Facilities	
Key features	<ul style="list-style-type: none"> • Shopping malls and offices; • Conference Halls: Sites identified in Mwanza City at Block L plots 85&88, size 1.02 ha; Uhuru Road-Plots 84L and 87L; Luchebele plot 341/F (1.80 ha, but pending compensation) and Mkuyuni Community Centre (0.90 ha); • Markets for agricultural food products in each of the LGAs; and • Markets for livestock: Kishiri area (20 ha)-drawings ready but yet to be surveyed.
Preferred locations	<ul style="list-style-type: none"> • In all LGAs starting with those which have already identified land for such investments (see above).

Overview of the Investments Opportunities in Marketing and Shopping Facilities

Key investment rationale	<ul style="list-style-type: none"> Existing markets are inadequate: To decongest the current ones whose capacity is overwhelmed by increased population; Shopping malls will generate employment to the people of the region; Value added agro- products from investments on horticultural both for domestic, regional and international markets; and Increased domestic and foreign revenue.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local level; Land is available for Shopping malls construction (e.g. Nyamholongo- 5 hectares pending compensation to land owners); and Good infrastructure which includes roads networks, communication, electricity and markets.

3.6.7 Sports Stadia and Recreation Centres

Overview of the Investments Opportunities in Sports and Recreational Facilities

Key features	<ul style="list-style-type: none"> Construction of International Sports Stadium: Nyamagana- 1.17 ha; Golf course: Block G-Luchelele plot 66: - surveyed 46.43 ha; Construction of Modern Recreational Facilities, Cultural Centre and Museum; and Investment in recreational and entertainment facilities specifically in cultural, sports, eco-tourism, and development of tourism facilities: e.g. Tampere Park (Nyamagana- unsurveyed, 3.20 ha).
Preferred Investment areas	<ul style="list-style-type: none"> Nyamagana: modernization of existing facility on 1.17 ha area; golf course development of 46.43 ha; and Magu: sports complex at Kageye.
Key investment rationale	<ul style="list-style-type: none"> Population increasing and in need of recreational facilities; and Purchasing power increased so can afford to pay entry fees for entertainment.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local level with respect to the importance of sports, as well as cultural and recreation centres.

3.6.8 Bus Stations and Vehicle Parking

Overview of the Investments Opportunities in Urban Transport Systems and Allied Services	
Key features	<ul style="list-style-type: none"> • Construction of Modern Bus Stands in almost all towns of the region; and • Construction of Parking Area for Heavy Duty Trucks.
Preferred Investment areas	<ul style="list-style-type: none"> • Mwanza City: at Buhongwa (Plot no.11A, Size 9.30 ha), Igoma (Plot 95B- Size 2.2 ha), City Centre (plot 247U, size 0.67 ha) and Kishiri (10 ha); and • Ilemela.
Key investment rationale	<ul style="list-style-type: none"> • Mwanza City and Ilemela Municipality are expanding very fast and are attracting more business transactions and trade with the rest of Tanzania. Hundreds of trucks come in and out of the two areas. It is therefore important to invest in, among others, bus station and vehicle parking areas of international standards; and • Economic activities are already increasing, as evidenced by increasing GDP and GDP per capita.
Support available	<ul style="list-style-type: none"> • Political support from national, regional and local level; and • The Municipal Council has allocated land for the construction of the International Terminal Bus station.

3.6.9 Modern Markets, Shopping Malls and Conference Facilities

Overview of the Investments Opportunities in Marketing and Shopping Facilities	
Key features	<ul style="list-style-type: none"> • Shopping malls and offices; • Conference Halls; • Markets for agricultural food products in each of the LGAs; and • Markets for livestock;
Preferred Investment areas	<p>Mwanza City: Sites identified in Mwanza City at Block L plots 85&88, size 1.02 ha; Uhuru Road-Plots 84L and 87L; Luchebele plot 341/F (1.80 ha, but pending compensation) and Mkuyuni Community Centre (0.90 ha); and Kishiri area (20 ha)-drawings ready but yet to be surveyed; and Ilemela Municipality.</p>
Key investment rationale	<ul style="list-style-type: none"> • Existing markets are inadequate: to decongest the current ones whose capacity is overwhelmed by increased population.

