

UNITED REPUBLIC OF TANZANIA



President's Office
Regional Administration and Local Government



MUFINDI DISTRICT INVESTMENT PROFILE *OPPORTUNITIES AND PROMOTION STRATEGIES*

October 2019



THE UNITED REPUBLIC OF TANZANIA



PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT



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October 2019



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LIST OF ABBREVIATIONS

AIDS	- Acquired Immune Deficiency Syndrome
ASDPL	- Agriculture Sector Development Program for Livestock
ASSP	- Agriculture Sector Support Program
AU	- African Union
BRAC	- Building Resources Across Communities
CDR	- Council Development Reports
CFR	- Council Financial reports
CFTA	- Continental Free Trade Area
COLA	- Commission for Lands
COMESA	- Common Market for Eastern and Southern Africa
CMT	- Council Management Team
CREAA	- Convention of Recognition and Enforcement Arbitration
DAS	- District Administrative Secretary
DC	- District Commissioner
EAC	- East African Community
EEZ	- Exclusive Economic Zones
ENGINE	- Enabling Growth through Investments and Enterprises
FBO	- Faith-Based Organization
FDI	- Foreign Direct Investment
FEZ	- Free Economic Zones
FOSEWERD-	Food Security Welfare and Rural Development
GDP	- Gross Domestic Product
GMT	- Greenwich Mean Time
GoZ	- Government of Zanzibar
HBS	- Household Budget Survey
HIV	- Human immunodeficiency virus
ICSID	- International Centre for Settlement of Investment
ICT	- Information Communication Technology
IESC	- International Executive Service Corps
ILO	- International Labour Organization
IMCA	- International City County Management Association

IPA	- Investment Promotion Agent
LGA	- Local Government Authority
LGAs	- Local Government Authorities
LED	- Local Economic Development
MEDA	- Mennonite Economic Development Associates
MIGA	- Multilateral Investment Guarantee Agency
MDC	- Mufindi District Council
MIVARF	- Marketing Infrastructure, Value Addition and Rural Finance
OCGS	- Office of Chief Government Statistician
PO-RALG	- President's Office – Regional Administration, Local Government
PPP	- Public Private Partnership
RGZ	- Revolutionary Government of Zanzibar
RS	- Regional Secretariat
SADC	- Southern African Development Community
SDG	- Sustainable Development Goal
SP	- Strategic Plan
SWOC	- Strength, Weaknesses, Opportunities, and Challenges
TAHA	- Tanzania Horticultural Association
TANAPA	- Tanzania National Parks Authority
TANESCO	- Tanzania Electricity Supply Company
TFDA	- Tanzania Food and Drug Regulatory Agency
TFTA	- Tripartite Free Trade Area
TIC	- Tanzania Investment Centre
TRA	- Tanzania Revenue Authority
TV	- Television
TZS	- Tanzanian Shilling
UNICEF	- United Nations Children's Fund
UNWTO	- United Nations World Tourism Organization
US	- United States
USD	- United State Dollar
VAT	- Value Added Tax
VEGA	- Volunteers for Economic Growth Alliance
ZIPA	- Zanzibar Investment promotion Authority

FOREWORD



“In order to attract trade and investment in our various sectors, it is critical for African countries to create a conducive environment, including putting in place the necessary enabling infrastructure, coupled with eradication of unnecessary bureaucracy within our legal and regulatory investment frameworks.”

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

Office Opening of the African-Nordic Foreign Ministers’ Meeting held at the Julius Nyerere International Convention Centre, Dar es Salaam, on 8th November 2019.



“The five-phase government under the leadership of President, Hon Dr. John Joseph Magufuli is determined to liberate Tanzanians by reinforcing its economy through manufacturing. These industries will be the leaven of job creation, reducing the dependence of goods from the outside and increasing the sale of products outside Tanzania and thus promote national output.”

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

Remarks during the 8th PSPTB Annual Conference Speech on 4th December 2017.



“The 21st Century is going to identify itself with intensifying competitive business environment in which business to triumph are those with relevant industrial products and services, modern technologies and human resource that is imbued with respective skills, work ethics and innovativeness.

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

In opening remarks at the Business and Investment Forum, Tabora Region, on 21st November, 2018.

MESSAGE FROM THE DISTRICT COUNCIL CHAIRPERSON

The Mufindi District Council Investment profile has been produced in response to the government's initiative through the President's Office of Regional Administration and Local Government (PO-RALG), which is implemented by the Development by Devolution and Local Economic Development (LED).

Tanzania aims to become a semi-industrialized country through industrialization and infrastructure investment with a goal of having the manufacturing sector contribute a minimum of 40% of the national economy's GDP by 2025. To achieve this, Tanzania aims to transform its existing economy, which is dominated by natural resource exploitation activities and extractive industries (agriculture, tourism and mining) to a diversified economy with a broad base of manufacturing, processing and packaging industries. This economic transformation will lead to a significant increase in production and export trade industries. Foreign Direct Investments (FDIs) will be targeted to provide the capital for the desired industry development and infrastructure investment.

Mufindi Investment Profile with investment opportunity and strategies guide is part of the national effort on industrialization and investment strategy. The profile was prepared by the Mufindi District Council (MDC), under the support and initiatives of The Enabling Growth through Investment and Enterprise (ENGINE) program.

The objective is to offer prospective Local and Foreign investors in all important sectors, including Light industry, Infrastructure, Tourism, Agriculture, Fisheries, Health and Education with a clear, concise and realistic picture of investment opportunities in Mufindi District.

The MDC Investment Promotion strategies, among other things, are geared towards improving social service provision, promoting business growth and attracting investment in all important and potential sectors. Therefore, the Investment Profile is written to be credible. The challenges and opportunities of making investments are described to provide clarity and confidence to investors. This profile is intended to make the MDC better known to both domestic and international investors

Furthermore, it helps improve the competitiveness of domestic enterprises, which must be the foundation of all growth. We hope that prospective investors will find this Investment Profile to be a useful and practical tool to guide investment within the Mufindi District


Festo E. Mgina


MESSAGE FROM THE DISTRICT DIRECTOR

This Investment Profile was prepared by Mufindi District Council in collaboration with ENGINE Project and supported by The International Executive Service Corps (IESC).

We are grateful to the Iringa Regional Commissioner Hon. Ali Happi, officials of the Mufindi District, Particularly the District Commissioner Hon, Jamhuri D. William, District Administrative Secretary (DAS), Hon. Ndumbalo, S.J., the Council Chairperson Hon. Festo Mgina, the District Executive Director, Hon. Netho Ndilito, and all Mufindi District Council stakeholders and community members for their cooperation in this project.

We would like to thank the Council Management Team (CMT) for their active involvement and useful inputs during the consultative technical meetings and workshops held in Mufindi in March 2019.

We also thank the consultant from Food Security Welfare and Rural Development Initiative (FOSEWERD), Dodoma, who facilitated this profile from the consultation stage to final draft.

We further extend our thanks to companies and government agencies that participated in the Mafinga Workshop, particularly the TCCIA, Panda Miti Kibiashara, Investors, Mufindi District business representatives and Government officials for their valuable contribution to this profile.

Lastly but not least, special thanks are reserved to ENGINE program, USAID funded, for the financial and technical support that led to this final profile.


Netho N. Ndilito
DISTRICT EXECUTIVE DIRECTOR
MUFINDI DISTRICT COUNCIL

EXECUTIVE SUMMARY

The Tanzania National Development Vision 2025 is to transform the economy to middle income, semi-industrialized by 2025. Industrialization is expected to be an important catalyst in increasing the growth rate in the economy to above 10 percent per annum and in ensuring that growth is coupled with structural transformation and job creation. Tanzania, like many other developing countries, has attempted to stimulate industrialization through the creation of EPZs and SEZs.

The overall objective of this profile is to identify the investment promotion strategies and incentives for the Mufindi District Council (MDC) that aligns with the Tanzania Government's Industrialization Policy 2025 as well as the Zanzibar Investment Policy (ZIP) 2007. The output of the assignment was to have a Municipal Investment Profile that contains detailed investment opportunities, promotion strategies, and investment roadmaps for those interested in investing in Mufindi.

The Consultant used a participatory and collaborative approach based on multi-sector involvement by engaging LGA management teams, Government Investment Agencies, the existing investors and businesses, NGOs and stakeholders. A systematic review of relevant data, information, reports, publications, and personal interviewing was completed as part of this project.

Generally, Mufindi District has the potential of attracting investment in the following economic sectors, Agriculture and Livestock, Tourism, Manufacturing, Real Estate Development, Transportation, Broadcasting and Telecommunication, Natural Resource Mining, Financial Services, Energy, Social Services, and Infrastructure.

The Mufindi District Council is ambitiously inviting investors to invest strategically in the following potential investment opportunities: Hydroelectric Power Project Plant, Tea Processing Factory, Avocado Production, Grain Processing Factory, Beekeeping, Complex Business Building, Pine, and Eucalyptus Tree Plantation. Others include, International Timber Market, Tourist Hotels, Cultural Heritage sites, Fish Farming and Recreation, Hides and Skins Processing, Milk Processing Plant, Lime and Gypsum Extraction, Drinking Water Processing, Wood by-product Processing Factories, Coffee Farming and Processing Facilities, Auto Assembly and Maintenance), Livestock Production, Real Estate, and Agro-Processing Facilities.

In order to pursue these investment targets, this Investment Profile has identified several policy and institutional issues that need to be reformed within a short and mid-terms

The Mufindi District Council recognizes that there are economic characteristics that contribute significantly to achieving successful investments and trading activities. These economic characteristics include comprehensive transportation network (railways, ports, roads, and airports), power facilities, a well-established legal system, a fair regulatory regime, and human resource development system. In developing countries including Tanzania, these economic characteristics need to be improved, which can limit the ability to have a sustainable and efficient economy that generates wealth and job creation opportunities. It is therefore envisaged that MDC would work diligently to improve these economic characteristics by improving political stability, creating favourable tax policies, developing a plentiful supply of skilled labour, building a response central government, and implementing an efficient regulatory framework. These efforts would contribute to creating a predictable long-term economic stability.

This profile is structured in five (5) chapters. Chapter One is the Socio-Economic Profile of the Mufindi District Council. Chapter Two describes the reason to invest in Mufindi and a summary of an investment SWOT Analysis. Chapter Three elaborates priority potential investment opportunities. Chapter Four provides crucial information on investment promotion strategies and investment road maps. Chapter Five lists existing investment incentives and institutional/policy issues that should be reformed to encourage investment. Finally, a conclusion and recommendations are summarized in Chapter Six.

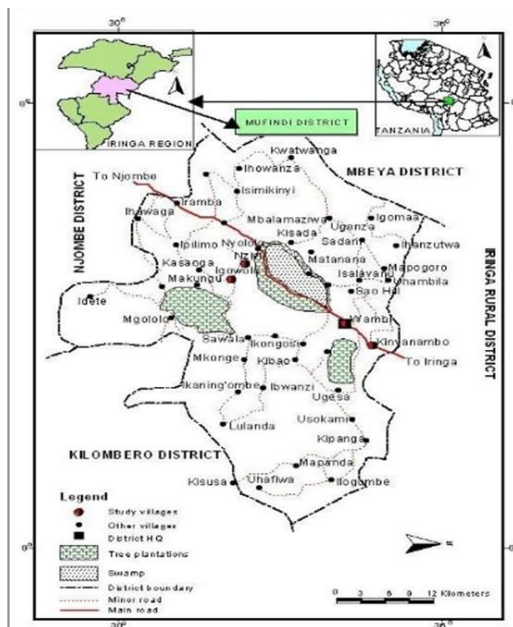
SECTION 1: REASONS FOR INVESTING IN MUFINDI DISTRICT COUNCIL

CHAPTER ONE

COMPETITIVE PROFILE OF MUFINDI DISTRICT COUNCIL

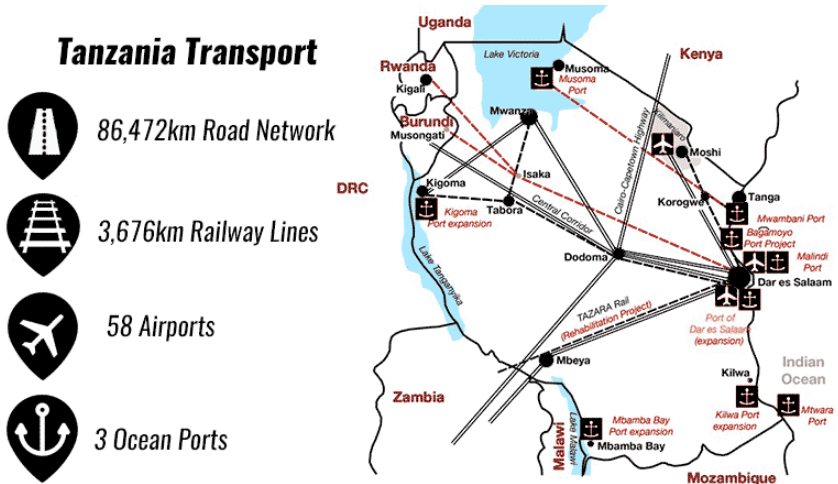
1.1 Location and Accessibility

Mufindi District is one of the four districts of the Iringa Region of Tanzania. It is bordered to the north by Kilolo District and Iringa Urban District, to the south by the Njombe Region, to the east by the Morogoro Region and to the west by the Mbeya Region. Mufindi district Council is one of the three (3) districts in the Iringa Region, which is in Southern Highland of Tanzania. Mufindi District lies between latitudes $8^{\circ}0'$ and $9^{\circ}0'$ south of the Equator and between longitudes $30^{\circ}0'$ and $36^{\circ}0'$ east of the Greenwich. The District is bordered by Iringa District to the North, Morogoro Region to the East, Njombe Region to the south, and Mbeya Region to the West. Its elevation is about, 1932 meters above sea level.



Mufindi District and its Boundaries

One competitive advantage of the MDC District is its strategic geographical location. It is connected directly to the Tanzania-Zambia Highway, which gives it direct trade links to the neighbouring countries of Zambia, Malawi, and DRC-Congo. It sits in between the major growing towns and municipalities of Iringa (80Km), Mbeya (255 Km), Dodoma (340Km), Makambako (85 Km), and Njombe (150 Km). The MDC also is crossed by Tanzania- Zambia Railway, which starts in Dar-Es-salaam and connects to Capiri Mposhi-Zambia (1750 Km). This location makes the Mufindi District a natural transportation gateway for East and Central Africa.



