

THE UNITED REPUBLIC OF TANZANIA

PRIME MINISTER'S OFFICE

REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

SIMIYU INVESTMENT PROFILE

- 2013

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...we appreciate the huge contribution of the sector since the government ceased to participate actively in business...

Dr. Mary Michael Nagu,
Minister of State for Investment & Empowerment (Prime Minister's Office)

... Amongst other things, Tanzania's investment regime offers free repatriation of capital and the ability to externalise profits, by putting fewer restrictions on capital movements.

...**Juliet Rugeiyamu Kairuki** Executive Director,
Tanzania Investment Centre Empowerment (Prime Minister's Office)

SIMIYU INVESTMENT PROFILE



Bridge in Simiyu River between Meatu and Itilima district Council





Forewords

SIMIYU REGIONAL COMMISSIONERS FOREWORDS



Chief Kishosha P.K. Mabiti
Simiyu Regional Commissioner

First and foremost, allow me to use this opportunity to express my sincere gratitude to the President of the United Republic of Tanzania His Excellency Dr. Jakaya Mrisho Kikwete for giving me the privilege to serve as the first Regional Commissioner of Simiyu Region.

Secondly, our Regional Profile shows the location, climatic and topographic conditions, population, existing socio-economic infrastructures and investment opportunities. Briefly, the Simiyu Regional Profile indicates that the region is one of the potential areas for investment in agricultural production, agro-processing, livestock industries, tourism, mining, fishing and fish farming. Simiyu region is so far the leading cotton producer in Tanzania with over 150,000 tons of seed cotton per annum and therefore; suitable for investment in cotton ginning, spinning and textile industries. In addition, Simiyu region has over 1.5 million heads of cattle that project it as one of the best places for livestock industries for milk, meat as well as tanneries.

Last but not least, let me use this opportunity to thank the existing investors (both local and foreign) and call upon all other prospective investors to come and invest in Simiyu region. We promise to remain fully committed to the enhancement of Public/Private Partnership with a view of securing a '*win-win situation*' to all stakeholders.

Chief Kishosha Paschal K. Mabiti

REGIONAL COMMISSIONER

SIMIYU

SIMIYU REGIONAL ADMINISTRATIVE SECRETARY FOREWORDS



Ms. Mwamvua A. Jilumbi

Simiyu Regional Administrative Secretary

As Chief Executive of Simiyu Region, I take this Opportunity to invite you to read this document and take necessary steps to invest in Simiyu Region. The information contained in this regional profile in brief describes potential areas for investment found in Simiyu Region. The intended areas prevail in agriculture and livestock, value addition, industrial processing, mineral exploration and tourism.

The roles of Regional and Local Governments is to facilitate the investment process and facilitate conducive environment for investment in terms of good Communication, good infrastructure and increased efficiency by reducing unnecessary bureaucratic procedures. As Chief Executive of the Region, I reassure you that these roles will be met with the highest degree of execution and cooperation.

Disclaimer

This profile was published to assist potential investors, both local and foreign, to access essential information regarding investments and investing in Simiyu. The document does not in any way give exhaustive information or detailed practical instructions. It also points out sources of other information in both private and public sectors. Most or all of information contained in this profile was derived from consultation among government ministries, private sector, and other agencies. Materials in this document therefore should only be used for the intended purposes and not to be used for defense in a legal dispute or any matter of that nature.

Reasons to Invest in Simiyu

- A climate suitable for tourism, agriculture and livestock production.
- Peace and political stability that offers a safe environment with low crime rates.
- High growth potential.
- Hardworking and inexpensive local communities with adequate skills in modern farming practices to support the growth of industries.
- A source of skills in the local education institutions
- Transport links with other regions and proximity to neighboring countries (Kenya, Uganda, Burundi, Rwanda, and DRC.)

Executive Summary

Simiyu Region has a lot of opportunities to offer which can attract both local and foreign investments. The Region investments potential span from tourism and related services, mining especially for salt and nickel, livestock and crops products processing, Economic Processing Zone (EPZ) and or Special Economic Zone (SEZ), banking and the service industries.

The identified investment opportunities can be divided into two categories, namely direct investment and investment on market linkages. Direct Investment focus on attracting investors, both local and foreign, to bring in capital for investing in the region by setting up facilities either to process raw materials into finished products or carry out medium and large scale processing of farm and livestock produces obtained locally in the Region which presently are underutilized.

Market linkages entail connecting smallholder farmers and other producers with companies that are willing to buy their products and access to markets. By so doing, market dealers will be in a position to support smallholder farmer's, livestock keepers, small scale miners, Villages and Council managing the Wildlife Management Areas (WMA) and community in the region at large with skills on crop and animal husbandry, post harvest handling of harvested crops, processing and products control. The Regional Government and Local Authorities in Simiyu will organize smallholder farmers and producers in groups to facilitate easy access to markets and its interactions.

The large quantity of food and cash crops, abundance of livestock and the population full of hospitality in Simiyu Region provides an opportunity to medium and large scale producers to invest in farm and livestock product processing industries. Similarly, the local communities are hard worker and have adequate skills in modern farming practices to support the growth of these industries. However, what is missing is for the smallholder farmers and producers to be linked with the buyers who are ready to invest in the Region. The following sections try to summaries areas of investment opportunities existing in the Region.

