

**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE**

**REGIONAL ADMINISTRATION AND
LOCAL GOVERNMENT**



**MBEYA CITY COUNCIL
INVESTMENT PROFILE**



**INVESTMENT OPPORTUNITIES AND
PROMOTION STRATEGIES**

2019/2020 - 2023/2024

October, 2019

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LIST OF ABBREVIATIONS

ATCL	Air Tanzania Company Limited
BRELA	Business Registration and Licensing Agency
CD	City Director
CMT	Council Management Team
CRDB	Cooperative Rural Development Bank
DAS	District Administrative Secretary
DC	District Commissioner
ENGINE	Enabling Growth Through Investment and Enterprise
EPZs	Export Processing Zones
EWURA	Energy and Water Utilities Regulatory Authority
FBOs	Faith Based Organizations
FDI	Foreign Direct Investment
FOSEWERD	Food Security Welfare and Rural Development Initiative
GDP	Gross Domestic Product
ICMT	International City/Country Management Association
ICT	Information Computer Technology
IESC	International Executive Service Corps
IRR	Internal Rate of Return
ITA	Income Tax Act
LGA	Local Government Authority
LGAs	Local Government Authorities
LTD	Limited
MCC	Mbeya City Council
MEDA	Mennonite Economic Development Association
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
NGOs	Non-Governmental Organizations
NMB	National Microfinance Bank
NBC	National Bank of Commerce
OPRAS	Open Performance Review and Appraisal System

PO-RALG	President Office Regional Administration and Local Government
POS	Point of Sales
SADC	South African Development Community
SEZs	Special Economic Zones
SUMATRA	Surface and Marine Transport Regulatory Authority
SWOT	Strength Weaknesses Opportunities Threats
TAHA	Tanzania Horticultural Association
TALIRI	Tanzania Livestock Research Institute
TANESCO	Tanzania Electric Supply Company Limited
TANZAM	Tanzania Zambia Road
TARI	Tanzania Agricultural Research Institute
TAZARA	Tanzania Zambia Railway Authority
TBS	Tanzania Bureau of Standards
TCCIA	Tanzania Chamber of Commerce Industry and Agriculture
TIC	Tanzania Investment Center
TFDA	Tanzania Food and Drugs Authority
TPB	Tanzania Postal Bank
TRA	Tanzania Revenue Authority
TTCL	Tanzania Telecommunications Company Limited
TZS	Tanzanian Shillings
VEGA	Volunteers for Economic Growth Alliance
WHT	Withholding Tax



FOREWORD

The Mbeya City investment profile has been developed 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 Decentralization Policy 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 to become a diversified economy with a broad base of manufacturing, processing and packaging industries.

This Mbeya City investment profile contains investment opportunities and strategic investment guidelines that are part of the national effort of industrialization. It was prepared by the Mbeya City Council (MCC) with the support of the Enabling Growth Through Investment and Enterprise (ENGINE) Program.

The objective is to offer prospective domestic 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 Mbeya City.

The MCC 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 MCC 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 Mbeya City.



Hon. David Polela Mwashilindi

Mbeya City Council Mayor

ACKNOWLEDGMENT

This investment profile was prepared by Mbeya MCC in collaboration with Feed-the-Future ENGINE program which is funded by USAID.

We are grateful to the District Commissioner (DC) Paulo W. Ntinika, District Administrative Secretary (DAS) Hassan Mkwawa, Mayor David P. Mwashilindi and all investment and community stakeholders 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 Mbeya City in March 2019.

We appreciate the work done by the consultants from the Food Security Welfare and Rural Development Initiative (FOSEWERD) from Dodoma, who facilitated this profile development from the inception & consultation stage to final draft.

We further extend our gratitude to the business people, government agencies and non-governmental organizations that participated in the Mbeya City stakeholders' workshop and provided invaluable contributions to the project. These include but not limited to representatives from Mbeya City business community, Government utility agencies, TIC Mbeya Office and TCCIA representatives.

Special thanks go to Feed the Future, ENGINE, USAID funded program, for the financial and technical support that have made this work a success.



James C. Kasusula - ACP

Mbeya City Director.

EXECUTIVE SUMMARY

The Tanzania National Development Vision 2025 aims to transform the economy into middle income, semi-industrialized nation by 2025. Industrialization is expected to be an important catalyst in increasing the growth rate in the economy is expected to be above 10% 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 Investment profile is to articulate the MCC's investment promotion strategies and available incentives that align with the Tanzania Government's industrialization policy 2025. The deliverable of the assignment was to have an investment profile document that contains detailed investment opportunities, promotion strategies and roadmaps for those interested in investing in Mbeya City. The Consultant used a participatory and collaborative approach based on multi-sector involvement through engagement with LGA management teams, Government Investment Agencies, existing investors and businesses, NGOs and stakeholders. Systematic review of relevant data, information, reports, publications and personal interviews were completed as part of this project.

Generally, Mbeya City has the potential to attract investment in the following economic sectors; agriculture and livestock, manufacturing, transportation, trade and commerce, natural Resources, energy, education and healthcare.

The MCC is ambitious and invites investors to strategically invest in the following priority investment opportunities: facilities for dairy processing, water bottling, animal feed processing, juice processing, medical equipment, poultry production and solid waste management. Additional priority investment opportunities include: abattoir, retail center, city park, sports complex, bus and truck terminals, business centers and mini-bus stand.

In order to pursue these investment targets, this investment profile has identified several policy considerations that would impact the success of investments in both the short and mid-term.

This profile is structured into five sections. Part One is the socio-economic profile of MCC. Part Two describes the reasons to invest in MCC and a summary of an investment SWOT Analysis. Part Three elaborates on priority investment opportunities, Part Four provides crucial information on investment promotion strategies and investment roadmaps. Part Five lists the available incentives and policy considerations for investment promotion. Finally, a summary conclusion is provided.

PART ONE

SOCIO-ECONOMIC PROFILE OF MBEYA CITY

1.1 Background Information

In 1955, Mbeya started to rapidly expand following a colonial government decision to shift the Southern Zone Province Headquarters from Iringa to Mbeya. Mbeya still functions as the District and Region headquarters. In 1980, after continued growth, Mbeya was officially accorded a Municipality status. In 2005, Mbeya was then upgraded to become a city. Currently, the city council is one of the seven (7) Councils in the Mbeya Region. The others include Chunya, Mbarali, Kyela, Rungwe, Busekelo and Mbeya District.

Vision

Reliability, professionalism and care in service delivery

Mission

Using resources appropriately and complying with standards in service delivery

1.2 Mbeya City at a Glance

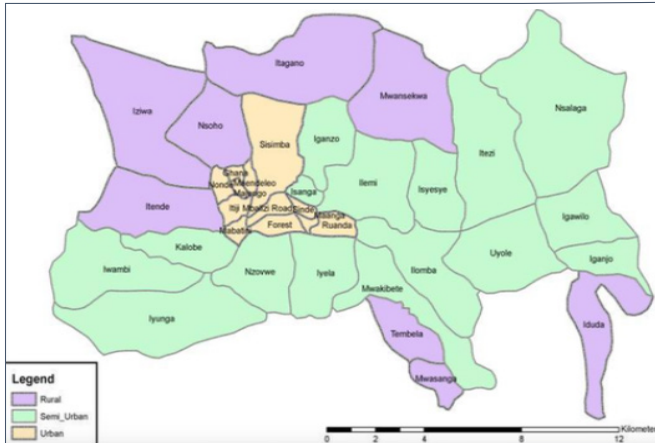
Variable	Description and figures
Location	Southern Highland Zone of Tanzania (Mbeya Region) Latitude 8° 50' - 8° 57' South of Equator and Longitude 33° 30' - 35° 35' East of Greenwich
Neighborhood	Mbeya and Mbarali Districts
Population	Projected to be 487,351 (233,091 males and 254,260 females) in 2019 with Annual Growth Rate of 4%
Population Density	1,526 people per square kilometer
Administration	2 divisions and 36 wards which are further subdivided into 181 streets
Total Land	214 square kilometers
Surveyed land	54.391 square kilometers
Transportation Network	Road network of 559.2 kilometers, Railway network operated by TAZARA, Air Transport available
Communication	Cellular networks coverage of TTCL, Vodacom, TIGO, SMILE, Airtel, Halotel and Zantel
Languages	Swahili, English and Native languages



1.3 Geography

1.3.1 Location

Mbeya City lies between latitude 8°50' - 8°57' South of the Equator and Longitude 33°30' - 35°35' East of Greenwich. The City is surrounded by Mbeya District in all directions except in the North-East, which is boarded by the Mbarali district. As the headquarters of the Mbeya Region, it is strategically located between 20 – 70 km to other districts within the region. Its location is close to Zambia and Malawi, which are members countries of the Southern African Development Community (SADC).



Mbeya City Map by Wards

1.3.2 Topography

Mbeya City lies in the highland areas within the Mbeya Mountain ranges at an altitude of between 1,600 and 2,400 meters above sea level.



Photography of Mbeya

1.3.3 Climate

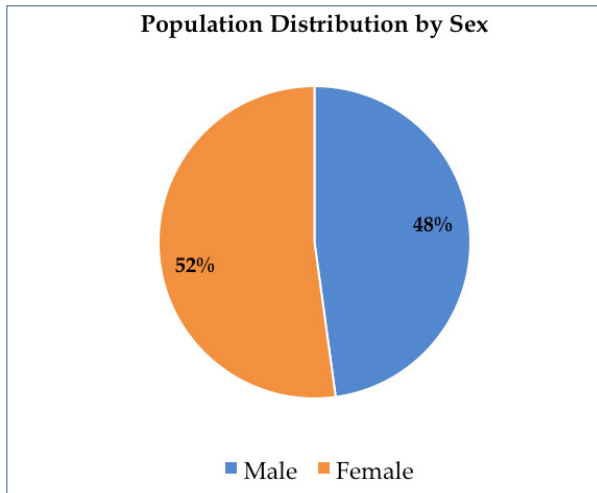
The City experiences long rain season between mid-November and May. The average annual rainfall is approximately 1,200 mm. The mean annual temperature is 25°C, ranging from a mean minimum of 11°C and a mean maximum of 28°C.

1.3.4 Physical Features

Mbeya City is situated on a rugged terrain surrounded by two mountain ranges (Mbeya Peak and Loleza Mountain Ranges in the North West and Uporoto Mountains in the South East). The terrain descends from over 2,000 meters to 1,650 meters in a southward direction to Meta River Valley. It ascends to 1,780 meters and drops again to 1,600 meters along the Nzovwe River Valley. Additional rivers that cross the City include Loleza, Meta, Sisimba and Nsalaga.

1.4 Demographical Analysis

Projected data of 2019 show that there are 487,351 people of which males are 233,091 and females are 254,260, and the working age population (15 – 64 years) comprises 60.9% of the total population. This makes a female to male ratio of 52/48.

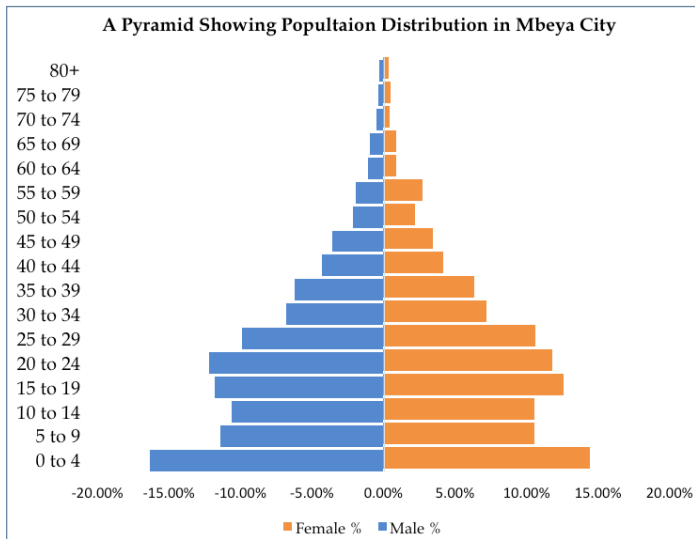


Source: MCC, 2019



Population pyramid below is expansive in nature, and it shows that there is high fertility rate. This provide assurance to the investors on availability of work force in the long run, though with few aging populations.

The investor has a wider choice of workforce between the age of 15 to 39 years and limited between the age of 40 to 64 years due to low life expectancy in Mbeya city and in developing countries as a whole.



Source: MCC, 2019

1.5 Land and Land Use

The City has a total area of 214 square kilometers, which consists of 0.140 square kilometers of water, 159.609 square kilometers of un-surveyed land and 54.391 square kilometers of surveyed land.

Most of the land in the MCC is used for residential with the remainder being used for industrial development and agriculture in term of land use planning. About 19.4% of the land has been surveyed and 80.6% not yet surveyed. Among the surveyed plots, 18.5% of them have title deeds. (Mbeya City Master Plan, 2019)

According to the Mbeya City Master-plan, a total area with square meter 3,607,193.07 is for industrial, office and residential use of which only 40% of the area is utilized. The land price in Mbeya CC ranges from TZS 4,000.00 to 4,500.00 per square meter.