Overview of the Investments Opportunities in Marketing and Shopping Facilities

	<ul style="list-style-type: none"> • Shopping malls will generate employment to the people of the region; • Value added agro- products from investments on horticultural both for domestic, regional and international markets; and • Increased domestic and foreign revenue.
Support available	<ul style="list-style-type: none"> • Policy and political support at national, regional and local level; • Land is available for Shopping malls construction (e.g. Nyamholongo - 5 ha pending compensation to land owners); and • Good infrastructure which includes roads networks, communication, electricity and markets.

3.7. Capacity Development

3.7.1 Primary and Secondary Schools

Overview of the Opportunities in Primary and Secondary Schools

Key features	<p>Construction of school buildings for:</p> <ul style="list-style-type: none"> • Science-based Secondary and High Schools; and • English medium primary schools.
Preferred Investment areas	<ul style="list-style-type: none"> • Ukerewe; • Buchosa; and • Kwimba.
Key investment rationale	<ul style="list-style-type: none"> • Human resources is central element in agricultural and industrial development; • Lack of adequately trained workforce may impede attraction of investments in Mwanza Region; • Quality education at primary and high school level is a potential investment area; and • There are investment opportunities in investing in privately owned primary and secondary schools.
Support available	<ul style="list-style-type: none"> • Existing support for improvements of the education sector in the country; and • Increased awareness among people on the importance of educating their children.

3.7.2 Vocational Training Centres

Overview of the Investment Opportunities in Vocational Training Centres

Key features	Offer training in vocational skills needed in running factories, farms and other investments.
Preferred Areas	<ul style="list-style-type: none"> All LGAs indicated the need for vocational training centres.
Key investment rationale	<ul style="list-style-type: none"> Demand for skills development is high, particularly in the areas of primary value addition of horticultural and honey products; In relation to the point above, all districts in Mwanza region produce huge amounts of horticultural products but with hardly any skills for value addition; There is also high demand for well graded and well packed fresh vegetables and fresh fruits; and There is also a high demand by secondary processors for quality and graded horticultural products.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local government level.

3.7.3 Health Centres

Overview of the Opportunities in Health Care Facilities

Key features	<ul style="list-style-type: none"> Investment in Health Centres in the region.
Key investment rationale	<ul style="list-style-type: none"> Mwanza as a region has an increasing population that requires medical care; The pace of public investments in expanding health facilities is slower compared to the increasing human population; and Huge demand for health services especially in the newly created districts.
Support available	<ul style="list-style-type: none"> Policy and political support at national, regional and local government level.

3.8. Investments with National Scope

3.8.1 Railway Transportation Sector

Mwanza region is served by the central line railway system that connects Mwanza with Tabora, Kigoma and Dar es Salaam and is currently used to ferry mostly agricultural products, agricultural inputs (mostly fertilisers) and industrial goods to and from other regions. The system has been earmarked for major overhaul and will be replaced with standard gauge railway (SGR) before 2020.

Overview of the Investments Opportunities in the Railway Modernisation

Key Features



- Building of Standard Gauge Railway (SGR) from Morogoro to Mwanza;
- Although this is a national project, it will have some opportunities for work in the segment coming to Mwanza; and
- Provision of services to contractors engaged to build the SGR.

Key investment rationale

- Need to offer competition to existing vessels.
- Existing vessels plying between Ukerewe and Mwanza too slow; and
- Demand for commodities produced in Mwanza to be supplied in other towns in Tanzania and the EAC region.

Support available

- Marine transport policy and laws protect air transport business;
- Patrol boats in place; and
- New radar system to ensure the lake is secure and safe.

3.8.2 Marine Transport

Although marine transportation can be considered to have improved in Mwanza region compared to previous years, there is still demand for more vessels to take cargo and passengers to Kagera, Geita and Mara regions as

well as lake ports in Kenya and Uganda. Currently there is one company (Songoro Marine) specializing in vessel manufacturing.