This profile, therefore, provides prospective investors and interested parties with insightful information about investing in Simiyu, including:

- An overview of the main investment opportunities the region presents
- An summary of the geographical, political and economic characteristics of the country
- An introduction to the primary agency responsible for promoting and facilitating investment into the country, the Tanzania Investment Centre (TIC)

The overall objective of this investment profile for Region is therefore to inform potential investors and stakeholders on available opportunities for investment. It also identifies and locates existing investment opportunities and their challenges so that respective development partners for economic growth and poverty reduction

can make the necessary interventions.

The profile comprises of seven chapters: Chapter One present important outlook and background of the region profile by highlighting key background information such as the economic context within which the region is operating, its location, climate and topography, ecological zones, administration, population and total area as well as concept and objective of investment. Chapter Two gives an overview of the existing investment which has been explained in detail by looking the previous performance of each sector and the current situation. Chapter three gives an in – depth analysis of the investment opportunities in each sector. In this context, the profile tries to show up un-expoited opportunities available in the region, where by it provides basis for investors to analyse the feasibility investment opportunities available in the region. Chapter Four shows up management and facilitation of investment; in this context the profile describes difference policy in favour of investors, land matters and disputes, prevailing facilitation center for investors' i.e: TIC and the regional government in supporting investment in the region.

Table of Contents

Forewords.....	vii
Disclaimer.....	x
Reasons to Invest in Simiyu.....	x
Executive Summary.....	xi
1 INTRODUCTION AND BACKGROUND.....	1
1.1 Simiyu in the Broader Context.....	1
1.2 Geographical Location.....	1
1.3 Agro – Ecological Zones.....	3
1.4 Drainage system.....	3
1.5 Administration Area.....	4
1.6 Population.....	4
1.7 Social Services.....	4
1.8 Regional Economic Blocks.....	5
1.9 The economy.....	5
1.10 Markets for Investors.....	7
1.11 Trade.....	7
2 CURRENT INVESTMENT SITUATION.....	9
2.1 Regional GDP and Per Capita Income.....	9
2.2 2.2. AGRICULTURE.....	9
2.3 Irrigation Schemes:.....	9
2.4 Livestock.....	9
2.4.1 GRAZING PASTURES:.....	10
2.4.2 Marketing of Livestock and Livestock products:.....	10
2.4.3 Milk production;.....	11
2.5 Natural Resources and Land Development.....	11
2.5.1 Forestry:.....	11
2.5.2 Fisheries.....	11
2.5.3 Wildlife and Tourism.....	12
2.6 Mineral resources.....	13
2.7 Industrial Development.....	14
2.8 Business licenses and premises.....	15

2.9	SOCIAL SERVICES.....	15
2.9.1	HEALTH SERVICES IN SIMIYU REGION	16
2.9.2	EDUCATION.....	16
2.9.3	WATER AND SANITATION	16
2.10	TOURISM	17
2.10.1	TOURISM ATTRACTIONS.....	17
3	ECONOMIC INFRASTRUCTURE	18
3.1	ROAD SERVICES.....	18
3.2	RAILWAY TRANSPORT	18
3.3	AIR TRANSPORT AND MARINE TRANSPORT	18
3.4	ENERGY AND POWER SUPPLY.....	18
3.5	COMMUNICATIONS.....	19
3.6	3.7 NEWS AND MEDIA.....	19
3.7	FINANCIAL INSTITUTIONS.....	19
4	The Main Types and Areas of Investment opportunity in Simiyu Region.....	22
4.1	Tourism and related services.....	22
4.2	Livestock products processing industries.....	25
4.3	Mining industries	26
4.4	Establishment of Textile Mill/Industry	27
4.5	Establishment of ginneries in all districts.....	28
4.6	Establishment of edible oil refinery Industries.....	29
4.7	Improvement of Banking Services	30
4.8	Crops value addition industries	31
4.9	Establishment of export processing zone.....	31
5	MANAGEMENT AND FACILITATION.....	34
5.1	Investment Policy and Legislation:.....	34
5.2	District Investment Incentive Package:.....	34
5.3	Areas Earmarked for Land Bank:.....	34
5.4	Availability of Tanzania Investment Centre Zonal Office:	34
5.5	Government Administration.....	35
5.5.1	Regional Secretariat:.....	35
5.5.2	Local Government Authority.....	35

6	ANNEXES.....	36
6.1	Tax Structure and Administration.....	37
6.1.1	Registration with Domestic Revenue;.....	37
6.1.2	Value Added Tax (VAT).....	38
6.1.3	VAT Deferment:.....	38
6.1.4	VAT Refunds:.....	38
6.1.5	Taxes on profits and income.....	38
6.2	Priorities & restrictions.....	44
6.3	Contacts for further information.....	54

1 INTRODUCTION AND BACKGROUND

1.1 Simiyu in the Broader Context

Tanzania, with its large and growing domestic population, strategic location, abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity.

The country with a population of 44.9 million (national census 2012) is the largest in East Africa and its new middle-class is growing rapidly. Tanzania faces the Indian Ocean; it is the natural trading gateway for the 5 landlocked countries surrounding it, which are: the Democratic Republic of Congo (DRC), Rwanda, Burundi, Uganda and Zambia. The country is further blessed with vast natural riches: minerals in the form of gold, diamonds, copper, coal; more recently large discoveries of natural gas along its shores and it enjoys vast tracts of beautiful natural scenery including game reserves and sandy beaches.