1.6 Main Economic Activities

Agriculture, general industry and services are the most productive sectors and are a good barometer for the strength of the economy. However, the significant size of the informal sector presents a challenge of understanding the true state of the local economy.

Major economic activities in the City include agriculture, livestock keeping, industrial development, beekeeping, tourism and fishing as further explained below.

1.6.1. Agriculture

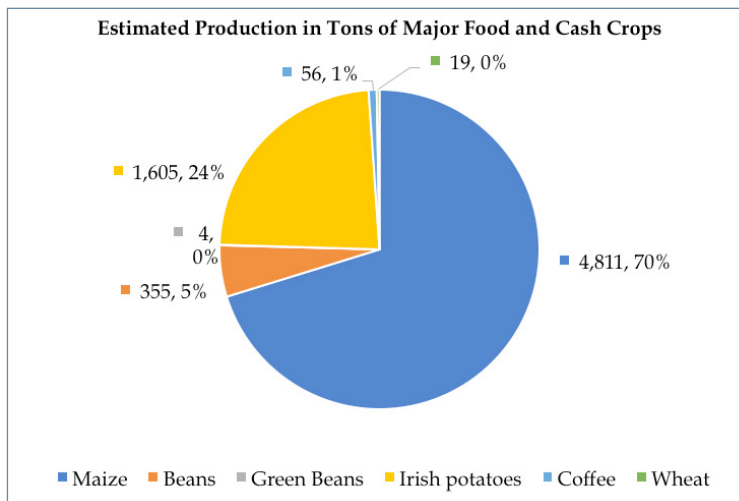
Although the Agriculture Sector is large, it is declining compared to the other economic sectors. This is a natural trend during the urbanization process within a growing economy. Additionally, climatic change is one of the major factors affecting agriculture production since many people depend on rain for cultivation. Findings also show that Mbeya City has an area of 61.37 square kilometer suitable for agriculture (Mbeya Social Economic Profile, 2015).



A picture showing beans, maize and potato demonstration plots in ARI-Uyole.

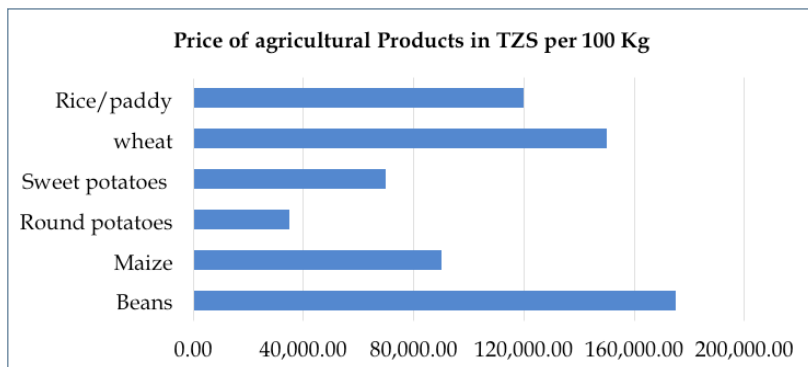
Both cash and food crops are cultivated in the city. Maize production has shown to be taking the lead in the crops harvested in tones as shown in the pie chart below about 70 % of the agricultural products (in tons) are from maize. Moreover, there are other crops harvested in large amount including; Irish potatoes, beans, wheat and green beans.





Source: Mbeya City Socio Economic Profile, 2015

The prices of agricultural products are shown in the bar chart below, beans being the most expensive crop measured per 100 Kgs.



Source: MCC, 2019

1.6.2 Livestock Keeping

Livestock keeping is linked to social status through accumulation of wealth and savings in many livestock farming communities. It also provides a variety of benefits to the community such as risk mitigation, food security, source of raw materials to investors through value chain and improved nutrition.

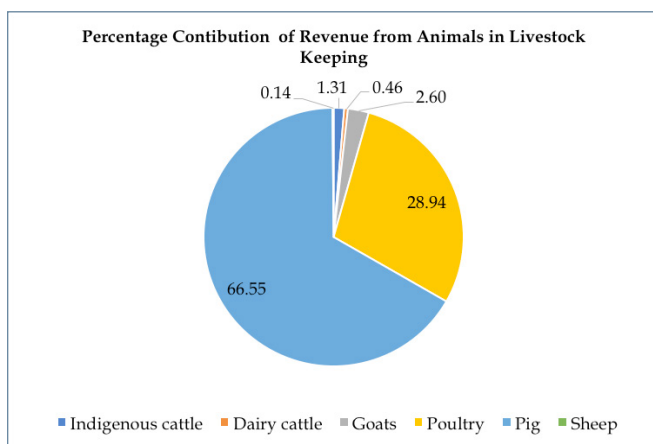
Livestock sector plays an important role in the economy of the MCC. Given that importance in 2015, the council allocated 160 ha in Uyole Ward for grazing purposes (Mbeya socio-economic profile, 2015). The trend of livestock keeping is ever increasing as shown in the table 1 below:

Table 1: Trend and Value of Livestock Keeping in Mbeya City

Category	Number of Livestock Marketed			Total Value in TZS		
	2013	2014	2015	2013	2014	2015
Indigenous cattle	76	95	40	45,600,000	76,000,000	40,000,000
Dairy cattle	14	38	14	8,400,000	30,400,000	14,000,000
Goats	1,256	1,334	1,589	37,680,000	53,360,000	79,450,000
Poultry	22,104	26,300	59,041	221,040,000	315,600,000	885,615,000
Pig	64,150	14,247	10,183	3,849,000,000	2,137,050,000	2,036,600,000
Sheep	42	57	73	1,260,000	2,280,000	4,380,000
Total				4,162,980,000	2,614,690,000	3,060,045,000

Source: Mbeya City Socio-economic Profile, 2015

In terms of animals marketing, pigs contribute much in livestock sector in the city, about 66.55% of the total revenue from livestock keeping comes from it.



Source: Mbeya City Socio-Economic Profile, 2015

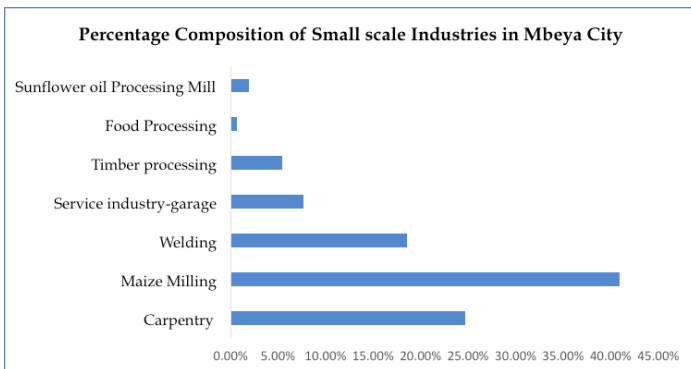
1.6.3 Industrial Development

The industrial sector is expected by policy makers to lead the process of transforming the country's economy to high productivity and dynamic economy, associated with structural change and sustained income growth.



Tanzania Breweries Limited in Mbeya City

There are small scale industries operating in the council. In terms of percentage composition maize milling (40.99%) do dominate and the least is food processing industries (0.66%). This shows that there is a high need and potential to invest in food processing and sunflower oil processing mill (see the bar chart below).



Source: Mbeya Socio-Economic Profile, 2015

There are medium scale industries located at Iyunga and Sisimba division. The industries are engaged in fruits processing to juice, agricultural implements, maize milling, animal foods milling, seed growers, manufacturing motors, paddy milling and sweater manufacturing.

There are large scale manufacturing industries in the city. These industries are engaged in manufacturing of beer, soft drinks, tiles, coffee curing and drinking water.

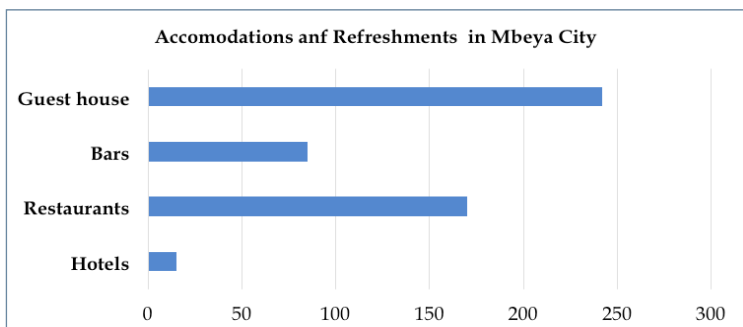
1.6.4 Trade and Commerce

People engage in different trade and commerce in the city. Among others, there are wholesale and retail shops located at SIDO area and Mwanjelwa shopping complex. Transportation of people and luggage, the public transportation costs (buses fare) is TZS 400 to 500 and private transportation costs (taxi) ranges from TZS 5000 to 20,000. Also, the house rent in the city ranges from TZS 30,000 to 250,000 per month.



Mwanjelwa Shopping Complex in Mbeya City

The businesses in financial sector, that is banking, and foreign exchange shops is expanding daily due to their crucial importance. Also, there are businesses in lodging and accommodation facilities like hotels, restaurants, bars and guest houses. Their composition is shown by the bar chart below:



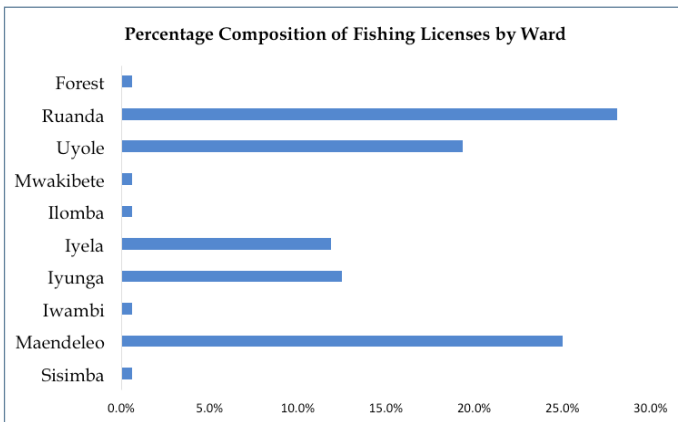
Source: MCC, 2019

1.6.5. Fishing



Fishpond in Mbeya City

Fishing is one of the economic activities in Mbeya City and it provides employment to people living nearby fishing areas. The table below shows the distribution of fishing licenses provided by Wards; Ruanda has 28% and Maendeleo has 25 % of the total license provided to the fisherman as shown in bar chart below.



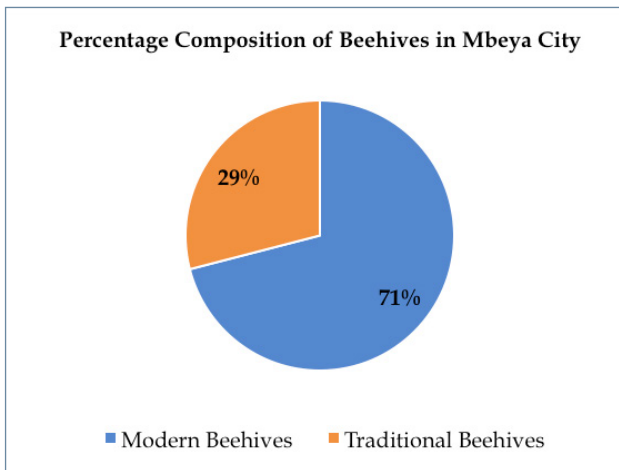
Source: Mbeya Socio-Economic Profile, 2015

1.6.6 Tourism

Tourism is another important industry for poverty alleviation. The advantages include; creation of job opportunities; boosting the sales of different goods and services such as agricultural products and handcrafts, as well as cultural entertainment provided by local people. The industry is also an important source of foreign exchange, as such tourism as an industry plays a very important role in economic development and improvement of livelihoods and socio-cultural development which are critical in poverty alleviation.

1.6.7 Beekeeping

Beekeeping is another sub-sector of economic activities, bee products such as honey and wax contributes to the council income and support in poverty alleviation and wellbeing of the community. It has been reported that bees are kept in two methods, the modern (71%) and traditional methods (29%), and both methods are being used in Mbeya City.



Source: Mbeya Socio-Economic Profile, 2015

PART TWO

REASONS TO INVEST IN MBEYA CITY AND SWOT ANALYSIS

2.1 Existing Main Investments and Investors

MCC offers a wide range of opportunities for investors in the manufacturing, transportation, light industries, energy, real estate development, financial services, education, health and tourism industries. The Table 2 below highlights existing investors and business investment that operates within the city. The city is a home to about 7 large companies (local and international), 558 medium companies and 720 small companies (MCC, 2019).

Mbeya city is home to local and international companies. These include Tanzania Breweries Company, Coca-Cola Kwanza Limited, Pepsi Cola (T) Limited, and Mbeya Cement, Raphael Agro-processing industries, Marbo-Granito and Banana wine industries. The city is also a strong hold market to all large and medium sized companies in Tanzania such as Twiga Cement, Tanga Cement, Kanji Lanji logistics, Usangu logistics, Toyota Motors, Total, Puma petroleum company, ATN Petroleum, Mohamed Enterprises, AZAM and financial institutions such as CRDB bank, NMB bank, Equity bank, ACB bank, Barclays bank, Access Bank, Finca Microfinance, TADB, NBC bank and TIB-Development bank.