Tanzania main road and railway network

Key: o - Mufindi District position

**Table 1: Average Travel/Drive time from Mafinga
(Trading centre) to Commercial Towns and Cities
in Tanzania**

Commercial Cities and Towns	Road Distance (Drive hours)-Km	By Air (Flight Time)-Km
Mbeya	255(4Hours)	20 Minutes
Dar-Es-Salaam	570(9 Hours)	463(33 minutes)
Makambako	85(1 Hour)	NA
Morogoro	380(6Hours)	241(47 minutes)
Dodoma	340(6 Hours)	200(30Minutes)
Iringa	80(1 Hour)	50(10 Minutes)
Arusha	714(13Hrs)	415(50Minutes)
Mwanza	1021(16Hours)	575(1.30Hrs)
Njombe	150(2 Hours)	120)15 Minutes)
Morogoro	380(5Hours)	282(45 Minutes)
Tunduma	340(5 Hours)	210(40 Minutes)
Songea	385(6 Hours)	375(1 Hour)
Nduli Airport (Iringa)	100(1.20 Hours)	15 minutes
Songwe Airport (Mbeya)	310(4.20 hours)	25 minutes
Ruaha National Park	65(1 hour)	NA

Source: TANROADS (2019)

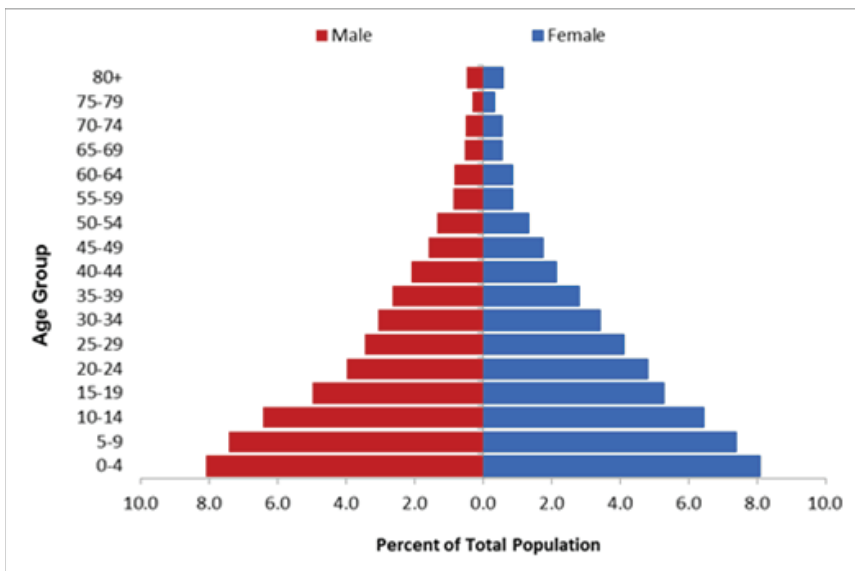
Table 2: Mufindi District

Variable	Description and figures
Location	Southern Highland Zone of Tanzania (Iringa Region)
Neighbourhood	Iringa Rural District, Kilombero District, Wanging'ombe District and Rujewa District
Population	246,090(116,499 males,129,591 female) Median Age 17.6
Population density	40 people per square Kilometre
Administration	5 divisions,27 Wards,121 Villages and 570 sub villages
Total land	6,170 Square Kilometres
Arable land	567,640(92%) hectares
Grazing land	66,223.3 hectares
Area under cultivation	263,552(42.7%) hectares
Total road network	11,030.96 kilometres
GDP	1,206.91 TZS (as of 2012)
Communication	Cellular networks coverage of Vodacom, TIGO, Airtel, Halotel and Zantel
Languages	Kiswahili, English and Native languages

Source: Mufindi socio-economic profile (2017)

1.2. Population

The Mufindi District is inhabited by diverse ethnic groups and tribes. Predominant native tribes include the Hehe and Bena followed by minority tribes such as Kinga, Pangwa, and Nyakyusa among others. The major languages spoken include native dialects (Kihehe and Kibena), Kiswahili and English. Multiple cultures are freely celebrated in Mufindi, which demonstrates the unique, welcoming, and inclusive character of the local population. According to the 2012 population and household census, Mufindi District had an estimated population of 246,090, of which 116,499 (47.3 %) were males and 129,591 (52.7 %) were females. The percentage distribution of population by Age and Sex In Mufindi (PHC, 2012) is shown in the Figure 1



1.3 Climate and Topography

The Mufindi District's climate varies with altitude and is closely associated with two distinctive landscape zones. These landscape zones include the Eastern Highlands and the Mufindi Plateau.

1.3.1. The Eastern Highlands

The highlands zone lies at an altitude of 1,700 to 2,200 meters above the sea level. This feature covers an area from the southwest to the eastern part of the Udzungwa mountain ranges, which is part of the Eastern Arc Mountains and the Kihansi Dam with its Catchments.

Predominately, Mufindi has tropical and temperate climate with a uniform rainfall pattern. The mean annual rainfall ranges from 1,200 to 1,600 mm per annum. The average precipitation is about 1,400 mm per annum with the east and south being the wetter parts and the west being much drier. Temperatures are often below 15°C. The mean monthly temperature is 18.4°C between November and February and as low as 13.2°C in July. The soil is generally red clay with moderate fertility and dark topsoil with high organic matter content. Much of the land is at risk of erosion due to steep slopes, which can be over 30 percent gradient.

The Eastern Highland is typified by its steep topography. Specifically, the landform is steeply dissected with slopes of more than 30 percent gradient with frequent steeps with more than 50 percent gradient. Flatter top slopes ranging from 2 to percent gradient make up an area that is about 10 percent of this land unit. The drainage pattern is very dense, with infield flat bottomlands of generally less than 20 mm in width. Vegetation includes low or shrub land and scattered forests.

Major economic activities in this zone include agriculture with the following specific crops: maize, tea, coffee, pyrethrum, wheat, round potatoes and temperate fruits like peas, peaches, and plums. Livestock keeping is also practiced though in a small scale. Moreover, primary products such as tea and wood are processed in this area.

1.3.2 The Mufindi Plateau

The Mufindi Plateau is extensive and uniform covering half of Mufindi and extending through Mafinga and Makambako. Its altitude ranges from 1,700 to 2,000 meters above the sea level. The average mean annual rainfall is 950 mm. In the eastern part of the plateau, the annual rainfall is slightly higher than 950 mm. The average evapotranspiration is 1,300 mm per annum.

The maximum mean temperature is 18.3°C, which occurs in February, and the minimum is 13.1°C, which occurs in July.

The soils are uniformly yellow and highly leached clays. Fertility is low due to the high degree of chemical leaching and the absence of humid or dark topsoil. Most organic matter has already mineralized due to relatively dry and warm conditions. The plateau has extensive grassland, which is characterized by clump shrubs and remnants of Miombo trees. Grasses are perennial with low nutritional value. The western part and North West of the zone are the main catchments of the Great Ruaha River

The topography of the Mufindi Plateau is undulating with slopes of 2 to 8 percent. Scattered areas and slopes form drainage lines that are steeper with slopes of up to 20 percent gradient. The drainage system is infield with moderately wide bottomlands. In addition, incised drainage occurs in areas where topography is the steepest.



Cultivated land is dominant. Miombo Woodlands are common on the hill slopes in the eastern parts, while thicket vegetation and shrubs or grassland are more common in the western parts.

Natural vegetation in Mufindi district



Nyalawa River falls

1.4 Drainage System

The Mufindi District has one rainfall season that starts from early November and ends in June. Rainfall is critical for agricultural production, which is the mainstay of the Mufindi District's economy and livelihood. Thus, human settlement and land use patterns are influenced by the distribution of rainfall, which leads to a concentration of people on the eastern highland area.

Remarkable features are found in lowland. The highland is characterized by three main rivers, specifically the Little Ruaha, the Kihansi, and the Mwenga. The Little Ruaha has four major branches that include the Mkewe that originates in Bumilayinga, the Lyandembela that originates in Ifunda, the Maduma, and the Maguvani-both flows towards the great Ruaha. The Kihansi originates from Mapanda Village and Mwenga flows toward Kilombero. There are three water bodies, specifically the Kihanga, Ngwazi, and Nzivi dams. These bodies are important for fishing, tourism, research, and electricity generation. The Kihansi, Mwenga and Lyandembela are the main sources of electricity generation in the country.



The Kihansi River and spray toads' habitats

1.5 Utility infrastructure

Access by road

Mufindi District Council has a transportation network with an estimated 1,363.4 kilometres of roadway. Out of which 365 kilometres are regional roads, 582.4 kilometres are district or urban roads, 58 kilometres are trunk roads, and 358 kilometres are feeder roads. Out of 1,363.4 kilometres of road lengths in Mufindi DC, Kibengu Ward has the longest road (113.7 kilometres) followed by Mapanda Ward (83.8 kilometres) and Nyololo Ward (77 kilometres). Whereas 1363.4 km are passable year long, only 27 km are not passable throughout the year.

Access by rail

The economy of Mufindi District Council also benefits from the presence of a reliable and affordable railway transportation system called the Tanzania Zambia Railway Line (TAZARA). There are two railway stations, Kiyowela and Mpanga, which serve as a gateway for receiving or exporting heavy bulk goods and other commercial services for the district. (**Appendix III**, Shows Internal Roads distances and Conditions)

Communication services

Mufindi DC enjoys 35 percent land area of telephone service coverage, including cellular and land line-based telephone services. This is as opposed to 61 and 79 **percent** regional and national average respectively. The available mobile phone service providers in Mufindi DC include Tigo, Vodacom, Airtel, Halotel, TTCL, and Zantel.

Table 3: Mufindi District Infrastructure and transport characteristics

Variable	Measure	Value
Internet users, percent of population percent	percent	16
Broadband internet subscribers, Percent of Population	percent	1.24
Fixed broadband internet subscribers per 100 People	Percent	1.53
Mobile phone subscribers per 100 People	people	77.24
Mobile network coverage, Percent population	Percent	95
Quality of roads(1-low,7-High)	points	3.7

Source: The global Economy (2019)

In addition, Mufindi DC inhabitants have access to radio and television stations broadcasted from ITV, Channel Ten, TBC, Radio One, Radio Free Africa, Ebony FM, Country FM and other nearby stations. Furthermore, there is one (1) post office and three (3) sub post offices, which makes it convenient for personal communications and small good shipping.

Social amenities

Energy sources available in Mufindi District Council includes

electricity, paraffin, charcoal, solar and firewood. These sources play a very essential role in the growth of the socio-economic activities in the Council. The energy is mostly used in productive areas like institutions and commercial companies. It is also used for domestic purposes such as cooking and lighting. This is also a potential area of investment in Mufindi because the main sources of energy in Tanzania are only 45 **percent** natural gas, 44 **percent** Hydroelectric and 13 **percent** liquid gas. Mufindi is connected to national hydroelectric grid that gives assurance of power supply to investors' particularly manufacturing sectors. The Ministry of Energy and Minerals is responsible for the national energy policy and coordination of the activities in the sector. <https://mem.go.tz>

1.6 Main Economic Activities

The main economic activity of Mufindi District is agriculture, services, and timber production. Although agriculture is dominant, the trends show that it is gradually declining and there is a shift from agriculture to forestry. Mufindi District has significant forest reserves that support various economic activities and provide relatively stable income to many households. There are 203,188ha of forests, which is about 28percent of the total land area in the district. Of this area, around 70,000ha are tree plantations of which 65percent are Sao Hill Forests and the remaining 35 percent (up to 150,00ha) are occupied by Mufindi District Council, NGOs and individuals or private woodlots. Private woodlots involve farm forestry, natural forest on titled land, and traditional forest reserves. In Mufindi District, tree planting is mainly for the supply of fuel wood, sawn timber, fencing poles, and transmission poles. The most planted species are exotics pines such as pinus patula and Eucalyptus species.

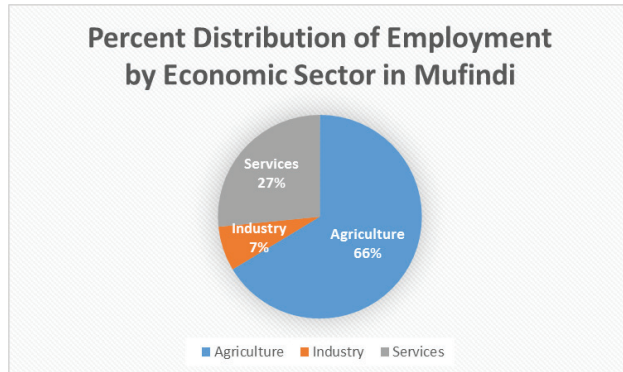


Figure 2: Percentage distribution of Employment by main Economic sector In Mufindi



Drying Timber in Mufindi Sawmills

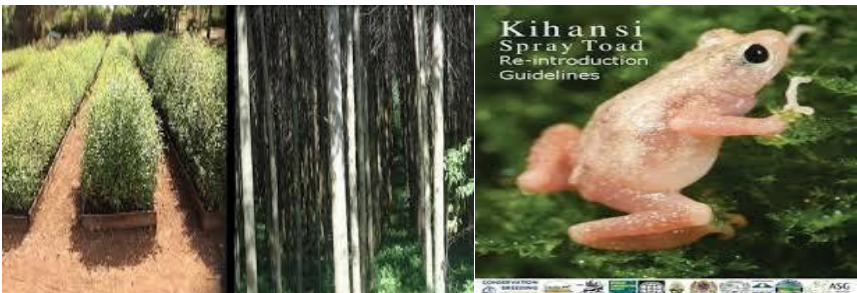
Agriculture employs over 70 percent of the households and provides more than 85percent of people’s income. Of those employed in agriculture, 86percent are engaged in food and cash crop production, 4percent are in animal rearing, and 10 percent are in other off farm activities. Mufindi District has land area of 712,300 hectares with 652,630 hectares (92 %) of arable land, of which 40.4 percent of the total arable land is under cultivation. Both food and cash crops are grown successfully in the district.

Major food crops include maize, kidney beans, cassava, Irish potato, cowpeas, paddy, tomatoes, wheat, millet, vegetables, tea, coffee, fruit trees (avocado, apple, plums, guava, and Peach), and pines. These crops are the main source of livelihood for most of the population in the district, although there is renewed interest in the promotion of pyrethrum production in many areas of the district.

Mufindi also has a strong agricultural raw material supply base for value adding agro- processing industries. Other non-agricultural activities include general retail and wholesale trade, metal and wood fabrication, art, and crafts production, fish farming, livestock, and brick making.



Tea plantations in Mufindi District



Eucalyptus Nursery and Trees (Left), and Kihansi Frogs (Right)



CHAPTER TWO

SUPPORTIVE NATIONAL, REGIONAL, AND LOCAL DEVELOPMENT STRATEGIES

2.1 Facilitation

Mufindi District and Central Government are improving favourable conditions to entice and facilitate investment in the region in areas outlined in part three of this guide. The key investment policies, laws, strategies, plans, and programs that are promoting investment in the district are presented below.

Policies, Legal, Institutional, and Regulatory Considerations

2.2 Key policies

Policies to guide investment promotion and interventions in Mufindi District include, the National Investment Promotion Policy, 1996, National Agricultural Policy 2013, National Livestock Policy 2006, Sustainable Industrial Development Policy (SIDP) 1996-2020, National Trade Policy for Competitive Economy and Export led Growth, and National Microfinance Policy 2015. Others include National Forest Policy (1998), Bee keeping Policy (1998), Small and Medium Enterprises Development Policy (2003), National Land Policy (1995), National Environmental Policy draft 2016, The Mineral Policy of Tanzania, (2009), Tanzania Mining Industry Investor's Guide, 2015, and Mufindi district strategic plan and development policies.

2.3 Legal framework

The major laws and regulations that guide investment promotion and activities in Mufindi district are 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 relevant Mufindi district by laws.

2.4 Main institutions dealing with investing in Mufindi and Tanzania

The main institutions dealing with investment issues in Mufindi District 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), and Tanzania Bureau of Standards (TBS). Others include the Ministry of Investment, Industry and Trade, Tanzania Food and Drugs Agency, Water Supply Companies in respective regions, Municipal Authorities in respective districts (on land issues), Ministry of Water and Irrigation, and Ministry of Agriculture Livestock and Fisheries.