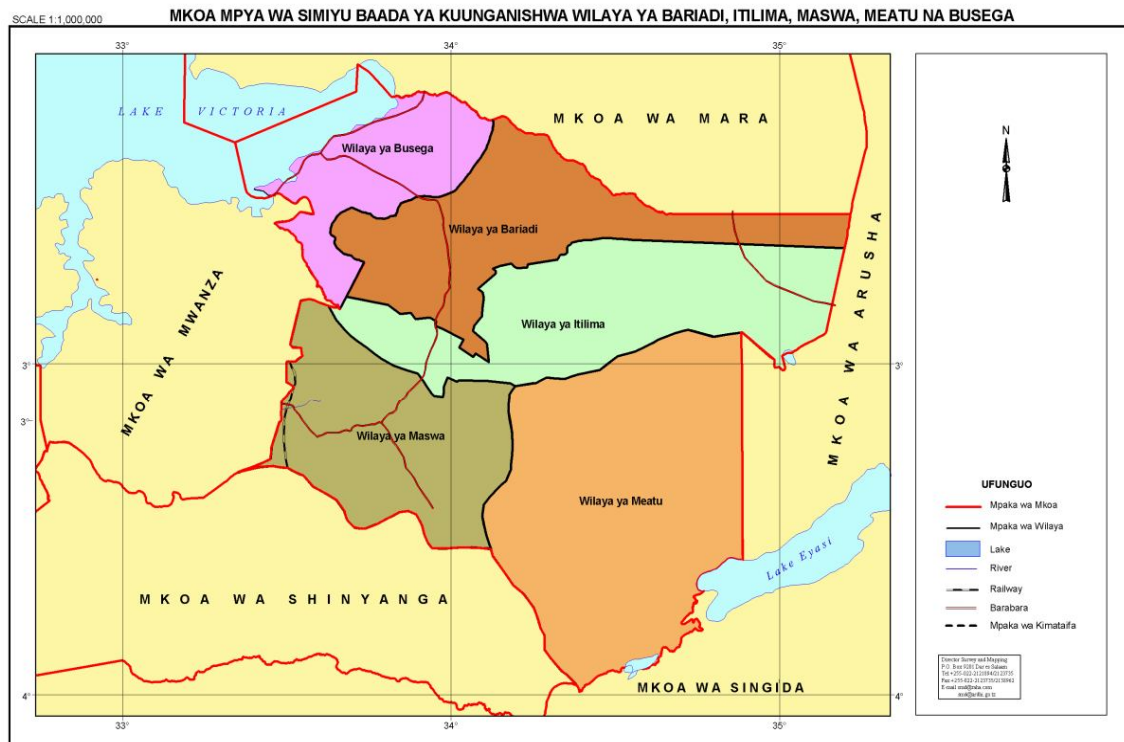
Investments in Tanzania are guaranteed against nationalization and expropriation through various agreements of protection and promotion of investments such as the Multilateral Investment Guarantee Agency (MIGA), of which Tanzania is a member. Tanzania also offers access to major markets of the world,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

1.2 Geographical Location

Simiyu Region is located North of Tanzania and South East of Lake Victoria it lies between Latitude 201" and 40 South of Equator and between 3303" and 3501" East of Greenwich.

The Region is bordered by Manyara and Singida Region in the East, South by Shinyanga Region, West by Mwanza Region and North by Mara Region. Also Eastern Boundary and part of Northern Boundary lies the famous Serengeti and Ngorongoro National Parks.

Simiyu Region experiences moderate and salubrious temperatures averagely ranging



from 18°C to 31°C annually. However, the Region enjoys also monomodal rainfall which usually starts from October and ends in May. The rainfall season is divided into two peaks one starting in October and end in December and another starting from February to Mid May which is the longest season. In general rainfall pattern is unequal and unpredictable whereas average rainfall ranges from 600 mm to 900 mm.

The Topography of the region is characterized of flat, gently undulating plans and lowly sparsely vegetation and in some places covered with Miombo woodland.

The Regional soils are dominated by heavy black soils (Mbuga) with area of red loamy and sandy soil.

1.3 Agro – Ecological Zones

The Region has three Agro – Ecological Zones.

Zone one covers Bariadi District, having undulating topography dominated by clay soil with light textured top soils. Rainfall ranges between 700 – 900 mm. The main economic activities include crop farming majoring maize, sorghum, cotton and cassava and livestock keeping.

The second zone, zone two, covers Meatu District with gently undulating topography ridged in the East with fertile clay loamy soils. The zone experiences serious soil erosion, leading to reduced crop farming. Average rainfall is below 700mm with erratic tendency also crop farming and livestock keeping are the major economic activities. Crops grown in this area includes sorghum, cotton and maize.

The third zone covers Maswa District is characterized with ridged and undulating type of topography. Its soil texture consists of Sukuma land soil catena commonly known as 'MBUGA' black clay loamy soil which is suitable for paddy growing, other crops grown in this area includes maize, sorghum and cotton. The zone receives unreliable rainfall ranging between 700mm – 800mm per annum. The area is also famous for livestock keeping.