Overview of the Investments Opportunities in the Marine transportation

Key features	<ul style="list-style-type: none"> Water transportation of passengers and goods is an expanding opportunity to increasing population and improving economic conditions of the people in Mwanza region and around Lake Victoria; Introduce more scheduled vessels between Mwanza and major cities and towns in East Africa; Introduce water sport boats; and Introduce tourist cruise ferries/ships.
Key investment rationale	<ul style="list-style-type: none"> Need to offer competition to existing vessels; Existing vessels plying between Ukerewe and Mwanza too slow; and Demand for commodities produced in Mwanza to be supplied in other towns in Tanzania and the EAC region.
Support available	<ul style="list-style-type: none"> Marine transport policy and laws protect air transport business; Patrol boats in place; and New radar system to ensure the lake is secure and safe.



H.E. Samia Suluhu Hassan, Vice President of the United Republic of Tanzania alighting from MV Nyeuhunge II at Nansio port to start an official tour in Ukerewe district.

3.8.3 Finance and banking Services

Although there are more than 25 financial institutions that provide financial services in Mwanza region, which is an indication of high demand for financial services, none of them provide long term development finance suitable for industrial investments.

Overview of the Investments Opportunities in the Banking Sector

Key features



- In need of new banks or improvements in existing banks:
- Banking facilities in support of agricultural and livestock production;
 - Banking facilities to support agro-processing;
 - Banking facilities to support manufacturing based on region's natural resource; and
 - Trade financing facilities.

Key investment rationale

- Only one bank (TADB) for the whole country dedicated to the agricultural sector;
- Only one bank (TIB) offer long term development financing; and
- Most of the banks offer commercial loans that are not suitable for agricultural business due to its seasonality nature.

Support available

- Licensing of financial institutions is done by the Bank of Tanzania;
- Finance and banking policies provide attractive conditions for the banking sector;
- Monetary and fiscal policies have led to macro-economic stability with controlled inflation rates; and
- Security to businesses and banks throughout the region.

INVESTMENT PROCESSES, FACILITATION AND INCENTIVES

The summary is related to facilitation, processes, requirements, and incentives for investment in Mwanza Region. It should be noted that most of policies and laws, unless specified, are applicable nationally for the specific sector. LGAs, through the blessings of the City, Town or District Full Council, are mandated to enact by-laws, which must also be endorsed by the Minister responsible for that sector, although most of the time the Minister responsible for Regional Administration and Local Government (RALG) is responsible for gazetting such by-laws and notices.

4.1 Facilitation

The Mwanza and Central Government have continuously been collaborating to improve favourable conditions to entice and facilitate investments in the region in general and the specific districts in particular. For example, all the LGAs have created a special unit or secretariat, answerable to the Regional Commissioner's Office (for the Regional Secretariat) and the District Commissioner, which is dedicated to promoting and coordinating investments. Members to the Investments Coordination Unit include officials responsible for trade and licensing, lands, water, energy, taxation, roads and environment. There are several key investment policies, laws, and strategies, some of which recently revised in response to stakeholder comments. There are also plans and programs that are promoting investment in the LGAs as presented below.

4.1.1 Key laws

The major laws and regulations that guide investment promotion and activities in Mwanza region, just like the rest of the country: Tanzania

Investment Act (1997), Tanzania Revenue Authority Act 2006, 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 sectoral acts and by-laws enacted to apply to LGAs of Mwanza region.

4.1.2 Main institutions dealing with investing in Mwanza

The main institutions dealing with investment issues in Mwanza Region and Tanzania at large are: Tanzania Investment Centre (Email: information@tic.co.tz), Business Registration and Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Tanzania Electric Supply Limited (TANESCO), Tanzania Bureau of Standards (TBS), Ministry of Industry, Trade, and Investments (MITI), Tanzania Food and Drugs Agency (TFDA), Water Supply Companies in respective districts, Land Office in each of the LGA, Ministry of Water and Irrigation (MoWI), and Ministry of Agriculture, Ministry of Livestock and Fisheries (MALF).

For investors in the telecommunications sector they will have to deal with Tanzania Communications Regulatory Authority (TCRA), in the transport sector such as air and marine vessels, the licensing is done through the Surface and Marine Transport Regulatory Authority (SUMATRA) and in air transport is the Tanzania Aviation Authority (TAA). Investors in water and energy supply will have to deal with the Energy and Water Regulatory Authority (EWURA).