2.5 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.), and PO-PRALG Reports, District Development Plans. Others include Five Year Development Plan (FYDP II), Agricultural Sector Development Strategy and Program 2017-2022 (ASDP II), Livestock Sector Development Program 2011, and the 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.

Given the above policy, regulatory framework, strategies and plans, it is apparent that the investment climate in Mufindi District is supported by sound frameworks that offer an appropriate environment that encourages investments in Mufindi District.

2.6 Processes and requirements

The main processes that need to be undertaken by a prospective investor in Mufindi district are listed below.

2.6.1 Lead institution

Tanzania Investment Centre (TIC) is a one-stop agency of the government of Tanzania established under the Tanzania Investment Act No. 26 of 1997 to promote, co-ordinate and facilitate investment into Tanzania. The centre is a focal point for all investors and performs all liaison work for the investor from enquires right up to project start up. The Centre deals with all enterprises whose minimum capital investment is not less than US\$ 300,000 foreign owned and US\$ 10, 0000 if local owned. The centre shall assist all investors to obtain permits, authorization etc., required by other laws to set up and operate investment in Tanzania.

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

2.6.2 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; and (iv) Certificate of Incentives in the case of projects approved by TIC. Others include (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).

2.6.3 Taxes

The taxes involved in investment projects in Mufindi District 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); and (iii) Income tax rates for individuals (the marginal rate ranges from 18.5% to 30%). Others include (iv) Income tax rate for 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; and (vii) Taxed at the general rate). Others are (viii) Skills and development levy (6% of the gross emoluments paid to employees); (ix) Regulatory Agencies levies depending on service/product line; and (x) District Authorities levies which vary depending on the operations and produced products and services.

Value Added Tax (VAT): VAT is the consumption tax charged at a single rate of 18percent. Registration is compulsory for any business, which has a turnover of more than 40mn TZS per annum. Applicants for VAT registration should complete form No. VAT 101. A taxpayer is required to submit monthly VAT returns 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 nonregistered traders.

VAT refunds are made within either 30 days or 6 months from the due date depending on the type of taxpayer. Various goods and services are either zero rated, such as exports or VAT exemption, such as health supplies and tourists' services. The TRA desk at TIC 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 a resident in and has a permanent home in Tanzania is subject to income tax on his/her 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.

Varieties 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 20percent 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 are payable by any employer who employs four or more persons; the rate is 4.5percent of the gross wage. In addition, the levy is tax-deductible. Furthermore, employment in agriculture is exempt from the levy.

Mufindi District 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, Telephone: 0800 750 075. 0800; www.tra.go.tz, 28 Edward Sokoine Drive, 11105Mchafukoge, Ilala CSR, P.O. Box 11491, Dar es salaam, Tanzania.

2.6.4 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, and development and microfinance Banks. Others are 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. VAT Exemption on Deemed Capital Goods is 45% of VAT payable, whereby the investor shall pay 55% of the VAT payable. *Import duty (0%)* on imported 4WDs designed and built for tourist purposes, subject to satisfying criteria set by East African Community Secretariat. *Import duty (0%)* on hotel equipment, which where 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.; others are 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. Also included are 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 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 0.3percent of the annual turnover. Imported 4WDs designed and built for tourist purposes are exempted import duty, subject to satisfying criteria set by East African Community Secretariat. Similarly, hotel equipment, which were engraved or printed or marked with hotel logo imported by licensed hotel for its use are exempted import duty.

2.6.5 Incentives for Foreign Investors

Investment Guarantees and Settlement of disputes: Investments in Tanzania is guaranteed against nationalization 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; and (v) Straight line accelerated depreciation allowance on capital goods. Others are (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%); and (ix) The right to transfer outside the country (100%) of foreign exchange earned, profits and capital. Others include (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.

The above-mentioned incentives are currently being reviewed. Specific investment incentives in Mufindi District may be negotiated and obtained from Mufindi District Council Management

2.7 Inclusiveness and participation of the private sector

Inclusiveness and participation of the private sector in Mufindi District investment planning is paramount and is advocated by the Mufindi District Authority. A public and private sector engagement mechanism is being developed to facilitate Mufindi district's transformation into a modern, commercial, and competitive investment destination.

According to the national policies, it is the role of the public sector to provide basic enablers such as land, utilities, infrastructure, and are normally supported and constructed using Region and District budgets and National Public Budget and other resources or development partners' support. It is the private sector, which is mainly supposed to play a major role in investing in Mufindi

District in the production, transportation, storage, processing, and marketing of the products. Th district is also expected to contribute in and development of value chains listed in Section 3. However, for the private sector to play its role effectively, Mufindi District Authority will create an enabling environment through provision of prerequisite infrastructure, incentives, and formulation/review and enforcement of investment friendly policies, regulations, and procedures.

In addition, the regional authorities will also promote private-public partnerships, which are critical for the achievement of objectives of successful promotion and implementation of capital and technology intensive investments, as outlined in part three of this guide. These include fair taxation; the provision of access to adequate basic infrastructural resources such as power, water, skilled human capital, Information and Communication Technology, appropriate road networks; and consistent policies and regulations. In addition, the private sector should be facilitated to improve delivery, and enabled to thrive and be competitive by facilitating access to affordable input and output factors nationally and internationally.

CHAPTER THREE

EXISTING AND POTENTIAL INVESTMENT OPPORTUNITIES IN MUFINDI MUNICIPAL COUNCIL

3.0 Priority Potential Investment Opportunities in Mufindi

Mufindi District Council aims at promoting investment opportunities to targeted investors by delivering high quality services and creating a conducive investment environment through effective use of available resources in order to help residents have more sustainable livelihoods. The following are the potential areas for investment based on the national investment and economic priorities by sectors and specifically targeted investment opportunities that are currently available in Mufindi District Council.

Our Vision

‘To be the council with quality services and conducive investment environment for sustainable livelihood.’

Our Mission

Mufindi District Council in collaboration with stakeholders Mufindi District Council is committed to *“deliver quality services and create conducive investment environment through effective use of available resource for sustainable livelihood.”*

3.1 Agricultural Sector

Agricultural sector contributes close to 91 percent of the district’s GDP, of which crop production sub sector contributed about 90.2 percent. Agriculture is the backbone of the economy of Mufindi District Council due to favourable rainfall and good soil texture that makes Mufindi a big producer of both food and cash crops.

The application of modern technology to increase production

and productivity and ensure food security is highly encouraged. The key success drivers in this sector are fertile land and good tropical weather. Investment in large-scale agricultural production and large-scale tree and vegetable production is an opportunity for substantial income generation, reforestation, and the revival of the environment. These investments would also help to create jobs that can diversify sources of income for the district council and local communities.

Potential investors are strongly recommended to invest in the following specific areas;


- ✚ Agro-processing and Value-Added Activities Fruit farming, processing and canning
- ✚ Exportation of fresh fruits and vegetables such as Watermelon, Avocado, apples, cabbages, pumpkins, tomatoes, plums, guava, Peach and many others
- ✚ Horticulture production such as rose and hibiscus flowers
- ✚ Investment in the mechanization and irrigation of agriculture
- ✚ Storage facilities for produce and pest control
- ✚ Improvement of livestock infrastructure and small stock keeper project Agro-processing and value addition

The priority investment of district council in Agriculture is targeted in the following areas.


Table 4: Specific Priority Investment Opportunity in Agriculture

Proposed investment	1. Avocado production
Potential targeted area	Entire district suits Avocado production
Current state of investment	Current production is not commercialized

Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible road network to the entire district - Good road network in the entire district rural areas - Logistics infrastructure upgrading in Southern Tanzania
	<ul style="list-style-type: none"> - Available land, favourable weather, rainfall and fertile soils - Available inexpensive labour force (3000-5000 TZS labour cost per Day) - The district is close to regional airports of Iringa (Nduli-100km) and Mbeya (310Km)
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Increasing demand for export, (Global Avocado Consumption is growing by 3% p.a.) - The export market demand for EU is 1,500 MT/yr - Local market is also booming especially in Mbeya where Avocado processing factory is built - Varieties produced in Mufindi has good quality due to its soils and takes few years to harvest (2-3 years) - Seedlings are locally produced and cheap priced (2000-3000 TZS) - Up scaling Avocado Export - Tanzania through new investments in production, productivity by Kuza Africa Ltd as Lead firm. Over 4,000 Ha of new farms, in 3 different altitude regions in Tanzania. Planning to work with 50,000 Out growers in 5 years.


Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Improve health and food assurance - Revenue to council through crop cess tax - Up to 36% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs and Low investment costs) - The investment has 3-5 years Pay Back Period - Up to 2,470 US Dollars Net financial return per acre - Improve income to local community and farmers - Good will to the council - Alternative cash crop from mainly pines, tea and coffee - Soil and land conservation (mixed cropping)
Proposed investment appearance: A sample appearance of an Avocado farm planted Hass variety	
Proposed investment	2.Pine and eucalyptus tree plantation
Potential targeted area	<ul style="list-style-type: none"> - Mpanga TAZARA - Kibengu - Usokami

	<ul style="list-style-type: none"> - Mtandula - The entire district is potential and suitable for pine and eucalyptus trees
Current state of investment	<ul style="list-style-type: none"> - Government owned Sao Hill plantations, Private companies (Unilever and Mufindi Tea Companies) and numerous Private and Individual owned woodlots also exists
Infrastructure/raw materials/utility services	<ul style="list-style-type: none"> - The entire district is accessible by roads and rail - Available potential large area unplanted - Mpanga Tazara is closer to main rivers that form Rufiji river - Cellular network services are available within select areas
Potential targeted markets and	<ul style="list-style-type: none"> - The demand for plantation wood products in Tanzania is growing and there are identified gaps in the nation's wood-production and wood-processing capacities. Forest products demand such as sawn wood,
market situation	<p>Veneer poles, plywood, utility poles, wood-based panels, paper and paperboards, charcoal briquettes and fibreboard are ever increasing (PFP, 2018).</p> <ul style="list-style-type: none"> -An ancillary economic activity to these plantations is investment opportunities in the production of Bio energy by using wood waste such as barks, chips, and sawdust. -The district is accessible and makes it easy to transport to market in Tanzania (through TANZAM- highway) and TAZARA.

	<p>-There is a significant drop in wood supply from government forest plantations and natural forests because of a decline in harvesting levels at Sao Hill Forest Plantation, the largest forest plantation and major supplier of wood in the country.</p>
<p>Type of investor(s) recommended</p>	<p>Individuals, Private companies and Joint ventures(partnerships)</p>
<p>Future investment expectation and benefits</p>	<ul style="list-style-type: none"> - Assurance and supply of timber and poles from council construction activities like schools and health centres - Environmental conservation and protection of water sources - Income to council and government - Up to TZS 32,000,000/- financial return per acre for harvested trees. - Employment creation - Catalyst to growth of other businesses in the district - Biodiversity and amelioration of the environment including Carbon dioxide (CO₂) sequestration while releasing Oxygen (O₂) into the atmosphere.
<p>Proposed investment appearance:</p> <p>A sample appearance of a Pine tree plantation</p>	

Proposed investment	3.Beekeeping
Potential targeted area	<ul style="list-style-type: none"> - Idewa - Kidege msitu - Igomaa - Ihanzutwa - Kwatwanga Chogo
Current state of investment	Existing intensive beekeeping with modern beehives, but additional technology is needed
Infrastructure/ raw materials/ utility services	- Proposed areas are accessible by rural road network
	<ul style="list-style-type: none"> - Rich in natural forests and water sources - Spacious land and conserved naturally
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Increasing demand for honey both domestically and internationally - Demand of about 3,800 MT/yr. to South Africa, India, Botswana, Namibia, Canada, Dubai, Kuwait, Iraq, Iran, Japan, China and Lebanon. - Mufindi honey is recognized as a high-quality product - Increased use of honey as alternative medicine worldwide
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)

Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Enhancing environmental conservation - Farms will be used as Training centres - Boost revenue to council and government - Health promotion - Profitable investment due to low production and operational costs (on Farm Price is 2500-5000 TZS) - Average Beehive produces up to 40 liters of Honey sold at 200,000 TZS (on Farm Price) - Processed Honey is sold up to 15,000 TZS per Liter
Proposed investment appearance: a sample of intensive bee keeping farm	
Proposed investment	3 Coffee farming and processing facilities
Potential targeted area	The entire district has the potential for coffee farming
Current state of investment	Existing, but processing facilities are required
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible road network to the entire district - Cellular network available - Favourable weather and fertile soils suitable for coffee - Available land and farming practices

Potential targeted markets and market situation	<ul style="list-style-type: none"> - Existing local producers - Potential market both domestically and internationally - No existing coffee processing factory in Mufindi - Available local workforce
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Assurance of coffee bean supply to other coffee processors in the country - Source of foreign currency to country - Revenue to council - Current coffee price is TZS 3500(2.5 to 3 US Dollars) - Coffee Yield is Up to 450 Kg per Ha of clean coffee in Mufindi - Improve income to local community and farmers - Good will to the council - Alternative cash crop from mainly targeted pines, tea and avocado - Soil and land conservation (mixed cropping)
Proposed investment appearance:	

3.1.1 Livestock and Animal Husbandry

Mufindi District has a great potential of attracting investments for the commercial production of piggery, poultry, cattle, goat, sheep,

and rabbit. This is supported by its favourable climatic conditions, land availability, geographical position and increasing demand of animal products due to population increases, particularly in Mafinga Town. Business ventures in animal production are highly profitable because there of low cost of production; input materials are readily available locally and inexpensive. Specifically, investors can exploit full potential in investing in the following areas:


- Dairy farming
- Animal feed production
- Poultry farming and processing
- Construction of modern slaughterhouses
- Establishment of hatcheries with parent stock farms
- Dairy farming
- Animal feed production
- Poultry farming and processing


Specific investment opportunities in Livestock and Animal Husbandry are shown in Table 5.