Large companies and manufacturing industries are located mainly at Iyunga industrial area. Small and medium ones are located mainly at Ruanda, Iyela, Iyunga, Ilomba, Uyole, Nsalaga, Itezi, Isyesye, Igawilo, Tembelarelini, Sisimba, Maendeleo, Mabatini, Forest, Nzovwe, Iwambi, Kalobe, Mwakibete and Iganjo wards.

Table 2: Existing Investments and investors in Mbeya City

Investment/Name of Investor	Sector	Main activities	Ownership Status
Tanzania Breweries LTD	Manufacturing	Alcohol and beverages processing	Private
Pepsi Cola(T) Ltd	Manufacturing	Beverages processing	Private
Coca Cola kwanza Ltd	Manufacturing	Beverages processing	Private
Mbeya Cement	Manufacturing	Cement production	Private
Banana Wine Industries	Manufacturing	Alcohol and beverages processing	Private
Raphael Agro-processing Industries	Manufacturing	Agro product processing	Private
Marbo-Granito Company	Manufacturing	Mining refining	Private
CRDB Bank	Financial services	Banking and insurance	Private
Barclays Bank	Financial services	Banking	Private
NMB Bank	Financial services	Banking	Private
Equity Bank	Financial services	Banking	Private

Investment/Name of Investor	Sector	Main activities	Ownership Status
Access Bank	Financial services	Banking	Private
Akiba Commercial Bank	Financial services	Banking	Private
Kanji Lalji logistics	Transportation	Haulage	Private
Usangu logistics	Transportation	Haulage	Private
NBC Bank	Financial services	Banking	Private
Agha khan Hospital	Social services	Health services	Private
KS hospital	Social Services	Health services	Private
St Francis Schools	Social services	Education	Private
St. Aggrey Schools	Social services	Education	Private
Sangu Secondary Schools	Social services	Education	Private
Meta Secondary Schools	Social services	Education	Private
Mwanjelwa Shopping Mall	Real Estate	Business/space renting	Mbeya CC
Green City Mall	Real Estate	Business/ space renting	NSSF

Source: TCCIA-Mbeya Zonal office, 2019

2.2 Reasons to Invest in Mbeya City

The city is a Central Business District (CBD) having excellent strategic location, arable land and supply of various raw materials. The city is rich and abundant in work force, improved transport infrastructure and good means of communication. Furthermore, the place has several tourist attractions within and outside CBD and there are significant historical sites. Below are the major comprehensive reasons for the city being profitable to invest.

2.2.1 Existing Infrastructures



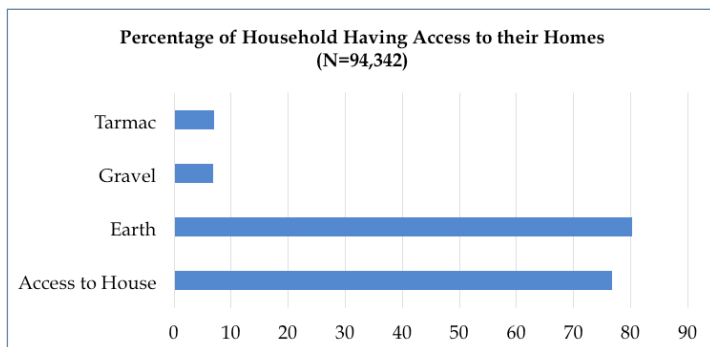
Songwe Airport



TAZARA-Mbeya Station

2.2.1.1 Road Transportation

Road network surface condition in the city show that tarmac road (85.7 Km) is 15%, gravel road (222.9) is 40% and earth road (250.6) is 45%. This indicated that road network is favorable to the investors, given that all types are passable throughout the year. For marketing purpose most of the household are reached by roads, the composition is shown below. Most of them (80.3 %) are reached by earth roads, and 7.1 % are reached by tarmac roads.



Source: Mbeya City Master Plan, 2019

2.2.1.2 Air Transportation

Songwe Airport is located in a nearby district, which makes Mbeya City an attractive destination for travelers. The capacity of Songwe airport for cargo and passengers is 348,954 unloaded (Km), loaded (Km) 356,005, passengers disembarked 40,348 and embarked is 42,323. The airline travel distance is shown in the table above. Most of the areas within Tanzania and nearby countries are reached within an hour for a travel of 560 Miles per hour.

2.2.1.2 Railway Transportation

The city has a railway station for the Tanzania–Zambia Railway Authority (TAZARA), which links Tanzania to many southern African countries (see appendix 2, 3, 4 and 5). This makes the city an important gateway for Tanzania. TAZARA connects Mbeya city with business city Dar es Salaam and ends in Kapiri Mposhi in Zambia's central province. The capacity of railway for the financial year 2018/19 was loading 2,405.6 and off-loading 13,270 tones. Currently, the number of passengers served by TAZARA is around are 71,425.

2.2.3 Communication

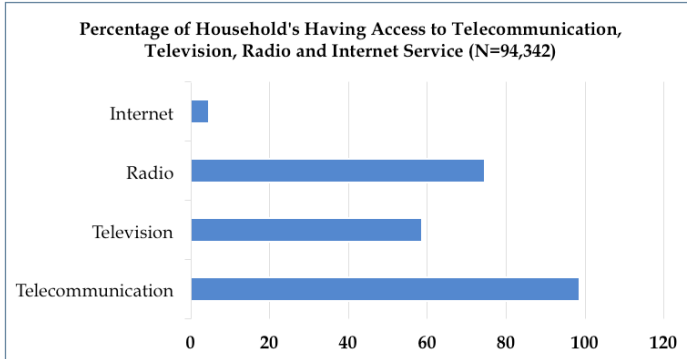
The city enjoys media diversity including media in Kiswahili and English. Print media include Daily News, Habari Leo, Sunday News, The Guardian, Nipashe, just to mention a few.

There are local and international radio stations in the city. Some of them are Mbeya FM, Radio Free Africa, Radio One, Clouds FM, Radio Maria, Generation FM, Bomba FM, TBC Taifa, TBC FM and BBC. This is the cheapest mode of communication in which majority of the local people obtain various information on investment issues.

There are local and international television stations with offices in the city that are served by various satellite communication service providers including DSTV, Azam, ZUKU, Continental, StarTimes and other local modes of connections. The local televisions stations include TBC, Star TV, ITV, Channel Ten, Wasafi TV, Clouds TV, East Africa Television etc. This gives the investors a variety of mass media to be used for advertisement of their products.

Mbeya City is connected to the Tanzania national fibre broadband backbone and is within the existing coverage area of multiple cellular communication service providers, other mobile companies include Vodacom, Tigo, TTCL, Zantel, Airtel and Halotel.

The bar chart below shows the percentage of households having access to communication facilities. In telecommunication, about 98.6 % of household have access, and very few (4.7 %) have access to internet services. This gives light to the investors on which mode of communication that is effective within Mbeya CC.



Source: Mbeya Master Plan, 2019

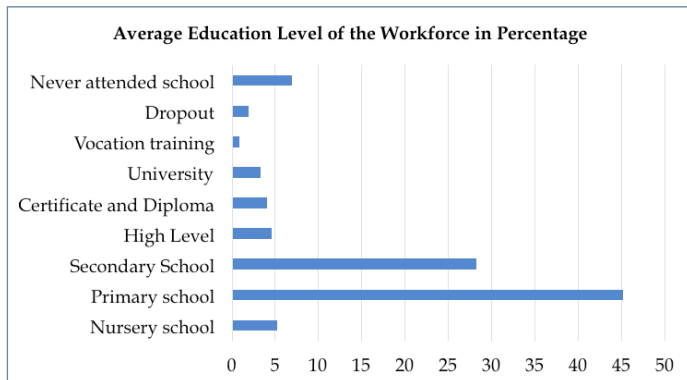
2.2.3 Availability of Potential Human Capital and Competitive Human Workforce

2.2.3.1 Workforce Composition

The proportion of working age population (15 – 64 years) in the city is 60.7% of the total population as shown earlier in the population pyramid. The ratio of female to male ratio of 52/48.

2.2.3.2 Average Education level of Workforce

Most of the workforce has an average education of primary level 45.2 % and secondary education 28.2%. The ones with professional skills at university level are 3.3 %, certificate and diploma 4 % and vocational training 0.8% (see bar chart below). This demonstrates that there is enough labor force with technical skills compared to professional skills that are needed by business investors.



Source: Mbeya Master Plan, 2019

Regarding education attainment levels in the Mbeya Region, 53% of men and 58.8% of women have completed primary education and 30.4% of men and 24.1% of women have completed secondary education. This demonstrates that there is a basic literate workforce that can meet the employment needs of potential business investors. Mbeya Region is within the top 5 regions in Tanzania in terms of the number of male skilled laborers. This provides a competitive advantage for investors because it demonstrates there is enough skilled laborers to fulfill occupations that require advanced skill sets. According to the 2015-16 Demographic and Health Survey and Malaria Indicator Survey of Tanzania, the Mbeya Region boasts 83.5% employment of working aged men and 77.8% employment of working aged women. This demonstrates that there is probably enough male and female labor to satisfy the employment needs generated by business investors.

2.2.3.3 Education Provision to the Workforce

In the city there are various schools owned either privately or publicly. They do offer different knowledge on arts, commercial and science subjects. Currently the total number of students at secondary schools is 35,610 of which females are 18,283 and males are 17, 327 (MCC, 2019). For investor who wish to have work force with secondary education, below is the number of graduates in the past academic year.

Table 3: Number of Graduates from Secondary Schools in Mbeya City in 2019

Level	Girls		Boys	
	Government Schools	Private Schools	Government Schools	Private Schools
Form Four	2,450	1,190	2,711	959
Form Six	614	157	453	484
Sub-total	3,064	1,347	3,164	1,443
Grand-total	4,411		4,607	

Source: MCC, 2019

There are several vocational training, higher education and research institutions in the City. These institutions are critical in educating the existing workforce and create a pool of educated people that could be utilized by local businesses. Here is the list of higher learning institutions found in the City: The Open University of Tanzania, Mbeya University of Science and Technology, Mzumbe University, Muhimbili University, St. Augustine University, Tanzania Institute of Accountancy, Teofilo Kisanji University (TEKU) and, the Uyole Agricultural Research and Training Institute.

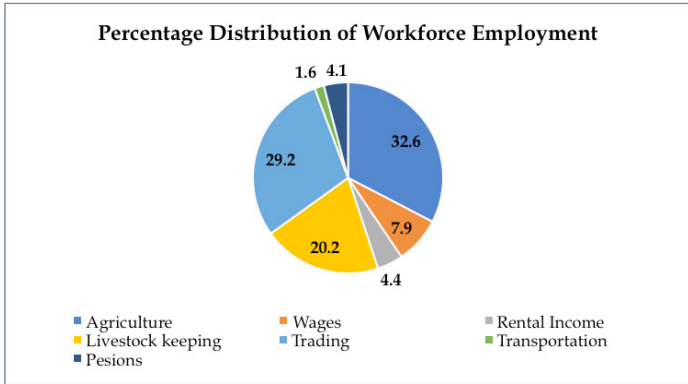
The institutions offer a wide variety of services in training, research and consultancy. Specifically, the programs offered include science engineering, agriculture, health science, law, accountancy, education and social science studies in general.

The engineers and workforce with vocational training are very crucial in the innovation and development of industrial sector. The city is lucky that there are various vocational training colleges (VETA) and a university offering engineering programs.

There has been a tremendous increase in enrollment of the students in engineering programs from; 3743 in 2016/17, 3984 in 2017/18 to 4510 in 2018/19. The engineer graduates in the academic year 2018/19 are 335 Ordinary Diploma level and 419 bachelor's degree (Mbeya University of Science and Technology).

2.2.3.4 Distribution of Workforce Employment and their Sources of Income

The composition/distribution of the workforce employed in agriculture 32.6%, followed by livestock keeping 20.2% and very few in transport sector as shown in the pie chart below. For those employed as civil and private servants the lowest salary is TZS 350,000 and the highest is TZS 3,500,000. This demonstrates that the workforce is available at affordable wages/salaries.



Source: MCC, 2019

2.2.4 Access to Utilities

2.2.4.1 Electricity

The city depends mostly on the electricity from Hydro-Electric Power (HEP). The city is connected to the National Power Grid, which provides a reliable source of electricity for local businesses. The MCC is receiving a capacity of 120 megawatts from national grid however only 49 megawatts are being utilized. Therefore, the region has an extra 71 megawatts of electricity which could be utilized by prospective investors (Mbeya Region Investment Opportunities, 2017). This is a potential asset for a manufacturing industry which require a reliable, stable and consistent energy supply. There are other off-grid power solutions; solar energy, wind energy, hybrid systems, biogases plants, and conventional diesel generators. This demonstrates that electricity is not a problem to the investors.



The households connected with electricity in the city are 66.4 % (Mbeya City Master Plan, 2019). The city residents that use under 75 units in a month, TZS 100 per unit is charged and those that use over 75 units are charged TZS 350 per unit (MCC, 2019).