The regional secretariat has established a dedicated unit to coordinate investments and work closely with TIC regional office.

4.1.3 Strategies, Plans, and Programs

The key strategies, plans and programs are: annual Regional Plans and Annual Reports (e.g. *Taarifa ya Maendeleo ya Sekta ya Kilimo*

mwaka 2016/2017, Taarifa ya Maendeleo ya Sekta ya Mifugo Mwaka 2016/2017, etc), PO-PRALG Reports, District Development Plans, Five Year Development Plan (FYDP II), Agricultural Sector Development Strategy and Program 2017-2022 (ASDP II), Livestock Sector Development Program 2011, Ministry of Industry Trade and Investment's Reports, and Integrated Industrial Development Strategy (IIDS 2025), National Rice Development Strategy, Tanzania Agriculture and Food Security Investment Plan, and Agricultural Growth Corridor in Tanzania.

With the above policy, regulatory framework, and strategies and plans, the investment climate in Mwanza Region is supported by sound frameworks that offer an appropriate environment that encourages investments in all the districts of the region.

4.2 Processes and Requirements

At the time of preparing this report in 2017, the main processes that need to be undertaken by prospective investors in Mwanza Region are listed below. The requirements are subject to further improvements as the government receives recommendations from stakeholders.

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 whose minimum capital investment is not less than US\$ 300,000 if foreign owned and US\$ 100,000 if locally owned. The centre shall assist all investors to obtain permits, authorization etc., required by other laws to set up and operate investment in Tanzania.

However, most of the groundwork for getting the necessary papers, such as company registration, tax certificates, and land title deeds, which are presented to TIC for recognition as an investor eligible for the country's incentive schemes, are undertaken individually by the investor.

The contacts for TIC Office in Mwanza city are: The Zonal Manager, P.O. Box 638, Kenyatta Road, Mwanza. Tel: +255 (28) 2540871/2; Fax: +255(28)2540884; Email: lakezone@tic.co.tz

The contacts for TIC Headquarters are: Executive Director, Tanzania Investment Centre, Plot no; 9A&B, Shabaan Robert Street, P.O Box No 938, Dar-Es-Salaam, Tanzania, Tel: 255 22 2113365/116328-32 Fax: 255 22 2118253, Email: tic@cats-net.com

Registration

The registration of an investment can be undertaken at the local BRELA and district, regional or national 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 Inquiry 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).

Taxes

The taxes involved in investment projects in Mwanza Region are: (i) Corporate tax (30% for both resident and non-residents); (ii) Withholding tax (for dividend payments, pension, insurance premium, royalties, transport and disposal of assets); (iii) Income tax rates for individuals (the marginal rate ranges from 18.5% to 30%); (iv) Income

tax rate for non-resident individuals (a flat rate of 20% applies); (v) Taxable value of employment benefits (generally all benefits are taxable); (vi) Capital gains tax (the gain/loss upon sale realization is included in business income; (vii) Taxed at the general rate); (viii) Skills and development levy (6% of the gross emoluments paid to employees); (ix) Regulatory Agency's levies depending on service/product line; and (x) District Authority's levies which vary depending on the operations and produced products and services.

Value Added Tax (VAT): VAT is consumption tax charged at a single rate of 18%. Registration is compulsory for any business, which has a turnover of more than TZS 100mil per annum. Applicants for VAT registration should complete form Number VAT 101. A taxpayer is required to submit a monthly VAT return along with the payments to the nearest regional VAT office by the last working day of the month following the month of business.

Capital goods and deemed capital goods for investment do not attract VAT up front as the VAT is deferred to allow investor relief of tax up front. VAT deferment on any capital goods is open to all VAT registered and non-registered traders.

VAT refunds are made either within 30 days or 6 months from the due date depending on the type of taxpayer. Regular repayment traders like exporters can claim their refunds within 30 days while other traders can get their refunds after six (6) months. There are various goods and services that are either zero rated, such as exports or VAT exemption, such as health supplies and tourists services. The TRA offices (in with plans to have a desk within the TIC offices) will provide the list of goods and services falling under these categories as well as those with special relief.