Table 5: Specific priority investment opportunity in Livestock and Animal Husbandry

Proposed investment	1. Livestock production
Potential targeted area	The entire district is suitable for commercial livestock production
Current state of investment	Existing (commercialization is required)
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible road network to the entire district - Cellular network available - Favourable weather conditions for animal keeping

	<ul style="list-style-type: none"> - Water and Electricity services are available - Tan-Zam highway crosses the district
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Increasing demand for meat and animal products-Average meat demand in Tanzania is 450,000 MT/yr. (Ministry of Livestock and Fisheries,2019) - The district is strategically positioned for neighbourhood markets in Iringa, Mbeya, Makambako and Njombe. - The average beef price in Mufindi per Kg is TZS 6000- to 8000-, pork 10,000-, chicken 15,000 - The district is connected directly to potential markets in Dar-Es-salaam and neighbouring countries Malawi and Zambia by the Tan-Zam highway and TAZARA rail. - Fast growing Mafinga town local market
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships), religious institutions and farmers groups
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Improve health and food assurance - Revenue to council - Market price of fresh meat is TZS 8000/- per Kg and Milk is Sold at TZS 2000/- to 3000/- per Liter - Up to 40% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs and Low investment costs) - Improve income to local community and farmers - Assurance of protein and fat to community

	<ul style="list-style-type: none"> - Manure and organic fertilization - Source of renewable energy e.g. Biogas
Proposed investment appearance:	
Proposed investment	2. Fish farming and recreation
Potential targeted area	- Makungu, Lugema, Lugodalutali, Kihanga, Nyololo, Mpanga Tazara, Ngwazi and Nzivi
Current state of investment	New, except one currently exists in Mpanga and one in Tazara needs renovations
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - All existing natural fishponds are accessible by local and village road networks - Natural fishponds have existing fish species in place - Potential water catchment area that is not seasonal - Cellular networks available - Good weather condition for fish farming
Potential targeted markets and market situation	<ul style="list-style-type: none"> - High demand of freshwater fish - Need for recreational activities - Suitable for water sport and spot fishing
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships), religious institutions and farmers groups
Future investment expectation and	<ul style="list-style-type: none"> - Training and research for fisheries that would improve the profitability of future investments - Available protein for the nourishment of the community

benefits	<ul style="list-style-type: none"> - Environmental conservation - Job creation to local community - Revenue to council - Average Fish price in Local market is Up to TZS 10,000/- per Kg - Local area promotion - Recreational centre - Modern fishponds for tourists' attraction - Up to 45% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs and Low investment costs)
Proposed investment appearance: A sample of Fishponds proposed in Mufindi and Tilapia Fish which are highly marketable	
Proposed investment	3. Hides and skin processing
Potential targeted area	Igowole and Nyololo
Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible by road from Mgolole and Mafinga through the Tan-Zam highway - Utility services in place (close to National grid) - Cellular networks available

	<ul style="list-style-type: none"> - Centrally located for local skin suppliers - Investment plot has been identified and surveyed
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Increasing demand of skin nationwide - Revamping of Moshi skin processing factory - Presence of enormous local slaughterhouses - Potential supply of skin and hides from local animal keepers
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships), religious institutions and farmers groups
Future investment expectation and benefits	<ul style="list-style-type: none"> - Improve hides and skin quality - Job creation - Assurance of skin and hides markets locally - Increase income to local people and council - Up to 35% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs and Low investment costs) - The investment has 3-5 years Pay Back Period - Promote related small business like agro-vet input shops - Boost skin supply to the market

3.1.2 Infrastructure Development

The infrastructure development industry in Mufindi District comprises the following investment opportunities within in the areas of clusters, industries, manufacturing, and services centres


- Commercial Business and Trade Services and Business centres
- Social services cluster (Passenger transportation stations)

- Wellbeing centres (Learning centres and Shopping malls)
- Assembling cluster (Assembly, repackaging, and value add in machinery, equipment, and other industrial goods. E.g., farm machinery and implements, abattoirs equipment)
- Hospitality industry (hotels, restaurants, amusement, tourism)
- Textiles and garments factories/mills
- Pine and eucalyptus treatment plants
- Value added cotton by-products factories
- Abattoir, Beef and Mutton
- Cereals processing and packaging
- Meat products factory (Leather factories, modern tanneries, leather finishing production units, leather products)
- Agro-value addition industries (Factories for processing and canning food products, dairy products factories, oilseed-based vegetable oil factories and refineries, livestock feed, beverages)
- Logistics and trucking centre
- Warehousing Centres
- Utilities Centres
- Fuel Depot and petrol stations
- Waste treatment Centres
- Industrial raw materials plants (industrial alcohol, and biodiesel)
- Market Centres (An agricultural Commodity Exchange)
- Livestock Market/Auction Centres
- Power generation and supply (hydro, biogas, photovoltaic solar panels, coal fired generation)
- Recreation centres
- Packaging and supply chain management facilities


Specific investment opportunities in Infrastructure Development are shown in Table 6.

Table 6: Specific priority investment opportunities in Infrastructure Development

Proposed investment	1. 10MW Hydroelectric power project plant (Investment costs is TZS 28 Billion equivalent to 12.7Million US Dollars)
Potential targeted area	Nyalawa Village (Along Nyalawa river)
Current state of investment	New
Infrastructure/ raw	- Accessible by road on both sides from the Tanzam highway (from Mafinga and Nyigo)-90 Km from Mafinga
materials/ utility services	<ul style="list-style-type: none"> - Its within Rufiji river water basin catchment - Cellular network available through Vodacom and halotel - Waterfalls are a potential input into the business operations - Feasibility study and Environmental and Socio Impact Assessment (ESIA) have been done
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Approximately 39 villages have no electric power - REA and TANESCO have not reached the area - High demand for electricity in the adjacent community due to existing and viable economic activities - Power rating cost will be low, which will make it more affordable for households
Type of investor(s) recommended	PPP between the Council and Investors


<p>Future investment expectation and benefits</p>	<ul style="list-style-type: none"> - Boost economy of local community through utilization of electricity to socio-economic activities - Strengthening the industrialization motive of the country - About 40-50% of the district community will benefit from the project - About 5,000 Household will be connected - Will boost timbering activities - Source of income to council and central government - The electricity tariff is 263.02 TZS/kwh. - Up to 60% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs and Low investment costs) - Encourage growth of small processing industries - Environmental conservation - Job creation to the community
<p>Proposed investment appearance:</p>	
<p>Proposed investment</p>	<p>2. Tea Processing Factory</p>
<p>Potential targeted area</p>	<p>Mkonge Village</p>


Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible by road (Mafinga –Nyololo road) - Utility services available - Feeder roads to producer villages area relatively good but need regular maintenance - About 100 acres of land is reserved for factory construction - Surrounded by 5 potential villages that produces tea - Production of green leaf tea is about 50,000Kg per year
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Presence of secondary tea processing factory in Mafinga (TATEPA) - Presence of other national tea blending companies e.g. Kilimanjaro Tea and Tanzania tea blenders - High demand of foreign market - Local tea consumption is high - Assurance of green tea supply throughout the year from out growers who are organized through their cooperative unions
	<ul style="list-style-type: none"> - There about 568 tea out growers
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation to local community - Will encourage other economic activities around the factory (petty trading and retail businesses)


	<ul style="list-style-type: none"> - Will improve community social services through Corporate Social responsibility (CSR) - Boost Council and central government through corporate tax and levies - Up to 28% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, cheap raw materials and High price of processed tea) - Market assurance to farmers who depend mainly to monopolized tea factories of MTC and UNILEVER - Increase income to Mkongwe Cooperative society (AMCO) - Improve quality of Tea production and branding
<p>Proposed investment appearance:</p>	
<p>Proposed investment</p>	<p>3. Complex Business Building</p>
<p>Potential targeted area</p>	<p>Mafinga Town Centre</p>
<p>Current state of investment</p>	<p>New</p>

Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Located at the centre of Mafinga town - Utility services available - All socio-services available - Drawings are in place - Building permit has been granted
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Increasing demand for commercial and office spaces as the town grows very fast - No 'one stop' shopping centre in Mafinga - Demand for lucrative, safe and descent shopping centres
Type of investor(s) recommended	<p>PPP between the Council and Investors</p>
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Business expansion - Boost income to the council and government - Easy collection of revenue - Improve cleanliness and management of solid waste - Create centre for shopping - Town beatification - Create more room to other business growth - Up to 36 percent financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap building materials and Low land costs) - The investment has 5-10 years Pay Back Period


<p>Proposed investment appearance: a sample of complex business building</p>	
<p>Proposed investment</p>	<p>4. Grain Processing factory</p>
<p>Potential targeted area</p>	<p>Saadan Ward</p>
<p>Current state of investment</p>	<p>New</p>
<p>Infrastructure/ raw materials/ utility services</p>	<ul style="list-style-type: none"> - Accessible by roadways during all seasons - Utility services are available - Cellular networks available - Land is available and arable
<p>Potential targeted markets and market situation</p>	<ul style="list-style-type: none"> - Massive production of maize and other cereals - No such grain processing in the area - Increasing demand for processed grains rather than unprocessed - Closer to Mafinga town (About 40Km)
<p>Type of investor(s) recommended</p>	<p>Individuals, Private companies and Joint ventures (partnerships)</p>
<p>Future investment expectation and benefits</p>	<ul style="list-style-type: none"> - Assurance of maize market to farmers - Job creation - Improving quality of maize production and other grain

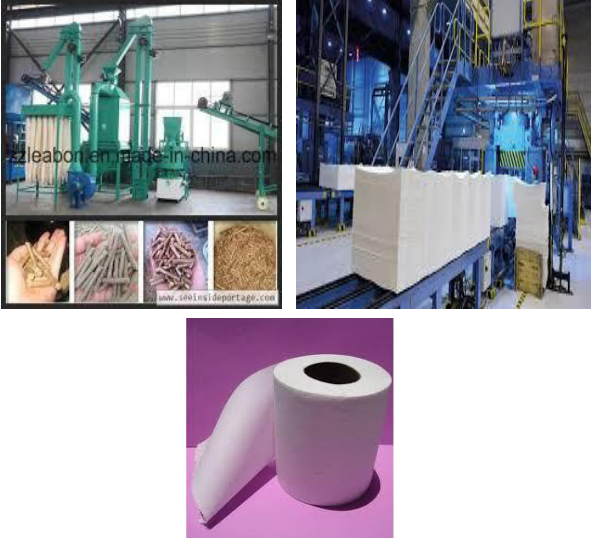
	<ul style="list-style-type: none"> - Commercialization of grain crops - Income to the council and government - By-products will be used as a feed to animals and biogas production - Community will benefit from CSR - Up to 28% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap raw grain cost and Low land costs) - The investment has 3-5 years Pay Back Period
<p>Proposed investment appearance: A sample of grain processing facility required</p>	
<p>Proposed investment</p>	<p>5. International Timber Market</p>
<p>Potential targeted area</p>	<p>Igowole Ward</p>
<p>Current state of investment</p>	<p>New</p>
<p>Infrastructure/ raw materials/ utility services</p>	<ul style="list-style-type: none"> - Accessible by road from Mgolole and Mafinga on the Tan-Zam highway - Utility services in place - Cellular networks available

Potential targeted markets and market situation	<ul style="list-style-type: none"> - Assurance of timber supply - Highly demand of timber and poles locally and internationally - No timber central market in Mufindi
Type of investor(s) recommended	Partnerships (PPP)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Assurance of timber markets to community - Stimulate economic growth and other businesses - Centralize revenue collection - Assurance of timber production data and statistics - Boost revenue to council and government
Proposed investment appearance:	
Proposed investment	6. Milk processing plant
Potential targeted area	Igowole (the entire district is also potential for this investment)
Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Good road network in the entire district - Water and Electricity services available - Cellular network availability - Good ecological and climatic condition for cattle


Potential targeted markets and market situation	<ul style="list-style-type: none"> - Presence of potential outlet market nearby Mufindi (Njombe, Makambako, Iringa and Mbeya) - Reduce monopoly of ASAS milk processing in Iringa - High demand of milk and its products - Presence of livestock keepers in the district - Local and international market for milk product especially in SADC countries
Type of investor(s) recommended	<p>Individuals, Private companies and Joint ventures(partnerships)</p>
Future investment expectation and benefits	<ul style="list-style-type: none"> - Assurance and sustain milk market to local animal keepers - Improve quality of milk production to farmers - Job creation to local community - Improve local people and animal keeper’s economy - Increase revenue to the council and government - Improve health and milk sanitation - Vitamins and protein supply to the community - Up to 28% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap raw materials price and Low land costs) - The investment has 3-5 years Pay Back Period
Proposed investment appearance:	
Proposed investment	<p>7. Modern residential and commercial buildings</p>

Potential targeted area	Entire district
Current state of investment	New potential investment area
Infrastructure/ raw	<ul style="list-style-type: none"> - Wards and villages have road networks - Utility services available - Cheap building materials are locally available
Materials/ utility services	<ul style="list-style-type: none"> - Ground water drilling is a possibility - Cellular network available
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Tan-Zam highway is crossing the district - TAZARA rail also crosses the district - Favourable climatic conditions and land availability in the district attracts people to settle and engage in various economic activities - Increasing population size and emigration - Mafinga town is one of the fastest growing town in the country and attract more people to invest and live - No modern housing and apartments for rent in the district
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Provision of skilled labor and work force to the market - Increased the number of tourists and visitors to the district - Boost council revenue and government - Increase local production and engagement in productive activities - Employment creation


	<ul style="list-style-type: none"> - Up to 36% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap raw materials price and Low land costs) - The investment has 5-10 years Pay Back Period ion to local community and emigrants
Proposed investment appearance:	
Proposed investment	7. Wood by-product processing factories (charcoal, Match boxes, toilet paper, toothpicks, plywood, furniture and gum extracts)
Potential targeted area	Timbering activities is dominant within the entire district
Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Good road network - Available utility services (water and electricity) - Cellular network availability
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Availability of wood by-products which are currently not fully utilized - Higher demand of charcoal, Match boxes, toothpicks, plywood, furniture and gum extracts in local market and neighbouring countries - Available local technologies and skilled labor force

Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Boost creative and exhaustive use of wood end products - Conserve environment and tree - Reduction of pollution - Income to council and government - Reduce cost of importation - Encourage local people to use local produced products - Up to 28% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap raw materials price and Low land costs) - The investment has 3-5 years Pay Back Period
Proposed investment appearance:	
Proposed investment	8. Drinking Water Purification

Potential targeted area	Eastern zone of the district (water catchment area)
Current state of investment	Potential new profitable investment area
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible by road - Cellular networks available - Presence of rivers and natural springs - Shallow water tables with cold waters - Presence of electricity and other alternative energy sources e.g. solar, biogas and windmills
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Increasing demand of pure water for health and sanitations - Currently only one pure water processor in Mufindi - Low capital requirement venture - Low production cost
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Improve health and sanitation - Boost income to the council and government - Water conservation and use strategy - Reduction of waterborne disease - Up to 73% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap raw materials price and Low land costs) - The investment has 3-5 years Pay Back Period

Proposed investment appearance:	
Proposed investment	9. Mechanization (auto assembly and maintenance)
Potential targeted area	Potential to the entire district
Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible by road - Cellular networks available - Utility services available Presence of existing agricultural and timbering activities that are highly mechanized - Fast growing economic activities in Mafinga town
Potential targeted markets and market situation	<ul style="list-style-type: none"> - Massive agricultural and timbering activities taking place in the district that need machines and maintenance workshops - Absence of modern workshops in the district - High demand of auto and plant spare parts
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)

Future investment expectation and benefits	<ul style="list-style-type: none"> - Employment creation - Improve quality of agricultural and processed products - Reduction in cost of production - Revenue generation to council and government - Assurance availability of auto spares and agro implements - Boost local economy and livelihood
Proposed investment	10. Agro-input Production (Bio-fertilizers)
Potential targeted area	Entire district
Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible road network to the entire district - Cellular network available - Plenty supply of raw material, specifically plant and animal waste - Water and Electricity services are available - Tan-Zam highway is crossing the district
Potential targeted markets and market situation	<ul style="list-style-type: none"> - High demand of organic oriented fertilizers - There are no such production facilities in the district - Potential market to neighbouring areas and towns (Iringa, Makambako, Njombe and Mbeya) - High demand of organic fertilizers for tea and coffee producers
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)

Future investment expectation and benefits	<ul style="list-style-type: none"> - Improve soil structure - Improve crop productivity - Increase yield per unit of production of crops - Employment creations
	<ul style="list-style-type: none"> - Improve crop quality and quantity - Increase farmers income and livelihood - Environmental conservation initiatives - Up to 28% financial Return on Investment (ROI) to investors in Mufindi (due to Low labor costs, Cheap raw materials price and Low land costs) - The investment has 3-5 years Pay Back Period
Proposed investment appearance:	
Proposed investment	11. Lime and gypsum extraction and processing
Potential targeted area	Mbalamaziwa Ward
Current state of investment	New
Infrastructure/ raw materials/ utility services	<ul style="list-style-type: none"> - Accessible by road through the Tan-Zam highway - Utility services available - Local extractions are currently underway - Local work force is available

Potential targeted markets and market situation	<ul style="list-style-type: none"> - Highly demand for the materials in local market and foreign - Booming real estate industry in the country - The deposit is of high quality
Type of investor(s) recommended	Individuals, Private companies and Joint ventures(partnerships)
Future investment expectation and benefits	<ul style="list-style-type: none"> - Job creation - Increase of council and government revenue - Develop other related small business and economic activities - Avail building materials to the local and international market - Foreign exchange earning

3.1.3 Tourism Sector

Tourism is one of the fastest growing industries in Tanzania. It is a very promising sector with high financial returns. Tourism is expected to rise by 6.6 percent annually over the next 10 years. According to the World Travel and Tourism Council (WTTC). Tanzania’s tourism sector generated 12 **percent** of the country’s total employment (over 1m jobs) and directly employed 467,000 Tanzanians (4.3% of total employment). The opportunities that exist involve local communities in village walks, outdoor recreational activities, and cultural heritage tours. This will bring not only economic benefit to investors, but also to local individuals and communities. It will enable them participate more actively in the conservation of their natural, historical, and cultural attractions. There are viable businesses in tourism promotion services that are dedicated to marketing tourist attractions in Mufindi. Other


potential investments are in skilled guides, well-placed camping sites and lodges throughout the area along beautiful dams, rivers, springs, and hills. Furthermore, investment opportunities exist in the construction of high-end hotels, guesthouses, and residential houses.