2.2.4.2 Water Supply

The city depends on water from various sources; distribution network (88.5%), deep wells (3%), shallow wells (2 %) and rainwater harvesting (0.4%) (Mbeya City Master Plan, 2019). Water is supplied by Mbeya Urban Water Supply Authority and maximum capacity of water available is 51,446,000 Liters. The charges are TZS 1000 per m³ (MCC, 2019). Household's demand for water on average is 13, 580 Liters per day. And about 89.8% of the household travel within 100 m to have access for water (Mbeya City Master Plan, 2019).

2.2.5 Strategic Geographical Location

One competitive advantage of the city is its strategic geographical location. It is connected directly to the Tanzania-Zambia Highway, which gives it direct trade links to neighboring countries like Zambia, Malawi and DRC-Congo.

Traveling on primary roadways assuming a speed of 120 Km per hour, the following are the cities within 10 hours' drive: Dodoma, Iringa, Njombe, Ruvuma, Songea, Songwe and Rukwa in exceptional of Dar es Salaam, Arusha, Tanga and Mwanza which are business cities as shown in table below. Road network also connects the city with Tunduma to Zambia and Kyela borders to Malawi.

Table 4: Traveling Distances from Mbeya to other Cities in Tanzania and nearby Countries in Kilometers

City	Road Distance (Km)	Airline Distance (Km)
Dodoma	594	395
Iringa	300	276
Njombe	229	135
Ruvuma	466	310
Songwe	20	NA
Rukwa	328	228
Dar es Salaam	822	676
Arusha	1020	707
Tanga	969	753
Mwanza	924	710
Kasumulo boarder	111.1	NA
Tunduma boarder	103.3	NA
Ndola (Zambia)	950.4	692.6
KapiriMposhi (Zambia)	896.1	NA
Lilongwe (Malawi)	732.4	565
Kinshasa (DRC-Congo)	3,311.5	2066

Mbeya City is the headquarter location of most of the regulatory authorities for the region and southern highland zones. Some of the government offices include: TIC, TMDA, TBS, EWURA, BRELA, TRA and TANESCO. The presence of these regulatory authorities allows for businesses to have convenient access to regulatory processes, which helps to reduce the cost and time of compliance.

Furthermore, the city sits at the base of soaring Loleza Peak, between Mbeya and Poroto mountain ranges. On the town's outskirts is Lake Ngozi, a huge crater lake surrounded by dense forest rich in birdlife. Kitulo Plateau National Park, southeast of the city, is known for its colorful wildflowers. Further south is Matema Beach, a resort town on the shores of the vast, fish-filled Lake Nyasa.



Matema Beach located at Ipinda Kyela;

***2nd largest crater in Africa (lake Ngozi crater)
which is 20.2 Km from Mbeya city.***

Also, there are many historically significant sites in Mbeya City that are popular tourist attractions and tourism investments. A list of some of them is provided below:

- i. Mount Loleza is used for city viewing and camping.
- ii. Colonial Court played a significant role during the colonial era.
- iii. Monument to remember the late soldiers who fought in World War II.
- iv. Nyerere Stairs that were used by Mwalimu Kambage Nyerere when he was fighting for the independence of Tanganyika.
- v. Hanging Sacred Tree was used during the colonial era to punish Tanzanians.
- vi. Sokomatola old town was the first planned town to be establish in Mbeya Region during the colonial era.

2.2.6 Supply of Raw Materials

There are various raw materials found within Mbeya City and nearby districts. These raw materials are used in various manufacturing sectors. The following are the natural resources well available including; coal mines in Kiwira, gold mines in Chunya district, natural gas in Rungwe district, palm oil throughout the Mbeya Region and other construction materials.

In addition to these raw materials, the environment is conducive for the cultivation of wheat, maize, beans, bananas, rice, coffee, sunflower, tea, cocoa and avocado.

Table 5: Price of Agricultural Products Per 100 Kgs

Agricultural Products	Price (TZS)
Beans	175,000.00
Maize	90,000.00
Round potatoes	35,000.00
Sweet potatoes	70,000.00
Wheat	150,000.00
Rice/paddy	120,000.00

Source: MCC, 2019

The city being the central business district, it means that it will not cost the investors to transport the raw materials due to accessibility of transport and communication as well the transaction is easier due to presence of various financial institutions.

2.2.7 Availability of banks and other financial institutions

Mbeya city has a robust presence of financial institutions like CRDB, NMB, Exim Bank, TPB, NBC, Standard Chartered Bank, Barclays Bank Tanzania, Diamond Trust Bank, Agricultural Development Bank, TIB-Development Bank, Equity and Stanbic Bank. The presence of these financial service institutions helps increase trade and provide businesses with access to capital to encourage investment and entrepreneurship.



Location of some of the banks in Mbeya city (2019)

2.2.8 Administrative Support and Attractive Regime

Mbeya city is politically, socially and economically stable. Private investments are constitutionally protected and secured through multiple international conventions. Mbeya city dwellers continue to live in peace and with a sense of a common national identity without ethnic or tribal division.

2.2.9 Other Reasons to invest in Mbeya City include;

- i. Presence of a dry port that transports cargo to Malawi and other neighborhood countries
- ii. High population growth of 4% (labor force and market)
- iii. High consumption patterns for meat and fish
- iv. Presence of nearby Itungi Port in Kyela
- v. Good access to the health facilities. These include the Mbeya Referral Hospital, Two Regional Hospitals; Rukwa and Mbeya, Eight District Hospitals, Six District Designated Hospital, Private health facilities, Forty-Seven Health Centers, and 575 dispensaries.
- vi. One stop Borders Post at Tunduma-Nakonde

2.3. Mbeya City Investment SWOT Analysis

The SWOT analysis was performed to identify Strengths, Weaknesses, Opportunities and Threats. The analysis was based on analyzing Mbeya's ability to manage investment opportunities in the areas of budgeting, skilled staff, ability to service investors' needs, leadership and management experience, stakeholders and community involvement, council policies and organization by-laws.

The purposes of the Mbeya City organization SWOT Analysis are:

- i. To identify whether the budget, staff capacities, procedures, and processes are adequate to implement a proactive investment promotion strategy
- ii. Identify potential opportunities to create partnerships and alliances to strengthen investment promotion capacity
- iii. Identify threats that could hinder the city's ability to successfully implement a proactive investment promotion strategy

2.3.1 Strengths and Weaknesses

The following table shows the identified strengths and weaknesses.

Table 6: *Strengths and Weaknesses*

Criteria	Strengths	Weaknesses
Leadership	<ul style="list-style-type: none">- Experienced leadership- Good governance- Transparency and accountability	<ul style="list-style-type: none">- Inadequate Investment knowledge to some of the leaders- Inconsistency of ideas implementation
Human Resource Management	<ul style="list-style-type: none">- Presence of skilled personnel- Staff Recruitment- Willingness to work- Compliance with OPRAS and other guidance	<ul style="list-style-type: none">- Delayed promotions- Inadequate personnel in some of the departments

Criteria	Strengths	Weaknesses
Processes to Deliver Services	<ul style="list-style-type: none"> - MCC have grievances desk - Presence of service delivery contract in MCC creates a smooth environment for the customers - Community participation in decision making on implementation of various services - Review and reducing time for processing of building permits and license. 	<ul style="list-style-type: none"> - Inadequate working facilities - Inadequate information on service delivery procedures especially to beneficiaries. Example council web site has few information - Gaps in procurement and contract management related to specifications, documentation, records and contract management.
Policy and Strategies	<ul style="list-style-type: none"> - Presence of friendly bylaws, directives, rules and regulations - Presence of updated strategic plan 	<ul style="list-style-type: none"> - Some of the policies, plans, bylaws, directives, rules, regulations and strategies require review and dissemination to the general public.
Financial Resources	<ul style="list-style-type: none"> - Presence of different and reliable sources of revenue (rent, service levy, fees, penalties, business license etc.) - The use of POS (Point of Sales) machines in revenue collection helps to monitor the revenue collection - Presence of adequate personnel to collect revenues 	<ul style="list-style-type: none"> - Highly dependency on limited and traditional revenue sources - Reluctance of some customers to pay levies and fee - Some sources of revenue haven't been evaluated.
Technology	<ul style="list-style-type: none"> - Presence of database management system - Use of modern systems for HRM, revenue, payment, planning and budgeting etc. 	<ul style="list-style-type: none"> - Limited ICT personnel - Insufficient working tools - Presence of many systems which are not merged/communicate (Planrep, FARRS, Epicor, GoTHOMIS, LGRCIS, LAWSON, HMIS,
Community Stakeholders	<ul style="list-style-type: none"> - High community engagement and participation - Readiness to accept investment projects 	<ul style="list-style-type: none"> - Low community contribution to development projects in some areas - Inadequate skills of some of the community members

2.3.2 Opportunities and Threats

The following table shows the opportunities and threats for investment in Mbeya city

Table 7: Opportunities and Threats

Criteria	Opportunities	Threats
Leadership	<ul style="list-style-type: none"> - Presence of committed leaders in the government - Good governance - Democratic council, wards and mtaa leadership 	<ul style="list-style-type: none"> - Governing laws, Donor coordination centralized in sector ministries, PO-RALG and Ministry of Finance and Economic Planning.
Human Resource Management	<ul style="list-style-type: none"> - Support for capacity building, training and workshop - Staff gets support to further studies. - Well guided and human resources management 	<ul style="list-style-type: none"> - Reshuffling of staff reduces consistency in implementation of investment projects - Inadequate employment provision
Processes to Deliver Services	<ul style="list-style-type: none"> - Presence of guidelines on service deliver from the central government. - Staff availability with different professionals - Government commitment to expand schools and health facilities - Regulation of Public Procurement management - Independent audit by controller and Auditor General 	<ul style="list-style-type: none"> - Top down approach affects investment implementations - Less awareness among stakeholders on council payment procedures - Inadequate infrastructures - Unpredictable grant/fund releases from the central government - Solid waste and environment management is a new phenomenon being regulated by National Environment Management Commission.



Criteria	Opportunities	Threats
Policy and Strategies	<ul style="list-style-type: none"> - Availability of national policies like the Sustainable Development Goals - Adherence to National strategies in the implementation of investment projects - Presence of defined Policies and guidelines from Central Government - Presence of MKUKUTA II - Presence of Vision 2025 - Ruling Party Election Manifesto 	<ul style="list-style-type: none"> - Directives from the Central Government may contravene the policy implementation - Frequent changes in policies and strategies - Changes in policy priorities - Some of the policies are achieved - National programs goals requiring integration into institutional programs and plans
Financial Resources	<ul style="list-style-type: none"> - Availability of financial institutions - Government fund - MCC has partnership with international institutions like World Bank 	<ul style="list-style-type: none"> - Budget ceiling affects investment implementation - Some of the previous city council revenue sources have gone to central government - Inadequate disbursement of funds from central government - High interest rates charged by financial institutions
Technology	<ul style="list-style-type: none"> - Availability of IT experts at PO-RALG - e-Government policies emphasizing modernization of systems 	<ul style="list-style-type: none"> - Internet breakdown - Frequent changes of technology

PART THREE

PRIORITY INVESTMENT OPPORTUNITIES IN MBEYA CITY

Mbeya city is a growing city that is attracting investors in the social and economic development realm. Land in Mbeya city is scarce, so a targeted geographical investment approach is required. The targeted areas include Iziwa, Mwakibete, Iduda, Itagano, Iwambi and Igawilo. Other geographical areas have a potential for investment but are not yet surveyed. These areas include Nsoho (209 Hectors), Mwansekwa (65 Hectors), Mwasanga (140 Hectors) and Iduda (241 Hectors) making a total of 655 Hectors.

Understanding these geographical constraints, the following investment opportunities are available in Mbeya city.


3.1 Investment Opportunities in Industrial Sector

According to the Annual Survey of Industrial Production and Statistical Report of 2016, the manufacturing sector comprised 4.9% of the GDP. The investment opportunities identified are intended to assist Tanzania in becoming a semi-industrialized country with manufacturing reaching 40% of the GDP by 2025. Table 8 below shows specific investment opportunities within the Mbeya Industrial Sector.