Personal Income Taxes: An individual who is resident in and has a permanent home in Tanzania is subject to income tax on his worldwide

income. Non-residents are normally subject to income tax on income accrued in or derived in the Tanzania at a rate of 15% of the gross amount payable. A person is normally regarded as resident if he has a permanent home in Tanzania or was present in Tanzania during the year of income for 183 days or more. A person will also be regarded as resident if he was present in that year of income and in each of the two preceding years of income for periods averaging more than 122 days in each such year of income.

A variety of employee benefits are taxable. These include housing, vehicles and interest-free loans provided by the employer. The contribution to the National social Security fund (NSSF) is 20% of the employee's gross pay with both the employer and the employee sharing the burden (10% each). This contribution is tax-deductible for both.

The skills and development levy is payable by any employer who employs four or more persons; the rate is 6% of the gross wage. In addition, the levy is tax-deductible. Furthermore, employment in agriculture is exempt from the levy.

The Mwanza Region and Central Government are in the process of streamlining these taxes to improve the tax structure, make them more transparent, and less complicated.

Other taxes related information may be obtained from local or national Tanzania Revenue Authority offices just opposite the Mwanza Regional Administration Building. Street: Regional Drive, Telephone: +255 282 501 052 Fax: +255 282 500876.

Additionally: But one can get in touch with TRA Headquarters using the following toll free telephone number 0800 750 075 and more information from their website: www.tra.go.tz *While in Dar es salaam, one can visit 28 Edward Sokoine Drive, 11105 Mchafukoge, Ilala*

CSR, or send a written note to: TRA, P.O. Box 11491, Dar es salaam, Tanzania.

4.3 Incentives

The Tanzania Investment Act (TIA, 1997), transferred all the tax incentives to Income Tax, 2004, East African Community Customs Management Act, 2004, Value Added Tax Act, 1997 as revised in 2006.

The investors who are in lead and priority sectors, they are allowed Import Duty and VAT exemptions on their Capital/ Deemed Capital Goods; these sectors are; agriculture including livestock, Air Aviation, Commercial buildings, Commercial, development and microfinance Banks, export oriented projects, Geographical Special development areas Human resources development, manufacturing, Natural Resources including fisheries, timber and beekeeping, rehabilitation and expansion, tourism and tour operations, Radio and television broadcasting, Transportation (Cargo and marine) and Economic Infrastructure. These include:

Import Duty and VAT exemption on Deemed Capital Goods.

These include; building materials, utility vehicles, equipment etc. According to the 2013/14 budgetary changes the import Duty exemption granted to Deemed Capital Goods is now 75% whereby the investor shall pay 25% of import Duty due. While VAT Exemption on Deemed Capital Goods is 45% of VAT payable, where by the investor shall pay 55% of the VAT payable.

Import duty (0%) on imported 4WDs vehicles designed and built for tourist purposes, subject to satisfying criteria set by East African Community Secretariat.

Import duty (0%) on hotel equipment, which were engraved, printed, or marked with hotel logo imported by licensed hotel for its use

VAT Special Relief on Project Capital Goods (i.e. Capital Goods by Generic Description). These include: plant, machinery, forklifts, crane, boilers, furnace, crushers, graders, caterpillars, excavators, bulldozers, angle dozers, lifts/ escalators etc. VAT exemption on pesticides, fertilizers, health supplies, livestock, unprocessed agricultural products, agricultural implements, books and newspapers, educational services, financial services, petroleum products, aircrafts, aircrafts engines, aircrafts parts, computers, wind generators and liquid elevators, photovoltaic and solar thermal. Heat insulated milk cooling tanks and aluminium jerry cans used for storage and collection of milk in dairy industry. Farm services of land preparation, cultivation, planting and harvesting.

Import Duty Drawback: Import duty charged on imported inputs used for producing goods for export and goods sold to foreign institutions like the United Nations in Tanzania is refundable.

Manufacturing Under bond: All factories registered to manufacture goods under bond for export purpose are exempted from import duty and other taxes on inputs used to manufacture such goods.