Specifically, eco-tourism investment opportunities are focused on:

- ✚ Up-market hotels/resorts
- ✚ Chain hotels Conference tourism Health tourism Mariners
- ✚ Special cuisine restaurants Recreation and amusement centres
- ✚ Establishment of colleges for hospitality industry
- ✚ Construction of exhibition and convention centres
- ✚ Development and renovation of historical buildings and sites

Table 7: Specific priority investment opportunities in Tourism

Proposed investment	1. Tourist hotels, cultural heritage and camp-site
Potential targeted area	- Igomaa - Ihanzutwa - Mpanga Tazara
Current state of investment	New
Infrastructure/ raw materials/ utility services	- Accessible by road - Cellular networks available - Presence of river - Area close to Ruaha National Parks - Area is closer to WMA of WAGA and Mbomipa - Strategically located with attractive landscape for trekking and hunting)

Potential targeted markets and market situation	<ul style="list-style-type: none"> - No such investment in the area - High demand of tourist hotel in the area to flux of tourists(wildlife) - Wild animal hunters have no recreational site
Type of investor(s) recommended	<p>Individuals, Private companies and Joint ventures(partnerships)</p>
Future investment expectation and benefits	<ul style="list-style-type: none"> - Preserve Hehe Tribe cultural heritage - Conserve the area - Improve livelihood of local people - Increase council revenue and government - Conserve wildlife - Promote the area worldwide, specifically, the Wonder of Mpanga Moving Island
Proposed investment appearance:	 <p>The top photograph shows a cluster of several small, rustic wooden huts with gabled roofs, situated on a grassy hillside with tall trees in the background. The bottom photograph shows a close-up of a modern wooden cabin with a balcony, featuring large windows and a wooden railing, set against a backdrop of dense greenery.</p>

3.2 Other Potential Investment Opportunities in Mufindi District

3.2.1 Auto Spare Parts and Mechanized Farming

Mufindi District has vast arable land, good climatic condition, and cheap labour force. Investors, who are interested in the agriculture sector in Mufindi, would have a competitive advantage over farmers and companies that are engaged in mechanized farming. Although this venture is capital intensive due to the need of purchasing and maintaining tractors and heavy-duty farming machines, there is a strong profit potential for investments in this sector.

3.2.2 Building Materials and Construction Company

Mufindi, specifically Mafinga as a commercial centre, is rated as a fast-developing district, but it lacks the required basic infrastructure to support this growth. Due to these growth trends, establishing a construction company and the supply of quality building materials and hardware in Mufindi provides the opportunity for a reasonable rate of return in the short run. There are available construction projects, which need to be done in Mufindi, but there are not enough construction companies to satisfy the market demands.

3.2.3 Consignment and Retail Shops

By all indices, the average Mufindi communities are living below the poverty line. This makes them willing to pay less to get basic livelihood necessities. The creation of large and diverse consignment and retail shops in Mafinga town and/or Ward centres (villages) in Mufindi will have a dedicated customer base that will have high levels of patronage. The products for these shops should focus on clothes, shoes, toys, electronics, bags, electric stoves, fridge, clippers, and other basic livelihood necessities.

3.2.4 Transportation

Mufindi District has a well-maintained road and rail network.

Mufindi District is connected directly to Tanzania-Zambia Highway giving it direct trade links to neighbouring countries (Zambia, Malawi, and DRC-Congo) and it sits in between the major growing town and municipalities of Iringa, Mbeya, Mafinga, Makambako and Njombe. The district is also crossed by Tanzania-Zambia Railways in the eastern part, which starts, from Dar-es-salaam to CapiriMposhi (Zambia). These characteristics make Mufindi District a natural transportation gateway for East and Central Africa. Apart from being a point for the passage of goods, Mufindi District's internal production capabilities, driven by rich natural resources such as timber production, large size arable land and cash crop production makes it a natural hub for economic activity in the Country.

There is a potential demand for transportation services for both passengers and goods to and from Mufindi. Investors are highly encouraged to invest in both passenger and cargo transportation projects. Partnerships among private operators are vital in creating medium-sized commercial fleet operations, commuter buses, and reliable transportation and logistics companies.

3.2.5 Equipment Hiring and Rental Services

Equipment hiring and rental service is another thriving business in Mufindi. If an investor opens facility hiring and rental services of machines, equipment, earth movers, chairs and tables, canopies, and public address system, private occasions, weddings, and the like would attract many people patronizing on a regular basis.

3.2.6 Auto Repair and Maintenance Modern Workshops (Metal Fabrication)

There are massive agricultural and timbering activities that are taking place in the district that need machines and maintenance workshops. Currently, there are no such modern workshops in

the district, which increase the demand for this type of business. Mufindi District provides access to cheap raw materials and labour, which would contribute to a higher rate return for investments in this activity.

3.2.7 Technical and Vocation Training Institutes

Supporting technical and vocational education has a long history in the Mufindi District. It has always been a priority for policymakers because since it creates jobs and supports the creation of additional jobs in other industries. Investments are attractive in this sector because there is an increased relevance of schooling required for occupation, a reduction in youth unemployment because of the acquisition of employable skills, and increased economic development arising from improvements in the quality and skill levels of the working population. Others include poverty reduction through giving access to higher income occupations, change of attitudes amongst youth to favour occupations where there are more employment prospects. Because of these market forces, Mufindi District is a potential target destination for vocational and technical institutes.

CHAPTER FOUR

SUMMARY OF INVESTMENT PROCESS AND PROCEDURES IN THE MUFINDI MUNICIPAL COUNCIL

4.1 Investment Incentives Provided

Mufindi District has adopted and is currently implementing several policies and incentives to attract and facilitate investment in economic and social development. An investor is encouraged to acquire a copy of the charter, statues, regulations, memorandum, and articles of association.

An investor, irrespective of nationality, can set up a business enterprise in the United Republic of Tanzania in accordance with the provisions of the following legal instruments:

1. The Companies' ordinance Act of 1948 chapter 212
2. The business name and Registration Act of 1930 chapter 21

Certificate of Incorporation, in THE application for the registration of a company is made directly, or through agents to the Registrar of Companies. A company is duly registered after the submitting the company's regulations. A specified fee is paid to the Registrar by companies when certificates of incorporation are obtained.

Tanzania offers a well-balanced package of incentives to investors who have chosen Tanzania as their investment destination. The incentives have been devised to:

- Compensate and reward investors for their entrepreneurship
- Match the changing needs of the country
- Channel investment in the directions most needed for economic Industrial development
- Ensure growth with social equity

Several tax and business incentives are granted to both local and foreign investors under the regulations of the Tanzania Investment Act, 1997. Tax incentives are now granted in the form of enhanced capital deductions and an allowance structured according to priority sectors, which include industrial development, agriculture, agro-based industries, mining, tourism, and economic infrastructure. Factories, which are registered to manufacture goods under bond for export purposes are exempted from import duty and other taxes on inputs used to manufacture such goods.

Incentives offered to investors under the Tanzania Investment Act, 1997 could broadly be categorized into fiscal and non-fiscal incentives. (*See Appendix I for detailed information*).

4.1.1 Fiscal incentives

- Important duty and VAT exemption on project/deemed capital investment
- Import Duty Draw Backs Scheme
- Refund of duties charged on imported inputs used for producing goods for export and goods sold to foreign institution like the UN and its agencies operating in Tanzania.

4.1.2 Non- fiscal incentives

For foreign investing companies, the government has set an incentive of immigration quota of up to 5 people.

There is a guaranteed transfer of;

- Net profits or dividends of the investment
- Payment in respect of foreign loans
- Remittance of proceeds net of all taxes and other obligations
- Royalties fees and other charges

4.2 Policy and institutional issues for reform

The public sector is the most important investment instrument in the country. Improving its management practices is critical

for optimal development outcomes that include efficient service delivery, investment and economic development, social protection, and private sector regulation. The public sector governance reform involves institutional reform, which is the changing of rules and procedures that govern public sector activity. The efforts made to support institutional reforms aim to improve the performance of the state that results in generating greater capacity, commitment, efficiency, integrity, and/or responsiveness to achieve poverty reduction and other developmental goals.

Public sector institutional reform faces some fundamental challenges. Successful reforms are not only about technical capacity and knowledge. Improving public sector effectiveness is fundamentally political and is shaped by political settlement. Reforms must deal with complex political and social contexts including corruption, patronage, and political capture. Moreover, we know that fundamental changes to institutional features (staff capacity, organizational culture) take generations to be established. Within these broad challenges, the following main components of institutions need to be considered while considering reforms, priorities, policies, incentives, rules and law, culture, drivers for change as well as voices and partnerships. Lack of political commitment is a common explanation for public sector institutional (or 'governance') reform failure (Bukonya & Yanguas, 2013).

Table 8 shows some practical institutional and policy issues that were observed and depicted as a hindrance against effective and efficient investment progress and development in most of the LGAs in Tanzania.

Table 8: Institutional and policy issues to be reformed and proposed solutions

Issues to be reformed	Proposed solution(s)
<p>Barriers and bureaucracy in Land acquisitions and ownership to investors</p>	<p>Land Application procedures should be processed under one roof (one stop shop) together with Licensing and Tax Applications</p>
<p>Potential local investors are not given priorities by most government agencies and local governments</p>	<p>The sentiment is that foreign direct investments receive special consideration compared to The existing local businesses. Local investors should be given the same priority like foreigners. The impact of existing local and new foreign investments is similar on a community.</p>
<p>Insufficient and under-established economic infrastructure</p>	<p>Transportation infrastructure, energy system, financial system, standards and conformity assessments, statistics and databases should be kept into international standards to attract investors and lowering investment costs.</p>
<p>Public Private Dialogue (PPD)</p>	<p>Structured mechanism to facilitate the reform process by involving a balanced range of public and private stakeholders in identifying, filtering, accelerating, implementing, and measuring policy reforms towards promoting enterprises and investments.</p>

Issues to be reformed	Proposed solution(s)
Underdeveloped legal system and consolidated policy system	Reforms in legal systems and policies need to be implemented and well developed to provide room for investors to pursue their activities legally and transparently.
Lack of coordination and collaboration between stakeholders	Investments Plans and policies made by municipal governments should be well coordinated to serve stakeholders and avoid duplication of efforts.
No Council staff dedicated to handle investment issues	It is suggested that councils should have special department or section or unit that is mandated to support investment activities (facilitation, document processing and promotions).
Community and staff unawareness on investment issues and opportunities	Capacity building and awareness creation on issues of investment to community, local government staff, and administration are highly required.
Unethical and unreliable investors	Due diligence should be done to determine investors capacity and legality (finances and competence). This especially considered for foreign investors.

Issues to be reformed	Proposed solution(s)
Utility services are not adequate and reliable	The government needs to improve water and electricity services and regulate price rates to encourage investors.
LGA should be given a mandate to have direct links with international investors	Direct link and collaboration with international investors and companies provides an opportunity for the council to negotiate a fair deal directly and in a timely manner
Narrow and unlimited revenue and tax bases	The district council must expand its revenue by exploring new potential sources and strengthen its revenue collection system in order to mobilize resources required to support improvement in the quality of services delivered to the community.
Taxation and licensing (too many)	Taxes, Licensing and permits need to be minimized and processed under one roof (one stop shop) preferably in TIC
Low investment and returns on agriculture sector	Improving agriculture productivity and enhancing the sector through improving extension services and policies will provide more return in the sector and attract more investors.

**SECTION 2: FACILITATION STRATEGY FOR THE
MUFINDI DISTRICT COUNCIL**

CHAPTER FIVE

ASSESSMENT OF INVESTMENT CLIMATE

5.1 Existing Main Investments and Investors

MDC offers a wide range of opportunities for investors in the manufacturing, transportation, light industries, energy, real estate development, financial services, and tourism industries. Table 4 highlights the existing investors and business investments that operate within the District. The District is a home to about 14 local and international companies and 93 Saw Milling Companies. It is home to Mufindi Paper Mills Company, Tanzania Tea Packers Limited, Mufindi Community Banks, Panda Miti Kibiashara, Mwenga Hydro Limited, Sao Hill Timber, Unilever Tea Companies, Mufindi Tea Company Limited, and Heifer Tanzania. Mufindi is also a strong hold market to all large and medium sized companies in Tanzania such as Mohamed Enterprises, Twiga Cement, Tanga Cement, Mbeya Cement, Dangote Cement, CRDB Bank, NMB Bank, Toyota Motors, Total, Pepsi, Coca-Cola Company, ATN Petroleum Company and Many others.

Table 9: Existing main investments and investors in Mufindi

Investment/name of investor	Sector	Main Activity	Ownership status
Unilever Tea Tanzania Ltd	Agriculture and manufacturing	Tea Production and Processing of Green leaf	Private alliance
Mufindi Tea & Coffee Company	Agriculture and manufacturing	- Tea and Coffee Production - Processing of Green Leaf	Private
Mufindi Paper Mills (MPM)	Timber processing	Paper Production	Private
Tanzania Tea packers (TATEPA)- Chai Bora	Processing (Tea blending)	Tea production and Supplies	private
Sao Hill Timber	Agriculture and manufacturing	Tree planting Tree seed production, Timber & Utilization	private
MUCOBA- Bank	Financial institution	Provision of financial services (Loans/credits)	Community venture
CRDB- Bank	Financial institution	Provision of financial services (Loans/credits)	Private shareholders

Investment/name of investor	Sector	Main Activity	Ownership status
NMIB- Bank	Financial institution	Provision of financial services (Loans/credits)	Joint venture
Lugoda Hospital	Health	Provision of health services	Private (Uniliver)
Private secondary schools (several).	Human resource development	Provision of primary and secondary education	Private
Fox- Farm safaris Comp. Ltd.	Agriculture and tourism	-recreational, camping sites, seed production	Private
CARITAS	Agriculture and Livestock	Food and livestock production	Private
Livestock Multiplication Unit- Sao Hill (LMU)	Agriculture and Livestock	Heifer Production	Government
Over 93 Saw Millers	Timber processing	Timber sawing and utility poles production	Private

Source: Mufindi District Trade Office (2019)



5.2 Reason to invest in the Mufindi District

The Mufindi District enjoys an abundance of natural wealth, which offers tremendous investment opportunities. These include an excellent geographical location, arable land, and supply of raw materials, abundant and inexpensive labour, descent friendly people and a suitable climatic for cash cropping of tea, coffee, pine, eucalyptus, and fruit trees. It is also renowned for its tourist attractions such as the Udzungwa, Mpanga Moving Island, Ihanzutwa, Ngwazi, and Nyororo fishponds.