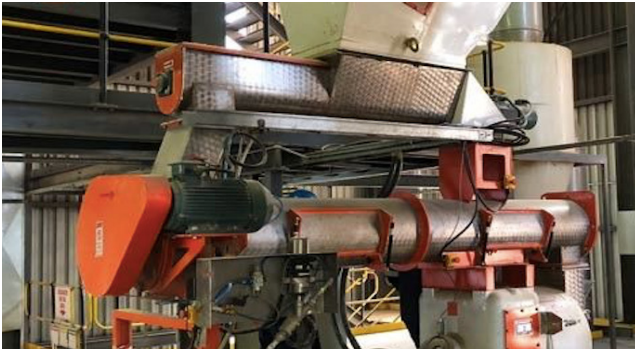
Table 8: Specific Investment Areas in Industrial Sector

Proposed Investment #1	Dairy Processing Facility
Potential Target Areas	Iganzo ward
Potential Project Location	500 acres identified but not yet surveyed or compensated
Current State of Investment	No current investment
Key Investment Rationale	<ul style="list-style-type: none"> - Location is easily accessible by tarmac road - Reliable Water Supply (Maximum available 51,446.00 M³ per day) - Reliable supply of electricity from the national Grid, which is served by the Kidatu and Mtera Power Plants - Availability of financial institutions, which provides access to capital - Availability of needed production materials like milk - Presence of Research institutions (TALIRI)
Market Situation	<p>-High demand for milk and milk products to the households. On average the demand is 94,342 liters per day.</p> <p>-Recently milk is supplied by local producers and processed dairy</p>
Type of Investor Recommended	Medium sized domestic or foreign investor

Future Investment Outcomes	<ul style="list-style-type: none"> - Improve health and milk assurance - Job creation for the local community - Revenue generation for city and Central Government <p>Ancillary business opportunities (value capture) will be created by the siting, construction and operation of the facility</p>
Proposed Investment#2	Water Bottling Facility
Potential Target Areas	Iziwa ward
Potential Project Location	The area has been identified, but is not yet surveyed
Current State of Investment	No investment has been done within this industry type
Key Investment Rationale	<ul style="list-style-type: none"> - Reliable Water Supply (Maximum available 51,446.00 m³ per day) - Reliable supply of electricity from the national grid, which is served by the Kidatu and Mtera Power Plants - Available Transportation and communication networks
Market situation	<ul style="list-style-type: none"> - There is Madaraka company located near TEKU and Kilangi Investment located at Block T, so the supply is not enough - -Average demand is estimated to be 259,026 liters per day
Type of Investor recommended	Medium to large scale companies that can mobilize the required capital for establishing this type of facility
Future Investment Outcomes	<ul style="list-style-type: none"> - Environmental conservation and protection of water sources - Health improvement by drinking clean and safe water - Job creation for the local community - Revenue generation for city and Central Government - Ancillary business opportunities (value capture) will be created by the siting, construction and operation of the facility

Sample Industry	
Proposed Investment #3	Animal Feed Processing Facility
Potential Target Areas	Iganzo
Potential Project Location	500 acres identified but not yet surveyed or compensated
Current State of Investment	<ul style="list-style-type: none"> - One facility currently operating, but it doesn't meet the demand for 2,179 livestock keepers in the market
Key Investment Rationale	<ul style="list-style-type: none"> - Available Transportation and communication networks - Presence of raw materials required for the operation - Reliable electricity supply Mbeya region gets most of its electricity from national grid - Kidatu and Mtera Power Plants - Presence of research institutions (TALIRI) - Reliable sources of Water (Maximum available 51,446.00 m³ per day)
Market situation	<ul style="list-style-type: none"> - The industry will be well positioned to satisfy the demand from neighboring councils and regions
Type of Investor recommended	Small to medium scale domestic and foreign investors who have appropriate technology to exploit these resources
Future Investment Outcomes	<ul style="list-style-type: none"> - Animal quality improves - Zero grazing is fully practiced - Job creation for the local community - Revenue generation for the city and Central Government - Ancillary business opportunities (value capture) will be created by the siting, construction and operation of the facility



Sample Industry	
Proposed Investment#4	Juice Processing Facility
Potential Target Areas	Mwasanga area
Potential Project Location	500 acres identified, but not yet surveyed or compensated
Current State of Investment	<ul style="list-style-type: none"> - The present ones are operating under small scale
Key Investment Rationale	<ul style="list-style-type: none"> - Accessible with gravel road and the Songwe Airport - Reliable electricity supply Mbeya region gets most of its electricity from national Grid – Kidatu and Mtera Power Plants - Availability of variety of fruits - Reliable water supply (Maximum available 51,446.00 m³ per day)
Market situation	<ul style="list-style-type: none"> - There is significant demand within the City and Assuming on average each household take a quarter liters of juice per day, the demand will be 23,583 liters per day
Type of Investor recommended	Medium to large scale company that can mobilize the capital required to establish this type of facility
Future Investment Outcome	<ul style="list-style-type: none"> - Increase the market for fruits supply and avoid spoilage - Improved fruits market price - Availability of juice produced locally - Job creation for the local community - Revenue generation for City and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility - Juice market expansion

3.2 Health sector

The specific investment opportunities available in the Health sector are shown in Table 9 below.

Table 9: Specific Investment Opportunity in the Health Sector

Proposed Investment #5	Medical Equipment Facility (Infusion Unit)
Potential Target Areas	Iganjo ward
Potential Project Location	The proposed area is within the Igawilo hospital area of MCC
Current State of Investment	There are no current investments in the market
Key Investment Rationale	<ul style="list-style-type: none"> - Area is accessible with tarmac road and the Songwe Airport - Reliable water supply (Maximum available 51,446.00 m3 per day) - Reliable electricity supply Mbeya region gets most of its electricity from national grid – Kidatu and Mtera Power Plants
Market Situation	<ul style="list-style-type: none"> - High demand of infusion fluids in health facilities within the City and throughout the Mbeya Region - Recently the supply of infusion drugs/fluids is outside southern highland zone - In Rukwa, Mbeya and Songwe region; There is 1 Referral hospital, 2 regional hospitals, 8 district hospitals, 6 district designated private hospitals, 47 health centers and 575 dispensary who will be in the need of infusion fluids for patient's treatment
Type of Investor Recommended	Medium to large scale investors that are able to acquire the capital to establish this type of facility.
Future Investment Outcomes	<ul style="list-style-type: none"> - Improve the availability of infusion drugs/fluids at affordable price - Job creation for the local community - Revenue generation for Municipal and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility

Sample Industry: An infusion production facility



3.3 Livestock Development and Animal Husbandry

There are many potential investment opportunities identified in the Livestock Development and Animal Husbandry sector. The specific investment opportunities are shown in Table 10 below.


Table 10: Specific Investment Opportunities in Livestock Development and Animal Husbandry

Proposed Investment # 6	Poultry Production Facility
Potential Target Areas	Sabasaba area in Mbalizi road ward
Potential Project Location	2.5 Hectares owned by MCC that is already surveyed and EIA Certified

Current State of Investment	<ul style="list-style-type: none"> - According to 2016 statistics, there are 20,000 chicks per month and rearing up to 3,000 chickens as breeding stock. - Currently, the production is done locally
Key Investment Rationale	<ul style="list-style-type: none"> - Presence of research institutions (TALIRI) - Area is accessible with tarmac road and the Songwe Airport - Access to poultry feeds and an ample water supply - Water resources are available (Maximum available 51,446.00 m³ per day) - Reliable supply of electricity from the national grid, which is served by the Kidatu and Mtera Power Plants
Market situation	<ul style="list-style-type: none"> - Food vendors, restaurants and hotels create a high demand for chicken and chicken related products - Recently there are 15 hotels, 170 restaurants, 85 bars and 242 guest houses which may need poultry products for meals
Type of Investor recommended	Small/medium domestic investors are preferred
Future Investment Outcomes	<ul style="list-style-type: none"> - Availability of poultry in the city - Job creation for the local community - Revenue generation for City and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility
Proposed Investment #7	Slaughterhouse Facility (Abattoir)
Potential Target Areas	Ilemi ward
Potential Project Location	2.93 Hectares owned by MCC with title deed available



Current State of Investment	<ul style="list-style-type: none"> - A small slaughtering facility exists and produces 35 heads of cattle each day, which does not meet the growing demand of the City.
Key Investment Rationale	<ul style="list-style-type: none"> - Area is accessible with tarmac road and the Songwe Airport. The Ilomba Machinjioni roadway is 2.16 km long and has been upgraded to a bitumen standard. - Availability of financial service institutions - MCC has 8 meat inspectors - Availability of cattle in nearby districts - Feasibility study has been completed - Reliable supply of electricity - Health facilities available in the City, are accessible by road from the abattoir site. - The site has good access to educational institutions in the City, which may be a reliable market of the meat products.
Market situation	<ul style="list-style-type: none"> - The average demand for red meat in the City is 100 - 120 cattle per day with an average carcass weight of 125kg. The current capacity of the existing facility is 35-40 cattle per day. - Total demand of livestock is 222 per day (Final Pre-Feasibility Study Report, 2018) - There are 15 hotels, 85 bars, and 170 restaurants which are in need of animals' products
Type of Investor recommended	Public Private Partnership (the private entity may assume responsibility for design, construction, maintenance and operation of the facility for a pre-defined period, while the public entity provides the land and assumes risks related to natural disasters and political upheaval)

Future Investment Outcome	<ul style="list-style-type: none"> - Availability of animal products with high quality - Job creation for the local community - Revenue generation for City and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility
Sample Industry	


3.4 Construction and Infrastructure Development

There are several potential investment opportunities within the Construction and Infrastructure Development sector, which are highlighted in Table 11 below.


Table 11: Specific Investment Opportunity in Construction and Infrastructure Development


Proposed Investment #8	Retail Center
Potential Target Areas	Uhindini Area at Sisimba Ward
Potential Project Location	1.3 Ha owned by MCC with a title deed available
Current State of Investment	<ul style="list-style-type: none"> - Nothing exists in the market, but a feasibility study is currently underway

Key Investment Rationale	<ul style="list-style-type: none"> - Area is accessible with tarmac road, railway and the Songwe Airport. - Reliable supply of electricity from the national Grid, which is served by the Kidatu and Mtera Power Plants - Presence of financial service institutions - Reliable water supply - Feasibility study has been completed. The estimated IRR is 28.6% and benefit/cost ratio is 3.71. - Lack of commercial space and shopping malls within Mbeya City - The project location is in close proximity of the City center
Market Situation	<ul style="list-style-type: none"> - High demand of modern retail center within MCC - There are 259,026 who are workforce, that may demand the products from retail center <p>The estimated IRR is 28.6% and benefit/cost ratio is 3.71.</p>
Type of Investor Recommended	<p>Public Private Partnership -the private entity may assume responsibility for design, construction, maintenance and operation of the facility for a pre-defined period, while the public entity provides the land and assumes risks related to natural disasters and political upheaval</p>
Future Investment Outcomes	<ul style="list-style-type: none"> - Easy access of variety of products at one center - Reduce informal sector businesses - Job creation for the local community - Revenue generation for Municipal and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility

Proposed Investment #9	City Park
Potential Target Areas	Sisimba ward, Sokoine area
Potential Project Location	3.67 hectares owned by MCC with title deed available
Current State of Investment	<ul style="list-style-type: none"> - This area is already fenced with a paved parking lot - Currently, the area is used to host a variety of public events 
Key investment rationale	<ul style="list-style-type: none"> - Feasibility study has been completed. The estimated IRR is 32.96% and benefit/cost ratio 2.76. - Area is easily accessible with road infrastructures - Reliable supply of electricity from the national grid, which is served by the Kidatu and Mtera power plants - Presence of financial service institutions - Current events show that the location can accommodate 8,000 people, which would be a tremendous benefit for community recreational activities - Paved walkways with Interlocking Concrete Blocks (ICB) and green demarcated areas represent an environmentally sustainable project footprint - Water service are available at the project location
Market situation	-The area is planned to have shops, stalls, botanical garden, wedding chapel, restaurants, movie theatre, gym, kids' area, parking space and administration offices

Type of Investor recommended	Public Private Partnership -the private entity may assume responsibility for design, construction, maintenance and operation of the facility for a pre-defined period, while the public entity provides the land and assumes risks related to natural disasters and political upheaval
Future Investment Outcomes	<ul style="list-style-type: none"> - To have a great recreation and refreshment center - To have shops with a variety of products - A great center for wedding chapel - Job creation for the local community - Revenue generation for City and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility
Proposed Investment #10	Sports Complex
Potential Target Areas	Iwambi ward
Potential Project Location	5.7 hectares owned by MCC that is already surveyed
Current State of Investment	<ul style="list-style-type: none"> - There is an existing stadium, but it has insufficient seating capacity
Key Investment Rationale	<ul style="list-style-type: none"> - The city has existing plans to construct a 40,000-capacity sport complex
Market Situation	<ul style="list-style-type: none"> -There are various football teams that could utilize the facility - Community priority to have additional sport activities
Type of Investor Recommended	Public Private Partnership-the private entity may assume responsibility for design, construction, maintenance and operation of the facility for a pre-defined period, while the public entity provides the land and assumes risks related to natural disasters and political upheaval
Future Investment Outcomes	<ul style="list-style-type: none"> - Variety of sports and games - Job creation for the local community - Revenue generation for City and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility

Proposed Investment # 11	Bus Terminal
Potential Target Areas	TANESCO street in the Sisimba ward and old Mbeya airport
Potential Project Location	1.5 hectares at Sisimba and 56 Acres at old Mbeya airport owned by MCC with a title deed available.
Current State of Investment	<p>-Currently the area is used as bus stand. There are shops, booking offices, grocery and restaurants - photo is below.</p> 
Key Investment Rationale	<ul style="list-style-type: none"> - Area is accessible to road infrastructure - Feasibility study has been completed - Reliable supply of electricity from the national grid, which is served by the Kidatu and Mtera Power Plants - Presence of financial service institutions - Reliable water supply is available
Market Situation	<ul style="list-style-type: none"> - Demand for modern terminal bus stand in MCC - Currently, the existing bus stand has 116 rooms used for booking offices, grocery and restaurants. It accommodates 57 interregional buses, 120 coaches/mini-buses, 300 hiace "daladala" and 100 private cars.
Type of Investor Recommended	Medium to large scale investors that are able to acquire the capital required to establish this type of operation. PPP is preferred.