1.4 Drainage system

The Region has two drainage systems. The first is in Eastern part of the Region which drains its water through Sibit River to an internal drainage basin and ends in Lake Eyasi which has no outlet.

The second is in western part of the Region which drains its water through Simiyu River which flows to Lake Victoria.

1.5 Administration Area

The Region covers an area of 23,807.7 Square Kilometers and administratively it consist of 5 District, 5 Councils, 16 divisions, 109 wards, 475 villages and 17 Mitaa (in Bariadi Town Council).

1.6 Population

According to 2002 National population census result, population of Simiyu Region was 1,156,220 with population growth rate of 2.8% per annum. As result population estimates for 2012 is 1,591,000.

The main indigenous ethnic groups are Sukuma (nyantuzu), Nyiramba, Nyaturu, Hadzabe (Tindiga), and Taturu. The Sukuma are found almost in all Districts, Nyaturu and Nyiramba are mostly found in Maswa and Meatu Districts, while Hadzabe (Tindiga) and Taturu are mostly found in Meatu District.



(Left) Male Tindigas (Hadzabe) arranging hunting and honey collection schedules in one of the Bush found in Sungu Village 2012. (Right) Traditional and Cultural Houses built in Natural materials such as Grasses, Sticks and Ropes

1.7 Social Services

Social services include health, education, water supply and infrastructure. There have been achievements in some social services in the region. Education through PEDEP and SEDEP has shown tremendous increase in the number of students enrolled for primary and secondary education. However, the challenge is availability of teachers for the newly established secondary schools at ward level. The other critical problems

include; laboratory building and materials (secondary school), class rooms, teachers houses, libraries (building and books) and in- service training for teachers.

Health services, has similar problems including inadequate health facilities, number of nurses and doctors ration per patient and availability of drugs and medicine in public hospitals. In recent times, the government has launched a national programme of construction of a dispensary per every village with the goal of reducing the current problem facing mothers during deliveries (childbirth).

Shinyanga region has the privilege of having sharing borders with six other regions. These regions include: Geita, Simiyu, Singida, Tabora, Kigoma, and Mwanza. Landlocked countries of Republic of Congo, Burundi, Rwanda and even Uganda also depend to some extent on the efficiency of Shinyanga roads as well as Isaka dry land port. As a result, the region has been privileged with a well developed transport network system connected to these regions and countries. With the exception of the road from Kahama to Tabora via Nzega road, all other roads connecting the region to neighbouring regions are tarmac roads.

1.8 Regional Economic Blocks

Tanzania is a member of two major regional organizations. One of these is the Sourthen African Development Community (SADC). Although it is now primarily an economic organization, SADC began in 1980 with objective that was as much political as economic: to reduce dependence on then apartheid South Africa.

It has evolved considerably since then and hopes one day soon to achieve a customs union. Negotiations were also launched in June 2011 in Johannesburg, South Africa, to create a Tripartite Free Trade Area with two other regional organizations the common Market for Eastern and southern Africa (COMESA) and the East African Community (EAC)"

The second regional organization to which Tanzania belongs is the East African Community (EAC). The EAC is one of the oldest regional co-operation arrangement in Africa. The EAC has set very ambitious goals for itself. It intends to be far more than a free (or preferential) trade area. By 2010, intra-EAC trade had grown to USD 4.1 billion from USD 2.2 billion in 2005. ¹³

1.9 The economy

The Tanzanian economy has been doing quite well lately. Real GDP has grown at 6 to 7 per cent for the past several years and is expected by the IMF to continue growing strongly in the next few years. However, inflation has picked up as well. According o

the Bank of Tanzania headline inflation (including food and fuel) and been just over 4% in October 2010 but had risen to nearly 18% by October 2011. The energy and fuels rate in October 2011 was over 37%! ¹⁶

The IMF expects economic performance to strengthen further in 2012 and over the medium term, benefiting from the implementation of the five-years development plan and initiatives under the Southern Agriculture Corridor of Tanzania (SAGCOT). One new factor is the strong prospect of substantial new foreign direct investment in Tanzania's natural gas sector in the near future. According to some reports the confirmation of some 1.7 trillion cubic meters of natural gas reserves may be forthcoming over the next five years. ¹⁷ Discussions have been under way in Tanzania on how to make the most of this potential natural resource wealth and a Natural Gas Master Plan is being developed. ¹⁸

The Tanzanian economy depends heavily on agriculture, which accounts for more than a quarter of GDP, provides 85% of exports and employs about 80% of the work force.¹⁹ in GDP composition by sector in 2011, services accounted for about half with the rest divided more or less equally between agriculture and industry.

Table xxx GDP, Inflation and trade, 2009 – 2012.