Below is a comprehensive list of major reasons as to why it is profitable to invest in Mufindi District.



Tea plantation with naturally made dams in Mufindi district

5.2.1 Agriculture Potential

The Agriculture Sector contributes approximately 91 percent of the district's GDP. Crop production contributes approximately 90.2 percent; livestock contributes 0.7 percent, and hunting and forestry account for 0.2 percent. The services and industry sectors account for almost 8 and 1 percent respectively.

Agriculture is the backbone of the economy of Mufindi District Council. Due to favourable rainfall and soil conditions, Mufindi is a big producer of both food and cash crops. Cash crops include tea, sunflower, coffee, and pyrethrum. Food crops include round and sweet potatoes, beans, wheat, fruits and vegetables. There is a total area of 652,630 ha, which is arable land with 263,552 ha, which is 42.7 **percent** of the total arable land is under cultivation. Potential area available for irrigation is 4,420 hectares, of which 30.9 percent of the land area is already under irrigation.

Mufindi has several key partners in the development of agricultural sector including ASDP/DADP programme, One Acre Fund Project, Tanzania Agriculture Productivity Project (TAPP), Marketing Infrastructure Value Addition and Rural Financing (MIVARF), CONCERN, MUVI/SIDO, Clinton Foundation- Anchor Farm Project, Silverlands Project, Rutuba Farm/Sembe Tofauti, YARA, ASA, TFC, Mufindi Community Bank to mention a few.

5.2.2 Livestock and fisheries

Cattle, goats, pigs, chicken, ducks, dogs, sheep, rabbits, donkeys, and guinea pigs are the most dominant livestock in the District Council (Table 5). These livestock provide investment opportunities in raising and fattening live animal trading, slaughtering, meat processing, leather processing, retailing and marketing. There is also opportunity in processing of milk, hides, and skins. Other areas include compounded animal feeds and premix production, pasture production and livestock pharmaceuticals production.

Table 10: Type and Number of animals kept in Mufindi District

Animal type	Number	Remarks
Cattle	72,527	Includes both Indigenous and exotic species
Goat	14,844	
Sheep	4,709	
Pig	21,721	
Chicken	175,257	Includes both local species and exotic species
Duck	4,595	
Rabbit	11,307	
Dog	7,216	
Cat	524	
Guinea pig	5,994	
Guinea fowl	89	
Donkey	321	Used as oxen and carrying luggage in rural

Source: Mufindi District Agriculture and Livestock Department (2019)

Fish farming is another fast-growing industry in Mufindi District. It has recently gained prominence due to an increased demand for fish in the district. The potential growth of Fisheries is supported by the following dams, Mpanga Tazara, Ngwazi, Nzivi, Kihanga, and other community fishponds.

5.2.3 Beekeeping

Mufindi District Council is endowed with vast areas of conserved natural forest, which is beneficial for beekeeping. These forests are actively managed by the surrounding communities with

management plans, rules of operation and clearly marked boundaries. Since Mufindi District Council signed the joint management agreements in January 2008, these forests are now one of the very few forests in Tanzania where communities have full legal rights of managing the forests jointly with the government. These agreements will ensure that the forests and their ancillary economic activities such as beekeeping are sustainable long into the future. The conserved forests are Lulanda, Lugoda-Lutali, Idewa, ifupira, Kidege-Msitu, Ihanzutwa, and Chogo forests.

5.2.4 Forest and pine tree plantations

Mufindi District ranks first for forest cover in the region. In 2017, forest reserves covered 47,416ha out of 712,300, while catchments forests covered 16,690ha. In total, the forest reserves cover 64,106 ha. About 80,000ha are under Miombo woodlands, which are found in the lower western side of the District. Grasslands cover about 35,610 ha and Highland plantation covers about 20,106 ha. Over 80,000 ha are available for tree plantations within the Kibengu, Ifwagi, Kasanga, Malangali, and Sadani divisions.



Pines Plantations in Mufindi District

Percentage Distribution of major Income Generating Activities to Households in Mufindi District

Sawn timber and utility poles are the main timber products in the Tanzanian market. The major consumer of sawn timber is the construction industry, specifically the National Housing Corporation and other individuals or building contractors. The construction industry, which includes residential and development projects, consumes about **62 percent** of the total 1.46 million m³ of sawn wood produced annually in Tanzania.

On the other hand, the major consumers of utility poles are TANESCO and REA. In 2010 and 2011, TANESCO's utility poles requirements ranged from 80,000 to 120,000 units, but currently the requirements have gone up to a range of from 100,000 to 165,000 poles per annum. REA's annual requirement has increased from 2,200 in 2010 to 172,000 in 2014. It is estimated that **55 and 50 percent** of the TANESCO and REA poles respectively are required to be imported. The demand for utility poles is increasing and in order to supplement wooden poles, TANESCO is set to start production of concrete poles through PPP arrangement in 2016.

By 2017, a significant drop in wood supply from government forest plantations and natural forests is predicted because of a decline in harvesting levels at Sao Hill Forest Plantation, which is the largest forest plantation and major supplier of wood in the country. About **50 percent** of the growing stock in this plantation is currently underage and therefore is not ready for harvesting. Given this scenario, it is envisaged that by 2025 about **70 percent** of the supply of industrial round wood will come from private plantations. This economic observation requires coordinated action to ensure it has a positive and sustainable impact on the local economy. There is also a need of addressing the challenges facing the private forestry sector and put in place an incentive scheme that will allow the

sector to grow smoothly and swiftly in order to enable it take up this task. (Mwamakimbullah, 2016).

Other direct contributions of the wood/timber industry include various taxes, fees, charges, levies, and royalties that are paid to the government. For instance, local governments in Iringa Region derive on average more than **50 percent** of their revenue from levies charged on royalty and sales of wood/timber products harvested in their areas. In addition, there are significant contributions in terms of employment in large plantations and factories such as Sao Hill and Mufindi Paper Mills, which employ thousands of individuals. Furthermore, qualitative interviews revealed that companies in the wood/timber industry practice corporate social responsibility by supporting the surrounding communities by constructing schools, hospitals, supplying tree seedlings, and water infrastructure. This is significant because this industry employs most of the population, especially in rural areas. www.privateforestry.or.tz

Sao Hill has a total area of 135,903 ha (Reserved) and 86,003 ha are suitable for tree planting , while the remaining 48,200 ha are targeted with enhanced environmental services that include protecting water sources (Little Ruaha and Kihansi Rivers),



biodiversity and the amelioration of the environment from Carbon Dioxide (CO₂) sequestration and releasing Oxygen (O₂) into the atmosphere.

Logging in Sao Hill plantation

5.2.5 Mining sector

Mufindi District is rich in minerals as well as precious gemstones. Minerals found in Mufindi District include gold, iron, nickel, limestone, soda ash, gypsum, phosphate, and Calcium. Gemstones that can be found in Mufindi District include sapphire and ruby.

5.2.6 Manufacturing sector

Mufindi District has many existing manufacturing businesses. These businesses include the Mufindi Tea Factory, Lugoda Tea factory, Mufindi Paper Mills Factory and Sao Hill.

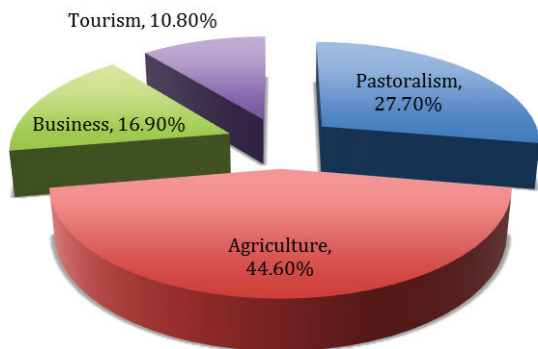


There are also about 93 Sawmills in Mufindi, most of which are in Mafinga, employing about 3,710 people with an estimated annual harvesting volume of about 560,300 M³ of timber. (PFP, 2016)

Common Sawmill Machines in Mufindi

5.2.7 Potential Human Capital and Competitive workforce

Mufindi District is endowed with industrious, technically capable, and affordable manpower. Reputable technical and vocational institutions offer training in catering, business and accounts, technical assistance, office administration, and nursing; the district releases graduates annually. Women and the youth are particularly socially enabled to work hard and earn income. The district population size (246,090) can provide enough labour reserve for many investment opportunities.



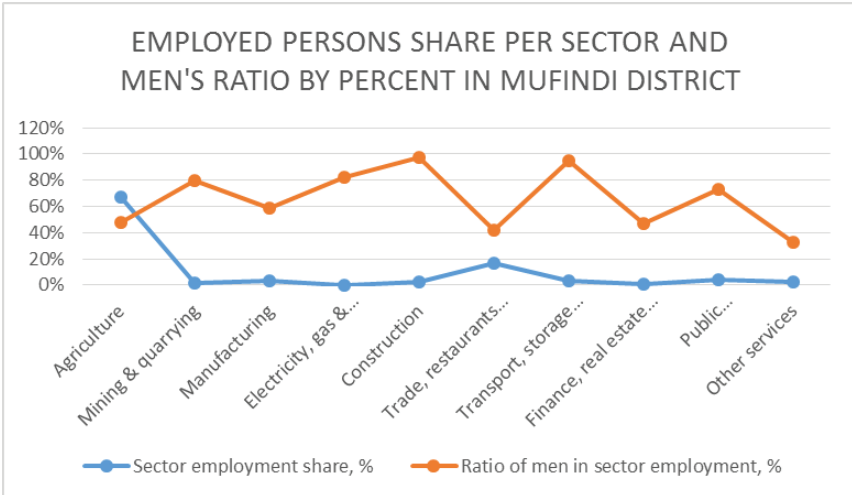
Percentage Distribution of major Income Generating Activities to Households in Mufindi

According to the 2010 Demographic and Health Survey of Tanzania, Iringa Region boasts 93.3 **percent** employment among men aged 15-49, which is the 4th highest employment percentage across all regions of Tanzania. Iringa Region boasts 83.3 **percent** of employment among women aged 15-49, which is the 8th highest employment percentage across all regions in Tanzania. These figures demonstrate that there is a strong supply of labor to satisfy the employment needs generated by investors.

Table 11: Variables,, Measures and Values

Variable	Measure	Value
Work Force Population Size	Population	163,392
Work Force Age Distribution	Age	15-64
Work Force Age Growth Trend	Percent	1.1
Unemployment rate	Percent	1.93
Unemployment rate for Males	Percent	1.46
Unemployment rate for Female	Percent	2.42
Population Ages, percent Total population	Percent	44.1
Population Ages, percent Total population	Percent	2.6
Youth Unemployment rate(15-24yrs)	Percent	3.45
Labour Force participation rate	Percent	83.19

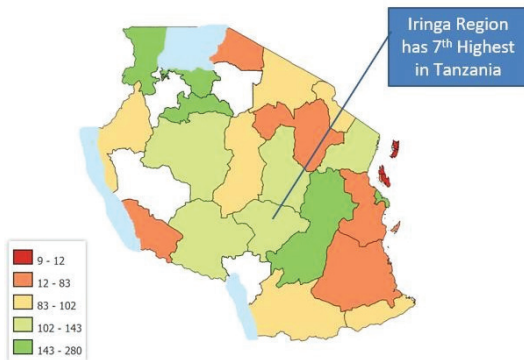
Source: *The global Economy (2019)*



Source: Ministry of Labour, Youth, Gender, Children, and Elderly (2019)

Regarding educational attainment levels among Tanzanian men, Iringa Region ranked 7th with men and 8th highest with women who attained the highest level of education in Tanzania .. These figures demonstrate that, there is talented workforce that can meet employment needs of potential business investors.

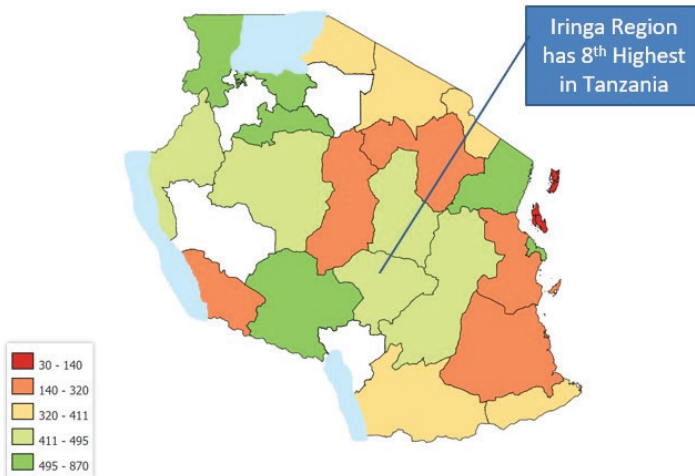
Men attained highest level of school



Source: Demographic and Health Survey of Tanzania, 2010

Created with knoema.com

Women attained highest level of school



Source: [Demographic and Health Survey of Tanzania, 2010](#)

Created with [knoema.com](#)

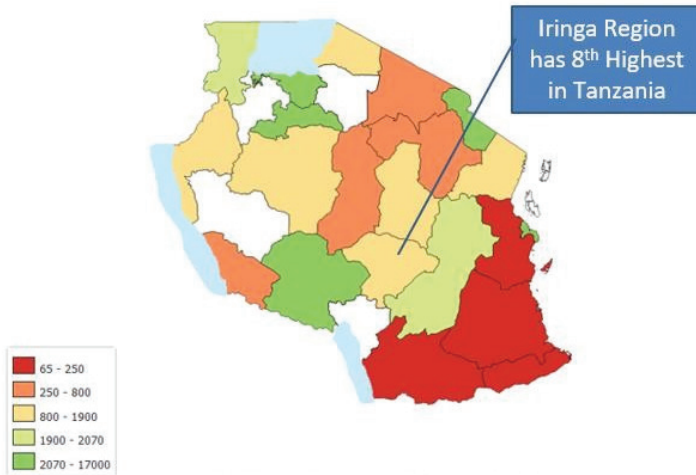
Iringa Region has been successful in recruiting new workers to satisfy the employment needs of local businesses. It is ranked 10th best at recruiting new workers for employment opportunities. This recruitment capacity is a tremendous asset that can benefit new potential business investors.



[shutterstock.com](#) • 1331461580

Mufindi Tea Factory (Left), and Tea Plantation (Right), One of the largest Employers in Mufindi District

New Workers Recruited



Source: [Employment Statistics of Tanzania, 2014](#)

Created with [knoema.com](#)

Iringa Region is ranked the 6th best region with male skilled labourers in Tanzania. It is ranked the 11th best region with female skilled workers. This provides a competitive advantage for investors because it demonstrates there are enough skilled labourers to fill occupations that require advanced skill sets.