Future Investment Outcomes	<ul style="list-style-type: none"> - Transport services improvement - Job creation for the local community - Revenue generation for City and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility
Proposed Investment #12	Mini- Bus Stand
Potential Target Areas	Uyole ward
Potential Project Location	1.5 Hectares owned by MCC that is already surveyed
Current State of Investment	<p>No existing investment in the market, the area is bare as shown in the picture below</p> 
Key Investment Rationale	<ul style="list-style-type: none"> - Feasibility study has been completed. The estimated IRR is 24.5% and benefit/cost ratio is 3.0. - Area is accessible with a tarmac road - Reliable water supply - Reliable supply of electricity from the national Grid, which is served by the Kidatu and Mtera Power Plants - Presence of financial service institutions
Market Situation	<ul style="list-style-type: none"> - Demand for modern mini-bus stand - The capacity is estimated to be 12 intercity buses, 20 minibuses, 50 hiace “daladala” and 20 private cars.

3.5 Integrated Waste Management

The potential investment opportunities in solid waste management and plastic bottles recycling operations are highlighted in Table 12 below.

Table 12: Specific Investment Opportunities in Solid Waste Management

Proposed Investment # 13	Solid Waste Management Facility
Potential Target Areas	29 wards
Potential Project Location	There are multiple potential locations in MCC
Current State of Investment	- MCC is currently operating a facility
Key Investment Rationale	- Availability of shipping trucks and containers - Availability of land fill - 72.7% of the households has access to the collection points
Market Situation	- Current demand is to be served with 270 tons of solid waste per day, but the collection is only 150 tons per day
Type of Investor Recommended	Medium to large scale investors that are able to acquire the capital required to establish this type of operation. PPP is preferred.
Future Investment Outcomes	- Environment conservation and protection - Health promotion to the community members - Job creation for the local community - Revenue generation for Municipal and Central Government - Ancillary business opportunities will be created by the siting, construction and operation of the facility

3.6 Other Investment Opportunities

There are other investment opportunities in Mbeya. These potential investments include hotels, recreation centers, hand crafts, camping sites, maize milling operations, Irish potatoes processing, horticulture, charcoal production from the solid waste industry, mineral processing, fisheries and fish fingerlings and bee keeping.

PART FOUR

INVESTMENT PROMOTION STRATEGIES AND ROADMAPS IN MBEYA CITY

4.1 Investment Promotion Strategies

Investment Promotion Strategies involve several coordinated activities designed to attract, grow and retain foreign and domestic investment. Specifically, it deals with improving the investment climate 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 and aid in their decision making.

Investment Promotion Strategies activities seek to market Mbeya city as an attractive location for investment with important goal of minimizing investors' risk by working to overcome information asymmetries, compensating for imperfect market conditions and providing businesses with confidence that the process will be efficient and timely. Investment Promotion Strategies provides mayors, CMT, central government and other key decision-makers with a plan for attracting both domestic and foreign direct investment (FDI). This section discusses investment promotion strategies that will be applied to expand investments opportunities in Mbeya city. Table 13 provides details of Investment Promotion Strategies for each potential investment opportunities that MCC has decided to promote (Refer Part 3 above).

MCC has identified 13 priority investment opportunities in the short, medium and long term as stipulated in part 3 above. A well-coordinated and resource involving strategies need to be in place in order to enable these investment ventures to be in place and viable. The following are the investment promotion and facilitation strategies to be executed for realistic investment ambitions of MCC.

Table 13: Promotion Strategies and Facilitation Initiatives Set by the City Council

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
1.Dairy processing facility-Iganzo Ward	Manufacturing	<ul style="list-style-type: none"> - City council has identified 500 acres land (survey and compensations to owners is underway) - Social and Environmental impact assessment has to be conducted - City council should encourage PPP contract in this project - Use of City council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - The project is eligible for TIC promotional initiatives and incentives - City council will facilitate to settle all applicable compensation requirements - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings, title deeds and Building permit - City council will facilitate the provision of utility services to Iganzo Ward - City council will strategize lobbying and advocacy to decision markers towards having this project in place as soon as possible - Exemption on some taxes and levies charged by Local Government Authorities - Organizing, negotiating and facilitating investment for a with Potential Investors and partners - The City council will create enabling environments for avail local labor and skilled personnel for this project 	<ul style="list-style-type: none"> Land (surveyed) Title deeds Staff Funds Technical skills Architectural drawings EIA certificate Building Permit

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
2. Water bottling facility- Iziwa Ward	Manufacturing	- City council is underway to survey and plan the Land area identified	Land
		- City council will facilitate the provision of utility services to Iziwa Ward	Title deeds
		- Organizing investment forums to promote this project	Staff
		- City council encourages PPP contract in the project via a joint venture or private investor	Funds
		- City council will influence TARURA to regularly maintain feeder roads to Iziwa	Technical skills
		- City council will strengthen existing services that benefit quality tea production	Architectural drawings
		- City council will work closely with investors in all aspects of the venture process	Utility services(water)
		- Safety and security of the facility is assured by the City council	EIA certificate
		- Use of City council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids)	
- Exemption on some taxes and levies charged by Local Government Authorities			

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
3. Animal Feed Processing facility- Iganzo Ward	Agriculture and Livestock	<ul style="list-style-type: none"> - City council has Identified 500 acres land (survey and compensations to owners is underway) - City council will facilitate Social and Environmental Impact assessment. - Facilitation of land acquisition and title deed provision to potential investors - Land title deed provision - City council will facilitate backward and forward market linkages to producers - Use of City council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - The City council policies will attract local labor and skilled personnel for this project - Exemption on some taxes and levies charged by Local Government Authorities - City council will produce extension services to livestock keepers and encourage modern farming and livestock keeping - Organizing, negotiating and facilitating investment for a with Potential Investors and partners 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Extension services Agricultural produce EIA certificate



Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
4. Juice Processing Facility-Mwasanga Area	Manufacturing	<ul style="list-style-type: none"> - The City council has Identified 500 acres land (surveyed and compensations to owners is underway) 	<ul style="list-style-type: none"> Land Title deeds
		<ul style="list-style-type: none"> - City council will facilitate Social and Environmental Impact assessment. 	<ul style="list-style-type: none"> Staff
		<ul style="list-style-type: none"> - City council encourages PPP contract in this project, joint venture and Private investors 	<ul style="list-style-type: none"> Funds
		<ul style="list-style-type: none"> - Facilitation of land acquisition and title deed provision to potential investors 	<ul style="list-style-type: none"> Technical skills Architectural drawings
		<ul style="list-style-type: none"> - Land title deed provision 	<ul style="list-style-type: none"> By-laws
		<ul style="list-style-type: none"> - The project is eligible for TIC promotional initiatives and incentives 	<ul style="list-style-type: none"> EIA certificate
		<ul style="list-style-type: none"> - Provision of extension services 	<ul style="list-style-type: none"> Building permit
		<ul style="list-style-type: none"> - Assurance of safety and security 	
		<ul style="list-style-type: none"> - Capacity building in enforcing and implementing intellectual property right and trademarks 	
		<ul style="list-style-type: none"> - Use of City council supported promotional media (TV, radio, social media, billboards and magazines/tabloids) 	
		<ul style="list-style-type: none"> - City council will amend and set by-laws to encourage farmers to sell produce to processors 	
		<ul style="list-style-type: none"> - Exemption on some taxes and levies charged by Local Government Authorities 	
		<ul style="list-style-type: none"> - City council will facilitate the provision of utility services to the area and road maintenance 	
<ul style="list-style-type: none"> - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and Provision of building Permits 			
<ul style="list-style-type: none"> - Organizing, negotiating and facilitating investment for a with Potential Investors and partners 			

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
5. Medical Equipment Facility- Iganjo Ward	Social Service (Health)	<ul style="list-style-type: none"> - City council has reserved the area within Iganjo Hospital owned by the City council - City council will avail medical staff and other medical services - City council encourages PPP contract in this project, joint venture and Private investors - Facilitation of land acquisition and title deed provision to potential investors - Land title deed provision - The project is eligible for TIC promotional initiatives and incentives - Assurance of safety and security to the facility - Use of City council supported promotional Media (TV, radio, social media, billboards and magazines/tabloids) - Exemption on some taxes and levies charged by Local Government Authorities - City council will facilitate the provision of utility services to the area - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and Provision of building Permits - Organizing, negotiating and facilitating investment for a with potential investors and partners 	<ul style="list-style-type: none"> Land Title deeds Staff (medical) Funds Technical skills Modern medical facilities Architectural drawings EIA certificate Building permits



Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
6.Poultry production Facility-Saba Saba Area in Mbalizi Road Ward	Agriculture and Livestock	<ul style="list-style-type: none"> - The City council has 2.5 Ha Land for this production facility in Saba Saba Area - Social and Environmental Impact Assessment (SEIA) will be conducted - The City council will facilitate Land acquisition and title deed to potential large investors - The City council encourages potential private investors - Provision of extension services - Facilitate backward and forward market linkages to producers - City council has potential experienced livestock and extension officers - City council has link with potential vet-agro promotion project and NGOs - Exemption on some taxes and levies charged by local government authorities - City council will amend and set by-laws to encourage farmers to sell produce to processors 	<p>Land</p> <p>Title deeds</p> <p>Funds</p> <p>Technical skills</p> <p>Architectural drawings</p> <p>EIA Certificate</p>

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
7.Slaughter House facility (Abattoir)- Ilemi Ward	Agriculture and Livestock	<ul style="list-style-type: none"> - The City council has reserved an area of 2.93 Ha with a Title Deed for this facility - The City council has facilitated construction of 2.16 Km Tarmac to Iloba Machinjoni - The City council encourages PPP and joint venture negotiation to this project - The City council should assist potential investor to securing funds from Financial Institutions and other funding Sources - The project is eligible for TIC promotional initiatives and incentives - The City council will facilitate the availability of local labor and skilled personnel for this project - Exemption on some taxes and levies charged by Local Government Authorities - The City council has 8 experienced meat inspectors to serve the place - The City council will facilitate promotion through Media (TV, radio, social media, billboards and magazines/tabloids) - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and provision of building Permits - Organizing, negotiating and facilitating investment for a with potential investors and partners 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Extension services Labor force EIA Certificate



Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
8.Retail Center-Uhindini Area and Sisimba Ward	Construction and Infrastructure Development	<ul style="list-style-type: none"> - The City council has reserved an area of 1.3 Ha with a Title Deed for this facility - City council will facilitate the provision of utility services to the area - Provision of land survey and valuation services - Use of City 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 - City 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 - Organizing, negotiating and facilitating investment for a with Potential Investors and partners 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Architectural drawings Utility services

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
9.City Park-Sisimba Ward and Sokoine Area	Construction and Infrastructure Development	<ul style="list-style-type: none"> - The City council has reserved an area of 3.67 Ha with a Title Deed for this facility - The Feasibility study has been conducted for cost benefit analysis of this venture - The City council encourages PPP or joint venture arrangements on this project - The City council will organize an investment forum with potential local and international Investors - Use of City council website, blogs, social media and radio/TV airtime - The City council should assist Potential investor to securing funds from Financial Institutions and other funding Sources - The City council has already fenced and paved this area - Exemption on some taxes and levies charged by Local Government Authorities - The City council will facilitate promotion through media (TV, radio, social media, billboards and magazines/tabloids) - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and provision of building Permits - Use local media and national for promotion 	<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>Feasibility study report</p>

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
9. Sport Complex- Iwambi Ward	Construction and Infrastructure Development	<ul style="list-style-type: none"> - The City council has identified and surveyed a 5.7 Ha area at Iwambi Ward - The City council is owning a Football Club (Mbeya City Football Club) that attracts potentiality and promotion of the area and other sports - Architectural drawings are in place - The City council will organize an investment forum with potential local and international Investors for this Venture - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and provision of building permits - The City council is ready for joint venture/PPP - The City council will promote the availability local labor and skilled personnel for this project - Exemption on some taxes and levies charged by Local Government Authorities - City council will strategize lobbying and advocacy to decision markers towards having this project in place as soon as possible - Utility services are in place 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Architectural drawings Feasibility study report

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
10. Bus Terminal – Sisimba ward and old Mbeya airport	Construction and Infrastructure Development	<ul style="list-style-type: none"> - The City council has Identified and surveyed a 1.5 Ha Plot at Sisimba Ward - The City council has concurrently identified and surveyed a 56 Ha area at Old Mbeya Airport for the same purposes - Architectural drawings are in place - The City council is organizing an investment forum with potential local and international Investors for this Venture - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and provision of building Permits - The City council is ready for joint venture/PPP - The City council will encourage the availability of local labor and skilled personnel for this project - City council will strategize lobbying and advocacy to decision markers towards having this project in place as soon as possible - Utility services are in place - 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



Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
11.Min-bus Stand – Uyole ward	Construction and Infrastructure Development	<ul style="list-style-type: none"> - The City council has identified and surveyed a 1.5 Ha area at Uyole Ward for this project - Architectural drawings are in place - The City council will organize an investment forum with potential local and international Investors for this venture - City council will work closely with investor in every aspect of the project e.g. financing arrangements, preparation of architectural drawings and provision of building permits - Partnerships and joint ventures are highly encouraged by the City council for this project - City council will facilitate the provision of utility services to the area - Use of City council supported promotional media (TV, radio, social media, billboards and magazines/tabloids) - Exemption on some taxes and levies charged by Local Government Authorities - The City council will support the availability of local labor and skilled personnel for this project - City council will work closely with investor to have venture in place. 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Architectural drawings Utility services

Proposed Investment	Sector	Suggested Promotion Strategies	Required Resources
12.Solid Waste Management 13. Facility-Entire City	Social Service	<ul style="list-style-type: none"> - The City council will provide site plan and land to build the facility - City council to set and enforce By-laws on the solid waste collection and dumping - The City council welcome PPP / Joint Venture Negotiation on this venture - City council has some existing equipment and facilities for the venture with up to 73% of community to waste collection canterers - The City council has experienced health officers and environmental specialist for advice and consultation - The project is eligible for TIC promotional initiatives and incentives - Financial tax incentives provided by Local Government Authorities and central government - The City council road network and street set-ups are supportive for the project 	<ul style="list-style-type: none"> Land Title deeds Staff Funds Technical skills Architectural drawings Dumping sites



It is critically important to expand upon investment promotion strategic areas above and include strongly the coordination between LGAs, the Central Government and TIC because it has the largest impact on the success of investment projects. The coordination of investment opportunities must be seamless in order to attract investor interest, build trust with investors, quickly facilitate investment projects and effectively promote successful projects. Investors typically don't differentiate between government agencies, so it is incumbent upon the LGAs, Central Government and TIC to provide a uniform and coordinated support for investment promotion.