Indicator	Unit	2008	2009	2010	2011^a	2012^b
GDP at market exchange rate	USD million	19,028	20,956	22,620	23,333	24,858
GDP at PPP conversion factor ^b	USD million	50,463	54,414	58,586	63,504	68,109
GDP per Capita at market exchange rate	USD	479	517	547	553	578
GDP per capital at PPP conversion factor ^b	USD	1,270	1,342	1,418	1,515	1,601
Inflation, end of period consumer price	% change	9.3	10.7	7.2	10.9	15.6
Population	Million	39.7	40.5	41.3	42.2	43.0
Current account balance	% of GDP	-11.9	-10.7	-9.3	-9.7	-12.3

Despite of the recent mushrooming of activities within the mining industry, agriculture had continued to dominate the livelihood and economic performance of Shinyanga region. The sector contributes about 75 percent to the district economy and employs more than 90 percent of the working population. Farming is predominantly

subsistence. Main cash crops are cotton and tobacco, while the main food crops include maize, sorghum, paddy, sweet potatoes, millet and cassava. Besides farming, livestock keeping, cattle, goats and sheep rearing are major activities in Shinyanga. This means in terms of productive sectors, agriculture is the leading sector in the region.

1.10 Markets for Investors

There are mainly three markets of interest to investor:

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

The domestic market is significant, given Tanzania's population of nearly 46 million people, growing at a rate of nearly 3% p.a., even if it is limited by the low purchasing power is growing, however, as noted above (figure 1.1) and its quite ample to furnish a market for a product like edible oil, which is one of the leading opportunities identified in chapter II below, Within the domestic market, the market of western Tanzania (most of it in neighboring regions) is worth a special mention. As the trunk roads improve much of this market will become easily accessible. As table 1.6 shown, it is potentially substantial.

Then there is the regional market offered by the East African Community (EAC). As noted above, this is a regional entity with a long history and deep roots. And it has actually put in place some of the things that other trading blocs have only talked about, such as a customs union and visa free travel. As table 1.7 below makes clear, with 140 million consumers and a total GDP of USD 212 billion. The EAC offers a substantial and growing market.

Tanzania's trade with the EAC is expected to grow. According to the last trade report published by the EAC may Secretariat in 2010, Tanzania's total trade volume (exports plus imports) with the EAC in 2008 was around 7% of its total trade volume with the world: USD 735 million out of more than USD 10 billion. ²⁰

1.11 Trade

Tanzania's merchandise exports have grown steadily for some years, although there was a dip in 2009, when they dropped by a little over 4%, Still, 2010 was the best ever, with exports exceeding USD 4 billion for the first time. This was a jump of 36% over 2009. The main part of this was manganese ore exports of over USD

350 million- there had been none in 2008 and 2009. Other factors were an 18% increase in gold exports-Tanzania is Africa's fourth largest gold producer and small increases in the exports of a number of agricultural products.

2 CURRENT INVESTMENT SITUATION

2.1 Regional GDP and Per Capita Income

In monetary terms the Region is estimated to have GDP at current prices of Tshs. 1,959,401 million in 2010 contributing about 6.07 per cent of National GDP. The Region also has per capital income of Tsh 510,023 ranking it among middle income earners in the country.

2.2 2.2. AGRICULTURE

Agriculture has continued to dominate the livelihood and economic performance of Simiyu Region. The sector contributes about 75 percent to the Regional economy and employs about 80 percent of the active population in the Region. The main cash crops grown are cotton, groundnuts and sunflower. While the main food crops are maize, sorghum, paddy, sweet potatoes, millet and cassava.

Simiyu Region covers a total area of 23,807.7 square kilometers, which is equal to 23,807,700 hectares. Arable land suitable for Agriculture is 11,479,100 hectares. Total area cultivated is 6,942,378 hectares which is 60% of the arable land.

2.3 Irrigation Schemes:

Total Regional Land which is suitable for irrigation 61,542 hectares and the Land which is being utilized according to 2011/12 data is only 14,766 hectares (23.99%). This Land under irrigation is usually planted with paddy, maize and vegetables.

2.4 Livestock

Livestock keeping is the second Major economic activity of the region. Simiyu Region has total number of 1,412,911 Cattles, 674,402 Goats, 254,746 Sheep, 1,501,146 Chicken, and 1, 723 pigs.



2.4.1 GRAZING PASTURES:

Regional Land which is suitable for livestock keeping and grazing is 843,485 hectares.

2.4.2 Marketing of Livestock and Livestock products:

Total of Tshs.96, 634,930,090/- was gained in three years (2009-2012) after selling beef cattle, Goats and sheep.

- Beef cattle-263,888 – Tshs. 90,032,252,288/-
- Goats- 155,122- Tshs. 5,628,756,892/-
- Sheep- 155,122- Tshs. 973,920,920/-



2.4.3 Marketing of livestock hides and skin from 2009 to 2011;

From 2009 up to 2011 a total of Tshs. 256,144,009/- was obtain from sale of Hide and skins.

- Cattle -65,742- Tshs. 137,400,780/-
- Goats – 34,306- Tshs. 75,438,894/-
- Sheep -23,415- Tshs. 43,294,335/-

2.4.3 Milk production;

From 2009 up to 2011 a total of 21,145,384 litres was produced and sold, the value of Milk produced were Tshs.17,186,987,000/-

2.5 Natural Resources and Land Development

2.5.1 Forestry:

Regional Land covered by Forest amount to 365.15 sq km or 365,125.9 ha. These Forest include, Game control areas, Game Reserves, National parks, open area, WMAs, and forest reserved owned by District Council and Villages. Effort have been taken in Simiyu region of planting trees in order to increase vegetation cover, a total 8,388,253 tree seedling raised during 2011/12 financial year.