Economic infrastructure: Road, railways, air and sea transport, port facilities, telecommunication, banking & insurance.

Tourism: In tourism losses carried forward. However, companies with perpetual unrelieved losses for three consecutive years are charged 0.3% of annual turnover. Exempt import duty on imported 4WD vehicles designed and built for tourist purposes, subject to satisfying criteria set by East African Community Secretariat. Exempt import duty on hotel equipment, which were engraved or printed or marked with hotel logo imported by licensed hotel for its use.

Incentives for Foreign Investments

Investment Guarantees and Settlement of disputes: 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).

Other incentives for Foreign Direct Investments include: (i) Favourable investment allowances and deductions(100%) on Industrial Buildings, Plant and Machinery and on Agriculture expenditure; (ii) Deferment of VAT payment on project capital assets; (iii) Import duty drawback on raw materials; (iv) Zero rated VAT on manufactured exports; (v) Straight line accelerated depreciation allowance on capital goods; (vi) Yearly appreciation of unrecovered capital investment in mining; (vii) Five year carry- over of all business losses against future profits; (viii) A reasonable corporate tax rate (30%) and low withholding tax rates on dividends (10%)and on loan interest (0%); (ix) The right to transfer outside the country(100%) of foreign exchange earned, profits and capital; (x) Automatic permit of employing 5 foreign nationals on the project holding certificate of incentives; (xi) Reduced import tariffs on project capital items; and (xii) 5% import duty for investment in Priority areas.

PART FIVE

KEY CONTACTS IN MWANZA REGION

WEBSITES FOR LOCAL GOVERNMENT AUTHORITIES IN MWANZA REGION:

Mwanza Region:	www.mwanza.go.tz
Mwanza City Council:	www.mwanzacc.go.tz
Ilemela Municipal:	www.ilemelamc.go.tz
Magu DC:	www.magudc.go.tz
Kwimba DC:	www.kwimbadc.go.tz
Misungwi DC:	www.misungwidc.go.tz
Sengerema DC:	www.sengerema.go.tz
Ukerewe DC:	www.ukerewedc.go.tz
Buchosa DC:	www.buchosadc.go.tz

KEY CONTACTS IN THE REGIONAL AND LOCAL GOVERNMENT AUTHORITIES IN MWANZA REGION

Regional Commissioner's Office

Office	Post Office Box	Telephone	E-Mail
Regional Commissioner (RC)	119, Mwanza	+255 282 500366	rasmwanza@pmoralg.go.tz
Regional Administrative Secretary (RAS)		+255 282 2501037	

Mwanza City Council

Office	Post Office Box	Telephone	E-Mail
Mayor	1333, Mwanza	+255 282 501 375	info@mwanzacc.go.tz
City Director			

Municipal Councils

Office	Post Office Box	Telephone	E-Mail
Ilemela	735, Mwanza	+255 754 820 888	md@ilemelamc.go.tz

District Councils

District	District Executive Officer			"Must See" Landmark
	Post Office Box	Telephone	E-mail	
Ukerewe	41, Nansio	+255 754 820 888	ps@ukerewedc.go.tz	"Dancing Stone" on the lake
Magu	200, Magu	+255 282 530 035 +255 282 530 002	ded@magudc.go.tz	Sukuma Museum at Bujora
Kwimba	88, Ngudu	+255 732 980 528	dedkwimba@yahoo.com ded@kwimbadc.go.tz	"Diamond Scramble" Site
Misungwi	20, Misungwi	+255 732 980 745 +255 763 686 106	ded@misungwidc.go.tz	Dry Port at Fella
Sengerema	175, Sengerema	+255 282 290 162	dedsengerema@ymail.com ded@sengeremadc.go.tz	Ferry Cruising
Buchosa	44, Buchosa	+255 282 590 162	ded@buchosadc.go.tz	Kazungu Missionary Historical Site

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

Mwanza Regional Commissioner's Office

P.O. Box 119, Mwanza.

Tel: 028 - 2501037

Email: ras.mwanza@tamisemi.go.tz

Web: <http://mwanza.go.tz/>