A consistent coordination mechanism should be created between the LGAs, Central Government and TIC in order to build an ecosystem for investment promotion. This investment ecosystem will fortify relationships between these entities, establish clear channels of communication, expand the knowledge base of investment opportunities, align marketing efforts and exponentially increase the effectiveness of both the local and national investment promotion strategies. Without this investment ecosystem, there will be a high probability of receiving conflicting information and experiencing extended project delays.

4.2 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 City council can take to support impact investing for the community and its stakeholders. City council should take actions that will exponentially enhance the scale and effectiveness of impact investing and accelerate progress towards its investment vision and mission.

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

Table 14: The MCC Roadmap and Future Plans for Investment Promotion

S/N	Strategic area	Activities	Tools	Frequency	Responsible
1	Formulation and enforcement of LGA investment policies and strategies	<ul style="list-style-type: none"> -Identification of potential investments -Availing promotional strategies -Implementing policies and strategies 	<ul style="list-style-type: none"> Policy By-laws City council SP City council IPS 	Annually	<ul style="list-style-type: none"> -City council -Government -Stakeholders -Investors
2	City council to Appoint investment Focal personnel (Investment promotion Agency)	<ul style="list-style-type: none"> -To be the central custodian of all Investments issues and documentation - Coordinating all investment promotion activities. -Handling all City council Investment issues 	<ul style="list-style-type: none"> City council IPS documents Office Quarterly reports City council SP 	Full time involvement in investment issues	<ul style="list-style-type: none"> City Council PO-RALG
3	Improve City Land Use Planning	<ul style="list-style-type: none"> -Survey and plan plots -Provide utility services -Prepare site plans and architectural drawings -Provision building permits timely 	<ul style="list-style-type: none"> Survey maps GPS Surveyors Site plans 4 Architecture 5 Drawings 	Quarterly	<ul style="list-style-type: none"> -City Council -Government -Stakeholders -Investors -Government agencies (TANESCO, TRA, EWURA and all responsible)
4	Improve City internal road network	<ul style="list-style-type: none"> -Build roads -Maintains existing roads and bridges -Connect streets for accessibility 	<ul style="list-style-type: none"> Tendering Survey drawings Council SP BOQs 	Annually	<ul style="list-style-type: none"> -City Council -Stakeholders -Government agencies (TARURA, TANROADS)



S/N	Strategic area	Activities	Tools	Frequency	Responsible
5	Facilitation of consulting services for establishing, management and development of Businesses and Enterprises	<ul style="list-style-type: none"> -Provision of licenses -Capacity building -Linking to enterprises -Facilitation and enabling 	<ul style="list-style-type: none"> Timely licensing Training Brochures and leaflets Study visits Case studies Trade fairs/ shows 	Monthly	<ul style="list-style-type: none"> -Stakeholders -City Council -NGOs -TCCIA -TIC -Enterprises -CBOs
6	Linking Local Enterprises to Business Development Service Providers	<ul style="list-style-type: none"> -Working with partners like ENGINE project, SNV, Vision funds, Techno serve -Creating enabling environment -Organizing joint forums 	<ul style="list-style-type: none"> By-laws Policy Business Forum Media broadcast Seminars and workshops Consultancies Publications 	Weekly	<ul style="list-style-type: none"> -Stakeholders -City council -NGOs -TCCIA -ENGINE -Banks and MFIs
7	Manufacturing and industry statistics development	<ul style="list-style-type: none"> -Identifying all manufacturing activities -Provisional of licensing -Registering and updating regularly -In- house visit 	<ul style="list-style-type: none"> Council data base SIDO data base TCCIA data base TRA database 	Quarterly	<ul style="list-style-type: none"> -City Council -BRELA -TRA -NGOs -TCCIA -SIDO

S/N	Strategic area	Activities	Tools	Frequency	Responsible
8	Facilitating feasibility studies for potential investment projects	<ul style="list-style-type: none"> -Provide and avail technical and professional staff -Facilitation of transportation - Land surveys -Land provision 	<ul style="list-style-type: none"> -Project write-ups and proposals -TIC policy -Sector policy -EIA reports 	As per investors requirement	<ul style="list-style-type: none"> -Investors -City Council -TCCIA -TIC -Consultants
9	Assisting the national economic zone policies (EPZ and SEZ)	<ul style="list-style-type: none"> -Align and support EPZ initiatives in place -Promoting EPZ areas 	<ul style="list-style-type: none"> TIC policy Tanzania investment Policy EPZ initiatives policy 	Annually	<ul style="list-style-type: none"> -Stakeholders -City Council -TCCIA -TIC
10	Organizing investment seminars and forums to attract potential Investors (Local and Foreign)	<ul style="list-style-type: none"> -Organizing and facilitating seminars -Presenting in investment forum -Direct negotiation -Media promotion 	<ul style="list-style-type: none"> Seminars Investment forums/dinners Study tours/ visits Promotion events 	Semi-annually	<ul style="list-style-type: none"> -Stakeholders -City Council -TIC -TCCIA -Investors
11	Facilitating investment missions	<ul style="list-style-type: none"> -Linking and conducting potential investors visits to the city from China, USA, Europe and middle east (Dubai) 	<ul style="list-style-type: none"> Field visits Investors mission reports Documentaries 	Whenever opportunity appears	<ul style="list-style-type: none"> -Stakeholders -City Council -TIC -TCCIA -Investors -Media
12	Creating updated SMEs and investors database	<ul style="list-style-type: none"> -SME and investors identification, licensing and registering 	<ul style="list-style-type: none"> SME register Investors register 	Quarterly	<ul style="list-style-type: none"> -City Council



S/N	Strategic area	Activities	Tools	Frequency	Responsible
13	Promoting business enabling environment and policies	<ul style="list-style-type: none"> -Setting business laws and policies -Work closely with Central governments agencies like TRA, TMDA, BRELA, EWURA, SUMATRA and others -Regulating businesses and markets 	<ul style="list-style-type: none"> Tax laws and rates Tariffs and charges rates Enforcement procedures Penalties rates 	Annually	<ul style="list-style-type: none"> -City Council -TRA -TCCIA -Government agencies
14	Building Local Economic Development (LED) strategies and planning	<ul style="list-style-type: none"> -Mapping local communities potential (population and resources) -SWOT analysis of the local area and community -Identifying competitive advantages 	<ul style="list-style-type: none"> SWOT analysis LED strategic Plan Council SP National Investment Policy 	Every 5 to 10 years interval time	<ul style="list-style-type: none"> -Stakeholders -City Council -TCCIA -NGOs -FBOs -CBOs
15	Building SME capacity to enhance competitiveness and productivity	<ul style="list-style-type: none"> -Facilitating and working close with NGOs and other partners to capacity build SMEs -Provision and accessing new innovation and technologies 	<ul style="list-style-type: none"> Trading Mentoring Study tours Trade fairs Technical backstopping 	Quarterly (frequency may change depending on resource availability)	<ul style="list-style-type: none"> -Stakeholders -NGOs -City Council -SIDO -TCCIA -VETA

S/N	Strategic area	Activities	Tools	Frequency	Responsible
16	Fostering better access to finance	<ul style="list-style-type: none"> -Link financial institution with investors -Provision of business licensing and land title deeds -Acts as guarantor for credit to potential investors and enterprises 	<ul style="list-style-type: none"> Business plans Project proposals Business licenses Collaterals Title deeds 	Monthly	<ul style="list-style-type: none"> -Investors -City Council -TIC -Banks -MFIs
17	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"> Business plans Project proposals Business licenses and registration certificates Title deeds Building permits 	Quarterly	<ul style="list-style-type: none"> -City Council -TIC -TRA -Investors



PART FIVE

INVESTMENT INCENTIVES PROVIDED, POLICY AND INSTITUTIONAL ISSUES TO BE REFORMED

5.1 Investment Incentives Provided

The MCC has adopted and is currently implementing several policies and incentives in Tanzania to attract and facilitate investment in economic and social development. An investor is encouraged to acquire a copy of the charter, statutes, 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:

- i. The Companies' Ordinance Act of 1948 chapter 212
- ii. The Business Name and Registration Act of 1930 chapter 21

Certificate of Incorporation, in 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 company's regulations have been submitted. A specified fee is to be paid to the Registrar by companies when certificates of incorporation 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:

- i. Compensate and reward investors for their entrepreneurship
- ii. Match the changing needs of the country
- iii. Channel investment in the directions most needed for economic Industrial development
- iv. 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. All factories 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 can broadly be categorized into fiscal and non-fiscal incentives. (See **Appendix I** for more detailed information).

Fiscal incentives

- i. Important duty and VAT exemption on project/deemed capital investment
- ii. Import Duty Draw Backs Scheme
- iii. 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.

Non- fiscal incentives

- i. For foreign investing companies, the government has set an incentive of immigration quota of up to 5 people.
- ii. There a guaranteed transfer of;
 - a. Net profits or dividends of the investment
 - b. Payment in respect of foreign loans
 - c. Remittance of proceeds net of all taxes and other obligations
 - d. Royalties fees and other charges

5.2 Policy and Institutional Issues to be Reformed

The public sector is the single most important investment catalyst for the state. In Improving the way, it is managed is critical for optimal development outcomes that include efficient service delivery, investment and economic development, social protection and private sector regulation. Public sector governance reform involves institutional reform, which is the changing of rules and procedures that govern public sector activity. 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 shaped by the political settlement. Reforms have to 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 low, culture, drivers for change as well as voices and partnerships. Lack of political will and commitment is a common explanation for public sector institutional (or 'governance') reform failure. (Bukonya & Yanguas, 2013).

Table 15 shows some practical institutional and policy issues that were observed and depicted to be at a fore front hindrance to effective and efficient investment progress and development in most of the LGAs in Tanzania.

Table 15: Institutional and Policy Issues to be Reformed and Proposed Solutions

Issues to be reformed	Proposed solution(s)
Barriers and bureaucracy in Land acquisitions and ownership to investors	Land Application procedures should be processed under one roof (one stop shop) together with Licensing and Tax Applications
Potential local investors are not given priorities by most government agencies and local governments	The sentiment is that foreign direct investments receive special consideration compared to existing local businesses. Local investors should be given the same priority similar to foreigners. The impact of existing local and new foreign investments is similar on a community.
Insufficient and under-established economic infrastructure	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.
Public Private Dialogue (PPD)	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.
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 Local 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).

Issues to be reformed	Proposed solution(s)
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.
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 city council has to 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.

PART SIX

CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

Mbeya City has identified potential investment opportunities for the purpose of encouraging domestic and foreign investors. The opportunities in the industrial, livestock development and animal husbandry, energy, natural resources, infrastructure and construction development, integrated waste management and health sectors have been well elaborated in this report.

In order to further attract new investors and retain existing investors, various investment facilitation and promotion strategies have been identified. Various initiatives have been presented to streamline and simplify investment procedures associated with establishing a business as well as activities that seek to market a Mbeya city as an attractive location for investment.

Procedures to invest have been presented and compliment the services offered by TIC because the TIC it is the primary entity responsible investment issues.

6.2 Recommendations

Given that various investment opportunities have been identified, there still is a need for the City Council to have an Investment Promotion Agency (IPA). This would allow them to improve the investment environment and provide promotion and facilitation services in order to increase both domestic and foreign investment. Careful consideration should be given to how resources are most effectively deployed and how to organize investment promotion activities. Public-Private Dialogue (PPD) is an essential approach for the development of investment strategies within the city.