Mashwina forest area

2.5.2 Fisheries

Fishing in Simiyu Region is mainly done in Busega District on the shores of Lake Victoria, Lake Kitangiri in Meatu District, rivers and dam reservoirs. Apart from the Victoria lake shores in Busega District, fishing in other parts in the region is

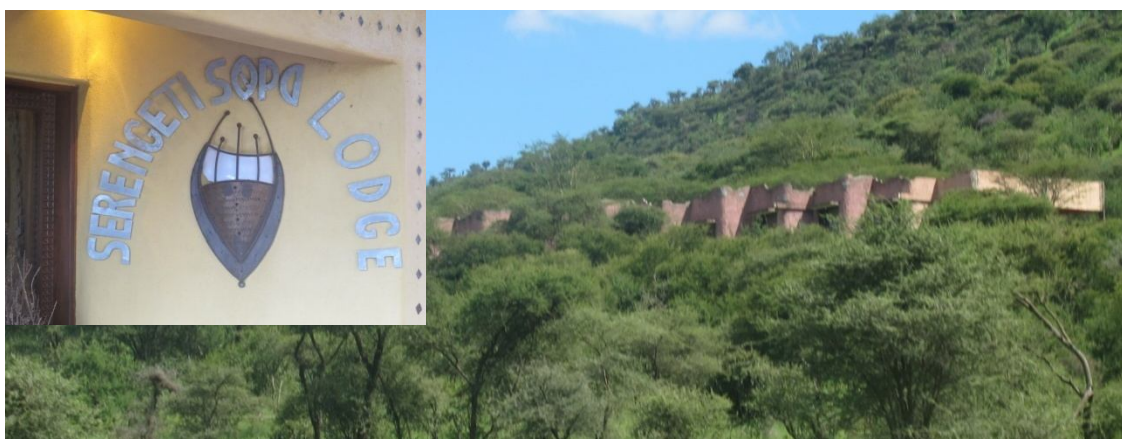
merely for domestic consumption. The common fresh water fish includes Nile perch, Tilapia, sardine to name a few. However, there are efforts of increasing fish production by breeding fingerlings mainly for Tilapia species at Zanzui dam in Maswa District. The produced fingerlings are used for stocking into dam reservoirs and ponds for domestic fish farming.



Fishing along the shore of Lake Victoria Lamadi

2.5.3 Wildlife and Tourism

The Region has one game reserves namely Maswa which covers an area of 2,880 sq. Km along the Serengeti National Park borders in Bariadi district and Makao Wildlife Management Area covering 1,330 sq. Km in Meatu district making a total area of 4,210 sq. Km. this reserves host a wide variety of wildlife such as hippo, lion, zebra, buffalo, wild dog, bushbuck, impala, giraffe and baboon. Availability of such game reserves in Simiyu region already is attracting a fairly good number of tourists to enjoy the diversity of wildlife and plants. However, these tourists potential is hindered by inadequate clean and environmentally attractive camp sites and hotels, safari tour operators services offered in at a competitive price.



Serengeti Sopa Lodge



Hippopotamus dam Serengeti National Park

2.6 Mineral resources

The investment in the Mining sector is growing substantially since it has been complemented the Government policy of attracting investment into the sector. Nickel has been discovered at Dutwa in Bariadi District and salt is found at Lukole village in Meatu District. The mining of salt is performed locally by using traditional tools and extraction of nickel is still at infant stage and little is known about its actual potential.



Dutwa Mining Mountain (Aerial view)

2.7 Industrial Development

The industrial bases of Simiyu Region depend on the existence of large, medium and small-scale industrial establishments scattered in the Region. The large scale and medium size industries comprises of oil mills and ginneries while small scale industries are dominated by flour milling, tailoring, carpentry, welding, garages, printing and food processing industries.



NGS- Ginnery (aerial view)

2.8 Business licenses and premises

The Region has a total of 2,595 licensed Business premises

- Bariadi DC-718
- Bariadi TC-352
- Maswa DC-1,450
- Meatu DC-85

2.8. Non- financial Institution:

2.8.1. Insurance Firms

At present in Simiyu Region there is no insurance firm but only Agent of National Insurance Corporation (NIC)

2.8.2. Social Security funds:

In the region there is one branch of National Social Security Fund at Maswa Township.

2.9 SOCIAL SERVICES

2.9.1 HEALTH SERVICES IN SIMIYU REGION

There is no Regional Hospital or referral Hospital but the Region has three District Hospitals which are in Maswa, Meatu and Bariadi and one designated hospital owned by religion institution. There are a total of 14 health centres and 158 Dispensaries.

2.9.2 EDUCATION

2.9.2.1 PRE – PRIMARY SCHOOL

Statistics shows improvement of Pre Primary Education in the Region during 2011 registered public and private school were 517.

2.9.2.2 PRIMARY SCHOOL

The Region has a total of 423 registered Primary Schools which has 281,177 students whereas 136,322 are boys and 144,855 are girls. Total of 25,078 students completed standard VII, and did their final Examination in 2012, whereas 11, 480 were Boys and 13,598 were Girls.

2.9.2.3 SECONDARY SCHOOL

The Region has a total Number of 127 Secondary schools with total Number of 37,474 Students.