Saw Milling and Timbering is one of the biggest sources of Income to Household and Government in Mufindi District

5.2.8 Administrative support and attractive regime

Mufindi District is one of the most peaceful and politically stable districts in Iringa Region.. Mufindi dwellers continue to live in peace and with a sense of a common national identity without ethnic or tribal division. This is an inherent situation in Mufindi District since its independence in 1961 under the leadership of the nationalist Julius Nyerere. Since 1992, there have been five leadership transfers through free and fair elections within the multi-party system in Tanzania.

5.3 Analysis of strengths, weaknesses, opportunities, and obstacles on investment

The SWOT analysis was performed to identifying Strength, Weaknesses, Opportunities, and Threats of Mufindi District Council's ability to attract investment. The exercise intended to determine Mufindi's ability to manage investment opportunities in the areas of budgeting, skilled labour, and service provision in meeting investors' needs. Others include Leadership and management experience, stakeholder and community involvement, council's policies, and organizational by-laws.

The purpose of the Organizational SWOT Analysis is to

- i. Assess how well current institutional arrangements, meet the needs for the Council to carry out proactive investment promotion
- ii. Identify whether the budget, skills, staffing levels, procedures, and processes, including Website, are adequate to the mandate and purpose of the investment promotions
- iii. Identify potential opportunities of creating partnerships and alliances to strengthen investment promotion capacity
- iv. Identify any threats to smooth and effective functioning of the investment promotion strategies at the council level.

5.3.1 Strength and Weaknesses

Table 12: Strength and Weaknesses

Criteria	Strengths	Weaknesses
Leadership	<ol style="list-style-type: none"> 1. Good governance 2. Experienced leadership 3. Strong and committed leaders 4. Regular meetings are conducted 5. Decision making is led by ruling party election manifesto (2015) 6. Work closely with the community through formation of Ward Development Council 	<ol style="list-style-type: none"> 1. Inadequacy of knowledge and skills on administration and management for some of the leaders, especially at lower levels (villages and sub-villages, Vitongoji) 2. Lack of confidence and courage on decision making for some leaders specifically at lower levels 3. Lack of creativity and innovation with some of the <u>Leaders</u>
Human Resource and Management	<ol style="list-style-type: none"> 1. Committed and dedicated personnel 2. Qualified and skilled personnel 3. Teamwork spirit 4. Good customer service 5. Responsible and accountable staff 	<ol style="list-style-type: none"> 1. Inadequate staff in some departments and lower levels technical staff especially in Wards and Villages 2. Insufficient skills of some staff members

Criteria	Strengths	Weaknesses
<p>Processes to Deliver services</p>	<ol style="list-style-type: none"> 6. Adherence of job ethics and codes of conduct 7. Existing capacity building program and in- house refresher courses and seminars. 8. Effective communication 9. Presence of a strong motivation policy <ol style="list-style-type: none"> 1. Adherence to procurement procedures 2. Ability to provide timely quality service 3. Accountability and transparency 4. Management conducts regular meetings (morning prayer) 5. Proximity to various financial services and banks e.g. NMB, CRDB, Mufindi Community Bank (MUCOBA) NBC 6. Presence of internal telecommunication system 	<ol style="list-style-type: none"> 1. Delayed payment to service providers and suppliers due to financial constraints 2. Insufficient service delivery facilities e.g. computers and vehicles 3. Inadequate office spaces

Criteria	Strengths	Weaknesses
Policy, By-laws and strategies	<ol style="list-style-type: none"> 1. Presence of various government sector policies 2. Councils have updated by-laws and directives 3. Effective procurement plan 4. Council strategic plan and socio-economic profile. 5. Presence of Customer service charter and Audit charter 	<ol style="list-style-type: none"> 1. Absence of detailed investment profile with promotional strategies 2. Absence of council investment policy
Financial Resources and physical assets	<ol style="list-style-type: none"> 1. Availability of reliable sources of revenue from own sources and government subsidies 2. Council owned infrastructure e.g. office buildings, meeting halls, cafeteria, staff houses, social service buildings (education and health) 3. Presence surveyed and un-surveyed lands 4. Council owned vehicles and trucks 5. Ownership of tree plantations 	<ol style="list-style-type: none"> 1. Absence of land title deeds to some council owned plots/land 2. Inadequate number of vehicles and trucks

Criteria	Strengths	Weaknesses
Technology	<ol style="list-style-type: none"> 1. Existing data management system and software 2. Presence of ICT policy 3. Availability of Point of Sale (PoS) system for revenue collection 4. Council has enough computers and ICT facilities(internet) 5. Existing mass media communication initiatives e.g. blogs, council website and radio program 	<ol style="list-style-type: none"> 1. Insufficient number of PoS devices 2. Inability of some staff to cope with ICT specifically in council lower levels 3. Some villages are not well supplied with electricity crucial for ICT
The community and stakeholders	<ol style="list-style-type: none"> 1. Presence of training institutions 2. Cooperation available from different stakeholders 3. Presence of religious institutions 	<ol style="list-style-type: none"> 1. Presence of negative cultural traits and beliefs in some community 2. Unwillingness of community to participate fully in some council activities

5.3.2 Opportunities and Obstacles

Table 13: Opportunities and Obstacles

Criteria	Opportunities	Obstacles
Leadership	<ol style="list-style-type: none"> 1. Government stability 2. Support from Central Government (financial) 3. Policy and ambitions of current Tanzanian governments towards industrialization and economic development, which aims towards making Tanzania a middle-income country by 2025 	<ol style="list-style-type: none"> 1. Politician biasness and personal interest 2. Regular changes of political leaders 3. Unwillingness of some politicians to support some investments 4. Corruption
Human Resource and Management	<ol style="list-style-type: none"> 1. Availability of human capital in the labour market 2. Good Council positioning (climate and natural resource availability) 3. Availability of training institutions 4. Support of government on capacity building and training to council staff 	<ol style="list-style-type: none"> 1. Shortages of staff 2. HIV/AIDS prevalence and new infections 3. Inadequate government funds to employ more staff

Criteria	Opportunities	Obstacles
Processes to deliver services	<ol style="list-style-type: none"> 1. Availability of various technologies in the market 2. Availability of infrastructure e.g. passable roads, water, electricity and other utilities services to the entire council 4. Strategic geographically location with TANZAM Highway crossing and accessible rural road networks. 5. Presence of working facilities 6. Existing mobile telecommunication networks companies 	<ol style="list-style-type: none"> 1. Delay in fund disbursement and limited budget 2. Impassable of rural earthen roads especially during rainy season 3. Poor community participation in council development and service delivery activities 4. Poor inter-ministerial coordination 5. Existence of low-cost competitive producers and products
Policy, by-laws and strategies	<ol style="list-style-type: none"> 1. Presence of Local Government (District Authorities) Act of 1982 and other laws 2. Presence of defined Policies and guidelines from Central Government 3. Presence of the ruling party election manifesto (2015) 4. Presence of Local government responsible ministry 	<ol style="list-style-type: none"> 1. Frequent changes in policies and strategies 2. Conflicting of laws 3. Some outdated by-laws

Criteria	Opportunities	Obstacles
Financial Resources and physical assets	<ol style="list-style-type: none"> 1. Support from the central Government 2. Presence of financial institutions 3. Land availability and conducive climate condition 4. TANZAM highway and TAZARA 5. Presence of natural resources 	<ol style="list-style-type: none"> 1. Budget limitation from the government 2. Inflation rates 3. Government intervention to some revenue sources 4. Penetration of undervalued, under-declared, counterfeit or otherwise substandard or used goods through customs and un-official entry points
Technology	<ol style="list-style-type: none"> 1. Availability of modern technology in the market 2. ICT skilled workforce in the job market 3. TCRA as regulatory authority in Tanzania 4. Presence of cellular network companies 	<ol style="list-style-type: none"> 1. Incapacity to cope with changing technology 2. Internet and database threats to hackers 3. Present of counterfeit ICT products in the market 4. No interconnected database to most of the public institutions

Criteria	Opportunities	Obstacles
The community and stakeholders	<ol style="list-style-type: none"> 1. Presence of vocational training institutions 2. Cooperation available from different stakeholders 3. Presence of relatively young work force in the community 4. presence self-employed entrepreneurs in various sectors 	<ol style="list-style-type: none"> 5. Inadequate of qualified local computer program developers 6. Network problems in some remote areas
		<ol style="list-style-type: none"> 1. Relatively low education status 2. Unemployment due to insufficient job creation and opportunities 3. Absence of patriotism to some members of the community. 4. Political influence and extreme religious followers discouraging community participation in development activities



Mwenga Hydro Power Station in Mwenga Village
supplying electricity to About 42 Villages

CHAPTER SIX

INVESTMENT POLICY REFORM CONSIDERATIONS

6.1 Investment Promotion Strategies

Investment Promotion strategies involve several coordinated activities designed to attract, grow, and retain new foreign and domestic investment. Specifically, it deals with both improving the investment climate (product development) and marketing the location's potential to investors. Investment Promotion is important because of increasing competition for foreign direct investment (FDI). These strategies are designed to provide information for investors to aid in their decision making.

Table 14: Promotion strategies and facilitation initiatives set by the council

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Hydroelectric Power Plant Project	Energy	<ul style="list-style-type: none"> - Social and Environmental impact assessment has been done - Council encourages PPP contract in the project - Donor funded project - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - Council will request government to exempt all project imported facilities - Council will influence community to participate in some project activities 	Land(surveyed) Title deeds Staff Funds Technical skills Architectural drawings
		<ul style="list-style-type: none"> - Council will facilitate to settle all applicable compensation requirements - Council will work closely with investor in every aspect of the project - Council will facilitate the provision of electric poles 	

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Tea Processing Factory	Manufacturing	<ul style="list-style-type: none"> - Council will strategize lobbying and advocacy to decision makers towards having this project in place as soon as possible - Exemption on some taxes and levies charged by Local Government Authorities - Organizing investment forums - Council encourages PPP contract in the project via a joint venture - Donor funded project - Council will provide land - Council will influence TARURA to regularly maintain feeder roads 	Land Title deeds Staff Funds Technical skills
		<ul style="list-style-type: none"> - Assurance of safety and security - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - Exemption on some taxes and levies charged by Local Government Authorities 	Architectural drawings Utility services

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Avocado Production	Agriculture and Livestock	<ul style="list-style-type: none"> - Land provision - Provision of extension services - Facilitation of land acquisition to large investors - Land title deed provision - Facilitate backward and forward market linkages to producers - Ongoing process to promote avocado production through media and stakeholder platforms - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - Exemption on some taxes and levies charged by Local Government Authorities 	<p>Land</p> <p>Title deeds</p> <p>Staff</p> <p>Funds</p> <p>Technical skills</p> <p>Extension services</p> <p>Quality varieties</p>
Grain Processing Factory	Manufacturing	<ul style="list-style-type: none"> - Facilitate land acquisition to build the factory - Provision of mechanization project - Provision of extension services - Assurance of safety and security 	<p>Land</p> <p>Title deeds</p> <p>Staff</p> <p>Funds</p> <p>Technical skills</p> <p>Architectural drawings</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Beekeeping	Agriculture and Live-stock	<ul style="list-style-type: none"> - Amend by-laws on grain selling and handling - Capacity building in enforcing and implementing intellectual property right and trademarks - Use of council supported promotional media (TV, radio, social media, billboards and magazines/tabloids) - Council will avail all beekeeping technology and extension services - Council promote via its website, blogs, social media and radio/TV airtime - Council will provide land for beekeeping - Support organizing a beekeeper's farmers group - Identify market linkages - Facilitate collective selling to beekeepers - Facilitate capacity building and mentoring programs for beekeepers - Production of beekeeping leaflets and brochures 	<p>Land Title deeds Staff Funds Technical skills Modern beehives</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Complex Business Building	Commercial Building	<ul style="list-style-type: none"> - Facilitate participation to farmers agricultural shows, trade fairs and exhibitions - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) 	
		<ul style="list-style-type: none"> - Organizing investment forums - Council website, blogs, social media and radio/TV airtime - The Council encourages PPP contract in the project - The Council will provide land, which is already in place - The Council facilitates preparation of all architectural drawings and approval - The Council will participate in processing all procurement procedures - The Council will work closely with investors throughout every aspect of the project <p>The Council will strategize lobbying and advocacy to decision makers towards having this project in place as soon as possible</p>	<p>Land</p> <p>Title deeds</p> <p>Funds</p> <p>Technical skills</p> <p>Architectural drawings</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Pine and Eucalyptus Tree Plantation	Agriculture	<ul style="list-style-type: none"> - The Council will make efforts to have road accessible connecting Mpanga and all wards and villages which support potential tree planting and timbering activities - Strong enforcement of fire control by-laws through community participation - Council sensitization to the community on tree planting - By-laws on forest product and wood are in place and favourable - The Council has skilled staff on forestry issues and agriculture - The Council has strong fire control By-laws and strict enforcement - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) 	<p>Land Title deeds Staff Funds Technical skills Extension services Labor force</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
International Timber Market	Agriculture	<ul style="list-style-type: none"> - Council website, blogs, social media and radio/TV airtime - Land is already allocated - The Council will aid on logistics - The Council will work closely with central government to maintain roads and other services - Exemption on some taxes and levies charged by Local Government Authorities - The use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) 	<p>Land</p> <p>Title deeds</p> <p>Staff</p> <p>Funds</p> <p>Technical skills</p> <p>Architectural drawings</p> <p>Utility services</p>
Tourist Hotels, Cultural Heritage Facilities and Campsites	Tourism	<ul style="list-style-type: none"> - Organizing investment forums - Council website, blogs, social media and radio/TV airtime - Facilitation of land acquisition - Improve road networking - The use of council supported promotional media (TV, radio, social media, billboards and magazines tabloids) 	<p>Land</p> <p>Title deeds</p> <p>Staff</p> <p>Funds</p> <p>Technical skills</p> <p>Architectural drawings</p> <p>Utility services</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Fish Farming and Recreation	Agriculture and Live-stock	<ul style="list-style-type: none"> - Ensure of investment security through community participation - the use local media and national for promotion - Organizing investment forums - The use of council owned media (web-site and blog) - The Council has technical staff in fishing - Enhance collaboration between existing ponds owned by Unilever and the government - The Council will provide licensing - The Council is ready for joint venture/PPP 	<p>Land Title deeds Staff Funds Technical skills Extension services</p>
Hides and Skins Processing	Manufacturing	<ul style="list-style-type: none"> - Facilitate land acquisition to build the factory - Assurance of safety and security - Avail of local labor and skilled personnel - Facilitating the venture process and procedure - Accepts joint venture/PPP 	<p>Land Title deeds Staff Funds Technical skills Architectural drawings Utility services</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Milk Processing Plant	Manufacturing	<ul style="list-style-type: none"> - The Council is ready for joint venture/PPP - The Council will work closely with investor to have venture in place. - Facilitate land acquisition to build the factory - Investors assisted to access suitable land for industrial and agricultural development. - Avail of local labour and skilled personnel - Facilitating the venture process and procedure - Accepts joint venture/PPP - The Council is ready for joint venture/PPP - The use of council supported promotional media (TV, radio, social media, billboards and magazines/tabloids) - The Council will work closely with investor to have venture in place. 	<p>Land Title deeds Staff Funds Technical skills Architectural drawings Utility services</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
		<ul style="list-style-type: none"> - The Council has potential extension service staff and technology - Exemption on some taxes and levies charged by local government authorities 	
Mining (Gold, Lime and gypsum extraction and processing)	Natural resources	<ul style="list-style-type: none"> - Apply all Tanzania mining policies - Create good investment environment for mining the mining sector - Assurance of safety and security - Avail land and mining plots based with central government policy and regulation - Council website, blogs, social media and radio/TV airtime 	Land Title deeds Staff Funds Technical skills Architectural drawings Utility services
Drinking Water Purification	Manufacturing	<ul style="list-style-type: none"> - Facilitate land acquisition to build the factory - Assurance of safety and security - Avail of local labour and skilled personnel - Facilitating the venture process and procedure - Exemption on taxes and levies charged by local government authorities 	Land Title deeds Staff Funds Technical skills Architectural drawings Utility services