The City council is an urban center, which means that there is little land that has been reserved for investment purpose. Given the importance of the land for investments, the MCC must link landowners and investors in order to facilitate reasonable land prices. Plot surveys and demarcations for both commercial and residential purposes should be done in order to improve the speed to market for investment projects. Finally, MMC must be quick to link investors with investment regulatory authorities (TRA, BRELA, TBS, EWURA, SUMATRA e.t.c) and be transparent on all of the procedures required to invest in their community.

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LIST OF APPENDICES

Appendix I: Facilitation, Process, Requirements and Incentives

Facilitation

The Mbeya City and Central Government are improving favorable 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 city are presented below.

Policies, Legal, Institutional and Regulatory Considerations

Key policies

Policies to guide investment promotion and interventions in Mbeya City 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, National Microfinance Policy, 2015, 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 Mbeya City strategic plan and development policies.

Legal framework

The major laws and regulations that guide investment promotion and activities in Mbeya City 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 Mbeya City by laws.

Main institutions dealing with investing in Mbeya City and Tanzania

The main institutions dealing with investment issues in Mbeya City and Tanzania at large are: Tanzania Investment Centre (Email: information@tic.co.tz), Business Registration and Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Tanzania Electric Supply Limited (TANESCO), Tanzania Bureau of Standards (TBS), Ministry of Investment, Industry and Trade, Tanzania Food and Drugs Agency, Water Supply Companies in respective regions, Municipal Authorities in respective city (on land issues), Ministry of Water and Irrigation, and Ministry of Agriculture Livestock and Fisheries.

Strategies, Plans, and Programs

The key strategies, plans and programs are: annual Regional Plans and Annual Reports (e.g. *Taarifa ya Maendeleo ya Sekta ya Kilimo mwaka 2016/2017, Taarifa ya Maendeleo ya Sekta ya Mifugo Mwaka 2016/2017, etc*), PO-PRALG Reports, City Development Plans, Five Year Development Plan (FYDP II), Agricultural Sector Development Strategy and Program 2017-2022 (ASDP II), Livestock Sector Development Program 2011, Ministry of Industry Trade and Investment's Reports, and Integrated Industrial Development Strategy (IIDS 2025), National Rice Development Strategy, Tanzania Agriculture and Food Security Investment Plan, and Agricultural Growth Corridor in Tanzania.

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

Processes and requirements

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



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 center is a focal point for all investors and performs all liaison work for the investor from enquires right up to project start up. The center 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 center 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 Center, Plot no; 9A&B, Shabaan Robert Street, P. O Box No 938, Dar-Es-Salaam, Tanzania, Tel: 255 22 2113365/116328-32 Fax: 255 22 2118253, Email: tic@cats-net.com

Registration

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

Taxes

The taxes involved in investment projects in Mbeya City are: (i) Corporate tax (30% for both resident and nonresidents); (ii) Withholding tax (for dividend payments, pension, insurance premium, royalties, transport and disposal of assets); (iii) Income tax rates for individuals (the marginal rate ranges from 18.5% to 30%); (iv) Income tax rate for resident individuals (a flat rate of 20% applies); (v) 5. Taxable value of employment benefits (generally all benefits are taxable); (vi) Capital gains tax (the gain/loss upon sale realization is included in business income;(vii) Taxed at the general rate); (viii) Skills and development levy (6% of the gross emoluments paid to employees); (ix) Regulatory 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 consumption tax charged at a single rate of 18%. 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 non-registered traders.

VAT refunds are made either within 30 days or 6 months from the due date depending on the type of taxpayer. There are various goods and services that are either zero rated, such as exports or VAT exemption, such as health supplies and tourists' services. The TRA 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 resident in and has a permanent home in Tanzania is subject to income tax on his worldwide income. Non-residents are normally subject to income tax on income accrued in or derived in the Tanzania at a rate of 15% of the gross amount payable. A person is normally regarded as resident if he has a permanent home in Tanzania or was present in Tanzania during the year of income for 183 days or more. A person will also be regarded as resident if he was present in that year of income and in each of the two preceding years of income for periods averaging more than 122 days in each such year of income.

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

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



The Mbeya City 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.

Incentives

The Tanzania Investment Act (TIA, 1997), transferred all the tax incentives to Income Tax, 2004, East African Community Customs Management Act, 2004, Value Added Tax Act, 1997 as revised in 2006. The investors who are in lead and priority sectors, they are allowed Import

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

Import Duty and VAT exemption on Deemed Capital Goods.

These include; building materials, utility vehicles, equipment etc.

According to the 2013/14 budgetary changes the import Duty exemption granted to Deemed Capital Goods is now 75% whereby the investor shall pay 25% of import Duty due. 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 aluminum 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 0.3% of 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.

Incentives for Foreign Investors

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

The above-mentioned incentives are currently being reviewed. Specific investment incentives in Mbeya City may be negotiated and obtained from the MCC Management

Inclusiveness and participation of the private sector

Inclusiveness and participation of the private sector in Mbeya City investment planning is paramount and is advocated by the Mbeya City Authority. A public and private sector engagement mechanism is being developed to facilitate Mbeya City'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 Mbeya City in the production, transportation, storage, processing and marketing of the products and development of value chains listed in Section 3. However, for the private sector to play its role effectively, the Mbeya City 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; 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.

Appendix 2: List of Services Offered by TIC by Time Frame and Cost

S/N	Service	Delivery Time Frame	Fee*
1	TIC Application Form	Immediately	USD 100
2	Investment Guide	Immediately	Free
3	Provision of Investment Act	Immediately	Free
4	Certificates of Incentives	3 W/days	USD 1,000
5	VAT Registration	3 days	Free
6	Tax Clearance	1 day	Free
7	Tax Identification Number	1 day	Free
8	Customs Approval Import List	7 days	Free
9	Business Name Search	1 day	Free
10	Business Licensing	1 day	Fee
11	Varies Company Registration	1 days	TZS 50,000 - 371,200
12	Industrial/Business License	2 days	
13	Residence Permit Class A (East African Nationals)	10 days (Max)	USD1,705
14	Residence Permit Class A (Other East African Nationals)	10 days (Max)	USD 3,355
15	Residence Permit Class B (East African Nationals)	10 days (Max)	USD 605
16	Residence Permit Class B (Other East African Nationals)	10 days (Max)	USD 2,255
17	Special Pass for Class A and B	1 day	USD 660
18	Work Permit Class B-Labour	14 days (Max)	Free
19	Linkages with government institutions	7 days	Free

*10% administration fees paid to TIC towards respective costs for all services

Source: National Bureau of Statistics, 2019



Appendix 3: Road Networks from Mbeya to Other Parts of Tanzania



Appendix 4: Tanzania Road Distances Chart in Km by June 2012

	DAR	ARUSH	BABAT	BARAII	BUKO	DODOM	GEITA	IRINGA	KIBAH	KIGOM	LINDI	MBEYA	MORO	MOSHI	MPANI	MTWA	MUSOM	MWAN	NJOME	SHINY	SINGID	SONGE	SWAN	TABOR	TANGA
DAR		646	814	1127	1433	451	1228	492	35	1258	452	822	192	566	1383	556	1370	1152	710	989	696	947	1150	829	354
ARUSHA	646		168	762	1068	425	863	689	611	1090	1098	1020	621	80	1581	1202	499	787	907	624	331	1144	1348	661	435
BABATI	814	168		594	900	257	695	521	779	922	1266	851	516	248	1413	1370	513	619	739	456	163	976	1179	493	603
BARAADI	1127	762	594		654	676	376	940	1092	761	1579	899	935	842	695	1663	164	230	1158	139	431	1396	929	332	1197
BUKOBA	1433	1068	900	654		982	298	1246	1398	551	1885	1205	1241	1148	720	1989	634	416	1464	516	737	1671	954	638	1503
DODOMA	451	425	257	676	982		777	264	416	807	903	594	259	505	1155	1007	919	701	482	538	245	720	922	378	588
GEITA	1228	863	695	376	298	777		1041	1193	514	1680	1000	1036	943	684	1784	337	119	1259	239	532	1496	917	433	1298
IRINGA	492	689	521	940	1246	264	1041		457	1071	944	330	300	769	891	1048	1183	965	218	802	509	455	658	642	629
KIBAHA	35	611	779	1092	1398	416	1193	457		1223	487	787	157	531	1348	591	1335	1117	675	954	661	912	1115	794	319
KIGOMA	1258	1090	922	761	551	807	514	1071	1223		1710	860	1066	1170	299	1814	851	633	1089	622	759	1326	532	429	1525
LINDI	452	1098	1266	1579	1885	903	1680	944	487	1710		1068	644	1018	1629	104	1822	1604	839	1441	1148	692	1396	1281	806
MBEYA	822	1020	851	899	1205	594	1000	330	787	860	1068		630	1100	561	1122	1142	924	229	761	603	466	328	567	959
MOROGORO	192	821	516	935	1241	259	1036	300	157	1066	644	630		541	1191	748	1178	960	518	797	504	755	958	637	329
MOSHI	566	80	248	842	1148	505	943	769	531	1170	1018	1100	541		1104	1122	579	867	987	704	411	1224	1428	741	355
MPANDA	1383	1581	1413	695	720	1155	684	891	1348	299	1629	561	1191	1194		1683	938	720	790	557	693	1027	233	363	1520
MTWARA	556	1202	1370	1683	1989	1007	1784	1048	591	1814	104	1122	748	1122	1683		1926	1708	893	1545	1252	656	1450	1385	910
MUSOMA	1370	499	513	164	634	919	337	1183	1335	851	1822	1142	1178	579	938	1926		218	1401	381	674	1638	1171	575	933
MWANZA	1152	787	619	230	416	701	119	965	1117	633	1694	924	960	867	720	1708	218		1183	163	456	1420	953	357	1222
NJOMBE	710	907	739	1158	1464	482	1259	218	675	1089	839	229	518	987	790	893	1401	1183		1020	727	237	557	796	847
SHINYANGA	989	624	456	138	516	538	239	802	954	622	1441	761	797	704	557	1545	381	163	1020		203	1257	790	194	1059
SINGIDA	696	331	163	431	737	245	532	509	661	759	1148	603	504	411	693	1252	674	456	727	293		964	931	330	766
SONGEA	947	1144	976	1396	1671	720	1496	455	912	1326	602	466	755	1224	1027	656	1638	1420	237	1257	964		794	1033	1084
SWANGA	1150	1348	1179	928	954	922	917	658	1115	532	1396	328	958	1428	233	1450	1171	953	557	790	931	794		596	1287
TABORA	829	661	493	332	638	378	433	642	794	429	1281	567	637	741	363	1385	575	357	796	194	330	1033	596		1096
TANCA	354	435	603	1197	1503	588	1298	629	319	1525	806	959	329	355	1520	910	933	1222	847	1059	766	1084	1287		1096

NOTE:	VIA	ROUTE	VIA	ROUTE	VIA
Dar - Kigoma	Itigi - Tabora	Bukoba - Mbeya	Nzega - Tabora	Kigoma - Njombe	Mpanda - Sumbawanga - Mbeya
Dar - Musoma	Singida - Shinyanga - Mwanza	Bukoba - Njombe	Singida - Dodoma - Iringa	Kigoma - Tabora	Malagarasi
Arusha - Iringa	Singida - Nzega - Tabora	Dodoma - Mbeya	Mtera - Iringa	Lindi - Mbeya	Masasi - Songea - Njombe
Arusha - Kigoma	Singida - Dodoma - Iringa	Dodoma - Kigoma	Itigi - Tabora	Mbeya - Mwanza	Njombe - Songea - Masasi
Arusha - Mbeya	Babati - Dodoma - Iringa	Geita - Mpanda	Nyakanzu - Kasulu	Musoma - Singida	Rungwa - Itigi
Arusha - Musoma	Serengeti	Geita - Njombe	Singida - Dodoma - Iringa	Musoma - Swanga	Tabora - Ipole - Mpanda
Arusha - Mwanza	Babati - Singida - Shinyanga	Kigoma - Iringa	Dodoma - Itigi - Tabora	Musoma - Tanga	Serengeti - Arusha
Babati - Iringa	Dodoma	Iringa - Tabora	Dodoma - Itigi	Mwanza - Tanga	Shinyanga - Singida - Arusha

Appendix 5: Railway Networks in Tanzania



Appendix 6: Projected Population Distribution by Age Group in 2019

Age Group (Year)	Male	Female	Total
0-4	38038	36809	74847
5-9	26521	26936	53457
10-14	24736	26843	51579
15-19	27507	32073	59580
20-24	28393	30117	58510
25-29	22955	27076	50031
30-34	15794	18268	34062
35-39	14370	16181	30551
40-44	9945	10596	20541
45-49	8261	8878	17139
50-54	4944	5603	10547
55-59	4514	6938	11452
60-64	2485	2328	4813
65-69	2184	2369	4553
70-74	1035	1073	2108
75-79	815	1284	2099
80+	594	888	1482
Total	233091	254260	487351

Source: NBS, 2019



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