2.9.2.4 Colleges and Vocational Training Schools/Centers:

The Region has 4 Government Vocational Training Centre, with a Total of 217 Students among them 124 are Boys and 93 are Girls, the Region has no VETA.

2.9.3 WATER AND SANITATION

Clean and safe water accessibility in the Region is estimated to cover 54.6% of the Regional population whereas in Rural Area it is estimated to be 47% and in urban areas is estimated to be 59.8%

2.10 TOURISM

In East and North East of Simiyu Region, the region is bordered by Serengeti National Park, Ngorogoro Conservation Area, Maswa game reserve (2,200 square kilometres) and Makau WMA (Wildlife Management Areas).

2.10.1 TOURISM ATTRACTIONS

Kinds of tourism activities which can be done in the region include:-

- Wildlife/Animal watching, Cultural tourism, Eco tourism, Leisure tourism, Hunting tourism and Film tourism.

2.10.1.1 HUNTING BLOCKS/CAMP SITE

There are total of two Hunting blocks in the region one in Bariadi and another in Meatu and pleasant areas for camp sites.

2.10.1.2 CULTURAL TOURISM

The Region has in the Parts of Meatu District has two tribes which are earmarked for cultural tourism these tribes are hadzabe and Taturu.

3 ECONOMIC INFRASTRUCTURE

3.1 ROAD SERVICES

The Region has a total road length of 4,034.6 kms, which comprises of;

- Trunk (Tan roads) 346.3 kms
- Regional Roads (Tan roads) 503 kms
- District Roads (LGA'S) 1,025.5 kms
- Feeder Roads (LGA'S) 2,159.8 kms

Most manufactured goods, medicines, raw food crops and cash crops are transported via road services.



Bridge in Simiyu River between Meatu and Itilima district Council

3.2 RAILWAY TRANSPORT

The Region enjoys railway transport is one station named Malampaka Railway Station, where goods can be transported to Mwanza and Dar-es-Salaam.

3.3 AIR TRANSPORT AND MARINE TRANSPORT

Even though Northern part of the Region is bordered by Lake Victoria, the Region does not have access to Marine Transport. Air transport and Marine transport services used are through Mwanza City.

3.4 ENERGY AND POWER SUPPLY

Electricity Supplied in the Region is through National Grid. All the Districts of Simiyu are accessed by electricity.

- Maswa District services are available at Nyalikungu, Malampaka, Lalago, Sangamwalugesha, Njiapanda, Gula, Malita, Mwandete and Saysayu villages
- Meatu District – Ng'oboko, Itinje, Minyanda, Isengwa, Lubija, Mwandoya, Mwamishali, Mhanuzi (Meatu Town).
- Bariadi District – Bariadi Town, Dutwa, Nkololo, Mwamapalala, Luguru and Nyamalapa.

3.5 COMMUNICATIONS

Simiyu Region is connected through mobile phone system (Airtel, Vodacom, Zantel and TTCL) and also through TTCL – Landline services. Coverage of communication services is progressively extending to cover the whole Region. The Region is also connected by optic fibre to ease communication.



3.6 3.7 NEWS AND MEDIA

Simiyu Region has one Radio station known as Sibuka FM, however TBC, ITV and RFA can be accessed in the Region, moreover town residents uses satellite dishes to obtain TV stations.

3.7 FINANCIAL INSTITUTIONS


Banking services are being provided by NMB, CRDB and Post Offices, these services are available in all three Towns of Bariadi, Maswa and Meatu.




4 The Main Types and Areas of Investment opportunity in Simiyu Region


4.1 Tourism and related services

Tourism industries


	Descriptions
Proposed Products	<p>Proposed tourism products are focusing on tourism hunting, photography, sightseeing, tour services, film and movies making, camp sites and hotels, water sports, game viewing, birding, visits to historical places and cultural sites, etc.</p> <p>Important wild animals found in the Region include elephant, zebra, hippo, impala, wildebeest, giraffe, ostrich, lion, crocodiles, leopard, hyena, antelopes, fox among others.</p>  <p>Giraffes in Maswa Game Reserve</p>

	Descriptions
Potential Target areas	Maswa Game Reserve in Meatu and Bariadi Districts, Makau and Mwiba WMA in Meatu District and historic and cultural sites for Hadzabe, Sukuma and Taturu found in Maswa, Meatu, Busega, Itilima and Bariadi Districts.
Opportunities	Development and establishment of robust camp sites and hotels, tour operators, cultural exhibition, water sports and associated facilities. The existence of cultural and tourism office in all the Districts is a major incentive for investors.
Type of Investor recommended	Medium to large scale investments company which can mobilize required capital for establishment of tourist facilities such as camp sites, hotels, tour operation, marketing and advertisement and make them available at affordable price.
4.2.1.1 Cultural Tourism	
Proposed Products	Cultural tourism including visits to historical places and cultural sites for Taturu, Sukuma and Hadzabe communities in Meatu, Maswa and Bariadi Districts, hiking, sightseeing, photography, traditional dances and water games plus sports fishing along Speke gulf (Lake Victoria) in Busega district.

	Descriptions
	  <p data-bbox="516 1409 1446 1478"><i>A dam at Lukale natural water falls during dry season. The place is used by local tribes for traditional ceremony and prayers.</i></p>
Potential Target areas	Historic and cultural sites for Hadzabe, Sukuma and Taturu found in Maswa, Itilima, Busega, Meatu and Bariadi districts.