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Wood by-product Processing Factories (charcoal, Match boxes, toothpicks, plywood, furniture and gum extracts)	Manufacturing	<ul style="list-style-type: none"> - Capacity building in enforcing and implementing intellectual property right and trademarks - Supply a technology oriented local work force - Provision of land and facilitation of acquisition - Establish by-laws and regulations that are conducive to local processors and manufacturers - Facilitation of preparation of venture documents like company's Memorandum and Articles of Association - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - Council website, blogs, social media and radio/TV airtime - Investors assisted to access suitable land for industrial and agricultural development. 	<p>Land</p> <p>Title deeds</p> <p>Staff</p> <p>Funds</p> <p>Technical skills</p> <p>Architectural drawings</p> <p>Utility services</p> <p>Wood by-products</p> <p>Technology and machines</p>

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Coffee Farming and Processing Facilities	Agriculture and Manufacturing	<ul style="list-style-type: none"> - Land provision - Provision of extension services - Facilitation of land acquisition to large investors - Land title deed provision - Facilitate backward and forward market linkages to producers - Exemption on some taxes and levies charged by local government authorities 	Land Title deeds Staff Funds Technical skills Architectural drawings Utility services Technology and machines
Mechanization (auto assembly and maintenance)	Manufacturing and Transportation	<ul style="list-style-type: none"> - Organizing investment forums - Facilitation of land acquisition - Improve road networking - Ensure of investment security through community participation - The use local media and national for promotion - Facilitation of preparation and approval of joint venture and partnerships documents like company's memorandum and articles of association 	Land Title deeds Staff Funds Technical skills Architectural drawings Utility services Technology and machines

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Livestock Pro- duction -Piggery -Poultry -Cattle -Goat -Rabbit	Livestock	<ul style="list-style-type: none"> - Land acquisition facilitation - Provision of extension services - Facilitation of land acquisition to large investors - Land title deed provision - Facilitate backward and forward market linkages to producers - The Council has potential experienced livestock and extension officers - The Council has link with potential vet-agro promotion project and NGOs - Exemption on some taxes and levies charged by local government authorities 	Land Title deeds Staff Funds Technical skills Architectural drawings Utility services Technology and machines Breeding stock

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
<ul style="list-style-type: none"> -Real Estate -School hostels -three to five-star hotels -cold rooms -warehouse -greenhouses -schools, colleges and training institutions -health centres 	<p>Commercial Building and Human Resource Development</p>	<ul style="list-style-type: none"> - Land acquisition facilitation - Provision of land survey and valuation services - The use of council supported promotional media (TV, radio, social media, billboards and magazines/tabloids) - Facilitate processing and granting building permits. - Facilitation of land acquisition to large investors - Land title deed provision - The Council may reduce plot price to potential investors upon negotiations - Partnerships and joint ventures are highly encouraged - Exemption on some taxes and levies charged by local government authorities 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Architectural drawings Utility services Technology and machines Building materials

PROPOSED INVESTMENT	SECTOR	SUGGESTED PROMOTION STRATEGIES	REQUIRED RESOURCES
Agro-Input Production (Bio- fertilizers)	Manufacturing	<ul style="list-style-type: none"> - The Council will facilitate all venture establishment procedures - Partnerships and joint ventures are highly encouraged - Land provision and acquisition facilitation - Exemption on some taxes and levies charged by Local Government Authorities - Use of Council supported promotional Media (TV, radio, social media, billboards and magazines/ tabloids) 	Land Title deeds Staff Funds Technical skills Architectural drawings Utility services Technology and machines

6.2 Investment Promotion Roadmaps and Future Plans

Investment Promotion Roadmaps define the immediate actions required to propel a long-term shift. Specifically, it identifies actions that the council can take to support impact investing for the community and its stakeholders. The Council should take actions that would exponentially enhance the scale and effectiveness of impact investing and accelerate progress towards its investment vision and mission.

Mufindi District is committed to creating a very conducive and attractive business environment in Tanzania. In order to pursue these goals, the council has set a short- and long-term roadmap towards investment promotion, economic development, and improvements among the local community to reduce poverty, foster enterprise growth, and create sustainable investments.

Table 15: Roadmap and Future Plans for Investment Promotion

STRATEGIC AREA	ACTIVITIES	RESPONSIBLE
Formulation and enforcement of LGA investment policies and strategies	-identification of potential investments -availing promotional strategies -implementing policies and strategies	-District council -Government -Stakeholders
Facilitation of consulting services for establishing enterprises	-provision of licenses -linking to enterprises	-Stakeholders -District council -NGOs -TCCIA
Linking Local Enterprises to Business Development Service Providers	-working with partners like ENGINE project -creating enabling environment	-Stakeholders -District council -NGOs -TCCIA -ENGINE
Manufacturing and industry statistics development	-identifying all manufacturing activities -provision of licensing -registering and updating regularly	-BRELA -District council -NGOs -TCCIA

STRATEGIC AREA	ACTIVITIES	RESPONSIBLE
Facilitating feasibility studies for potential investment projects	-provide and avail technical and professional staff -facilitation of transportation - Land surveys -Land provision	-Stakeholders -District council -TCCIA -TIC
Assisting the national economic zone policies (EPZ and SEZ)	-align and support EPZA initiatives in place	-Stakeholders -District council -TCCIA -TIC
Organizing investment seminars and forums	-organizing and facilitating seminars -participating in investment forum	-Stakeholders -District council -TIC -TCCIA
Facilitating investment missions	-linking and conducting potential investors visits to the district from China, Europe and middle east (Dubai)	-Stakeholders -District council -TIC -TCCIA
Creating updated SMEs and investors database	-SME and investors identification, licensing and registering	-District council -TIC -TCCIA

STRATEGIC AREA	ACTIVITIES	RESPONSIBLE
Promoting business enabling environment and policies	-work closely with Central governments agencies like TRA, TFDA, BRELA, EWURA, SUMATRA and others	-Stakeholders -District council -TIC -TCCIA
Building strategic local economic planning capacity	-Land use planning and development	-Stakeholders -District council -TCCIA
Building SME capacity to enhance competitiveness and productivity	-facilitating and working close with NGOs and other partners to capacity build SMEs	-Stakeholders -NGOs -District council -TIC -TCCIA
Fostering better access to finance	-link financial institution with investors -provision of business licensing and land title deeds	-Stakeholders -District council -TIC -TCCIA -BoT -Financial institutions

STRATEGIC AREA	ACTIVITIES	RESPONSIBLE
Provision of both fiscal and non-fiscal incentives as per TIC Act 2007	<ul style="list-style-type: none"> -waiving some tax and easing some restrictions on import duties -Exemption on taxes and levies charged by Local Government Authorities 	<ul style="list-style-type: none"> -District council -TIC -TRA
Establishing council headquarter at Igowole Ward	<ul style="list-style-type: none"> -surveying and planning Igowole Ward -building council offices, staff houses and district hospital 	<ul style="list-style-type: none"> -Stakeholders -District council -PO-RALG

CHAPTER SEVEN

CONCLUSION AND RECOMMENDATION

Mufindi District has the potential for successful and profitable investments in almost all of the key economic sectors in Tanzania namely agricultural and livestock, tourism, manufacturing, commercial building (real estate), transportation, broadcasting and telecommunication, natural resources(mining), financial services, energy, human resource development and economic infrastructure.

The private sector is the primary actor in trade and investment, and so the role of the government and local government authority is to create an appropriate environment where private sector activities and investments can be promoted effectively.

Two important elements are needed in fostering business activities and investments: first, establishing basic rules and legal systems of enabling private businesses and enterprises to engage in fair and free business activities; and second, establishing physical infrastructure such as transportation and power systems that can enable active production and trading of goods.

The most effective approach of promoting trade and investment is therefore to establish foundations for economic development and to address issues linked to individual areas from the perspective of promoting trade and investment. However, almost all LGA involved in this assignment, face similar problems both in the essential parts of economic development and in areas directly related to trade and investment.

Transportation networks (railways, ports, roads, airports, and so

on), communication networks, power facilities, and other physical infrastructure, an established legal system, a consolidated policy system, and human resource development are all significant elements in fostering viable investments and trading activities. In the developing countries including Tanzania, sustainable and efficient economic activities are constrained by insufficient and low-quality foundations for such economic activities and industry promotion.

One of the best sources of input on key constraints to investment is the investors and private companies operating locally. “ They are the best placed to say where ‘the shoe pinches’ in terms of operating conditions for businesses. These can be key sources of identifying what reforms at the local and national level would make the business environment work better.” Private firms can also help in identifying the constraints for sectors such as manufacturing, agro-business, tourism and the like. They can identify labour/skill issues, infrastructure constraints, inter-industry linkages, and the like.

It is therefore envisaged that all investors expect Mufindi District Council to operate within the mandated framework and functions. However, further consultations with majority of investor have revealed other significant expectations warrant to be executed by Mufindi District Council in order to attract more potential local and foreign investors. These expectations are political stability, favourable tax climate, and plentiful supply of skilled labour, supportive central government, solid regulatory frame woks, and economic stability to the community.

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APPENDIX I

Tanzania Road Distance Chart in Kilometres, June 2012

DAR	ARUSHA	BABAT	BARIE	BUKOB	DODON	GEITA	IRINGA	KIBAH	KIGOMA	LINDI	MBEYA	MOROGORO	MOSHI	MPANDA	MTWARA	MUSOMA	MWANZA	MUSONOTA	MWANGA	NJOMBE	SHINYANGA	SINGIDA	SONGEA	SWAN	TABORA	TANGA	
646	814	1127	1433	451	1228	492	35	1253	452	822	192	566	1383	556	1370	1152	710	989	696	947	1150	829	354				
546		168	762	1088	425	863	689	611	1090	1098	1020	621	80	1581	1202	499	787	907	624	331	1144	1348	561	435			
814	168		594	900	257	695	521	779	922	1266	851	516	248	1413	1370	513	619	739	456	163	976	1179	483	603			
1127	762	594		654	676	376	940	1092	761	1579	899	935	842	695	1683	164	230	1158	138	431	1396	928	332	1197			
1433	1068	900	654		982	298	1246	1398	551	1985	1205	1241	1148	720	1989	634	416	1464	516	737	1671	954	538	1503			
451	425	257	676	982		777	264	416	807	903	594	259	505	1155	1007	919	701	482	538	245	720	922	478	588			
1228	863	695	376	298	777		1041	1193	514	1680	1000	1036	943	684	1784	337	119	1259	239	532	1496	917	473	1298			
492	689	521	940	1246	264	1041		457	1071	944	330	300	769	891	1048	1183	965	218	802	509	465	658	642	629			
35	611	779	1092	1398	416	1193	457		1223	487	787	157	531	1348	591	1335	1117	675	954	661	912	1115	794	319			
1258	1090	922	761	551	807	514	1071	1223		1710	860	1066	1170	299	1814	851	633	1089	622	769	1226	532	429	1525			
452	1098	1266	1579	1885	903	1680	944	487	1710		1068	644	1018	1629	104	1822	1604	639	1441	1148	602	1296	1281	806			
822	1020	851	899	1205	594	1000	330	787	860	1068		630		1122	1142	924	229	761	603	466	328	567	969				
192	621	516	935	1241	259	1036	300	157	1065	644	630		541	1191	748	1178	960	518	797	504	756	968	637	329			
566	80	248	842	1148	505	943	769	531	1170	1018	1100	541		1104	1122	579	867	987	704	411	1224	1428	741	365			
1383	1581	1413	695	720	1155	684	891	1348	299	1629	561	1191	1104		1683	938	720	790	557	693	1027	233	363	1520			
556	1202	1370	1683	1989	1007	1784	1048	591	1814	104	1122	748	1122	1683		1926	1708	893	1545	1252	656	1450	1385	910			
1370	499	513	164	634	919	337	1183	1335	851	1822	1142	1178	579	938	1926		218	1401	381	674	1638	1171	575	933			
1152	787	619	230	416	701	119	965	1117	633	1604	924	960	867	720	1708	218		1183	163	456	1420	963	357	1222			
710	907	739	1158	1464	482	1259	218	675	1089	839	229	518	987	790	893	1401	1183		1020	727	237	557	796	847			
969	624	456	138	516	538	239	802	954	622	1441	761	797	704	557	1545	381	163	1020		293	1257	790	194	1059			
696	391	163	431	737	245	532	509	661	1148	603	504	411	693	1252	674	456	727	293			964	981	330	766			
947	1144	976	1396	1671	720	1496	455	912	1325	466	765	1224	1027	656	1638	1420	237	1257	964			794	1029	1084			
1140	1348	1179	908	954	922	917	658	1115	532	1396	328	958	1428	223	1450	1171	953	557	790	931	794						
829	661	493	332	638	378	433	642	794	429	1281	567	637	741	363	1385	575	357	796	194	330	1033	596					
354	435	603	1197	1503	588	1298	629	319	1625	806	969	329	365	1520	910	933	1222	847	1059	766	1084	1287	1096				

Source: TANROADS/PO RALG

APPENDIX II

MUFINDI INTERNAL ROAD DISTANCES AND CONDITION

POTENTIAL AREA (WARD)	DISTANCE (KM)	ROAD CONDITIONS
IGOWOLE	40	Earthed road
MAKUNGU	90	Earthed road
LUGEMA	93	Earthed road
LUGODALUTALI	25	Earthed road
KIHANGA	40	Earthed road
NYOLOLO	45	Tarmac road
MPANGATAZARA	140	Earthed road
NGWAZI	30	Tarmac and Earthed road
NZIVI	35	Earthed road
NYALAWA	90	Earthed road
NYIGO	95	Tarmac road
MKONGE	55	Earthed road
SADAN	40	Earthed road
MBALAMAZIWA	55	Tarmac road
IGOMAA	50	Earthed road
IHANZUTWA	55	Earthed road
KIHANSI RIVER	150	Earthed road
SAO HILL	16	Tarmac road
KIBENGU	70	Earthed road
MAPANDA	110	Earthed road
KIHANGA	50	Earthed road
LULANDA	70	Earthed road
IFUPIRA	40	Earthed road

POTENTIAL AREA (WARD)	DISTANCE (KM)	ROAD CONDITIONS
CHOGO	125	Earthed road
IFWAGI	30	Earthed road
KASANGA	57	Earthed road
MALANGALI	69	Tarmac and Earthed road

Source: *TARURA MUFINDI (2019)*