	Descriptions
	 <p data-bbox="576 751 1442 835">Unmarried Taturu teenagers "Nyangira" pose for a traditional dance at Mwangikuru Village in Meatu District.</p>
Type of Investor recommended	Small to medium scale investors who can mobilize required capital for establishment of tourist facilities such as camp sites, hotels, tour operation, marketing and advertisement, etc.
4.2 Livestock products processing industries	
Proposed product	<p data-bbox="576 1283 1442 1864">The proposed livestock products include beef, dairy milk and milk products such as butter, ghee and cheese; skin and hides processing. According to 2011 livestock statistics, the region was having 1,412,911 cows, 674,400 goats and 254,746 sheep, and from 2009 to 2011 a total of 65,742 piece of cattle skins and 34,306 of goats and 23,415 sheep were sold. In addition, a total of 21,145,384 litres of milk was collected and sold from 2009 to 2011.</p>

	Descriptions
Potential Target areas	Bariadi, Itilima, Busega, Meatu and Maswa Districts where livestock keepers are conducting their business. These areas can also benefit from stocks of livestock in neighbouring regions of Mara, Shinyanga and Mwanza regions. Investment in beef, dairy milk and milk products, hides and skins are essential.
Type of Investor recommended	Medium to large scale investments undertakings, able to acquire needed capital to take advantage of these idle resources. Investors should be ready to support farmers in intensive husbandry and veterinary services, beef processing, dairy milk and milk products, skin and hides. Reasonable prices should be offered to smallholder producers to encourage them to produce more.
4.3 Mining industries	
Proposed products	Mining of salt at Lukole village and nickel at Dutwa in Meatu and Bariadi districts respectively.
Potential Target areas	At Lukole village for those interested in salt processing and at Dutwa for nickel production in Meatu and Bariadi districts respectively.

	Descriptions
	 <p data-bbox="576 785 1360 814"><i>Traditional Salt mining in Lukale Village (Nyalanja) in Meatu District</i></p>
Opportunities	Construction of modern storage facilities both for at nickel and salt mining sites. The use of modern technology in extraction, processing, mixing of iodine for salt and labeling is essential etc.
Type of Investor recommended	Medium scale foreign and Local investors who have appropriate technology to exploit the resources. In addition, groups of small-scale miners who can jointly afford the required capital and technology should be given priority especially in the salt mining.
4.4 Establishment of Textile Mill/Industry	
Proposed Products	Proposed product is textile for domestic use and for export.
Potential	Average annual cotton cultivated area in the

	Descriptions
Target areas	Region 278,975 hectares and average annual cotton Production is 313,846.875 tons of Cotton. 35% of it will be converted to lint, which will be used to make yarn and clothes.
Type of Investor recommended	Large scale Investor is needed to investor in this textile Industry, Local or foreign investor who have enough capital to by new technology machines.
4.5 Establishment of ginneries in all districts	
Proposed Products	Ginned cotton/Lint, cotton seeds and other by products
Potential Target areas	It is proposed that each District should accommodate extra ginneries to be located in District headquarters for primary processing stage.
Opportunities	Construction of modern storage facilities both at collection points and industrial sites. The adaptation to new production technology for processing, refining and other industrial procedures is essential.
Type of	Local Investors are more preferred.

	Descriptions
Investor recommended	
4.6 Establishment of edible oil refinery Industries	
Proposed Products	Refined oil and or double refined Edible oil
Potential Target areas	<p>Around 65% of raw cotton after ginning result into cotton seed of which 50% could be used in making/processing oil from the seed and seed cake apart from planted seed. Calculating from the annual production 65% will equal 204,000 tons, and 50% which could be used for making Cotton oil is 102,000 tons</p> <p>In addition, groundnut and sunflowers are also available in abundance in Meatu, Maswa and Bariadi Districts. Annual estimated tonnage for Groundnuts and Sunflower is 14,998 tons and 25,519 tons respectively.</p>
Opportunities	Construction of modern storage facilities both at collection point and industrial sites. The adaptation to new production technology for processing, refining and other industrial procedures is essential.

	Descriptions
Type of Investor recommended	Local and foreign investor who have funds to buy New Technology machineries.
4.7 Improvement of Banking Services	
Proposed Products	<p>As production and other Economic activities increases, the need for banking services becomes inevitable to take care of business transaction.</p> <p>The population of the Region is projected to be 1,591,000 in 2012.</p> <p>In order to facilitate Social and Economic activities in Simiyu Region there is need to increase Banking Services in the District Headquarters and Major trading centers in the Region. At present, only District Headquarters enjoy the services of NMB, CRDB and Postal bank services.</p>
Potential Target areas	District Headquarter and trading centres such as Dutwa
Type of Investor recommended	Local investors, local Tanzania Banks, SACCO'S establishment of community Banks etc.

	Descriptions
4.8 <i>Crops value addition industries</i>	
Proposed Products	Most Agriculture crops after being harvested are sold in raw form, and not in semi processed or processed form. Processed Agriculture crops fetch better price for farmers. This Value addition project aims at increasing the Value of Agriculture crops mainly Rice and Maize, by further processing them, grading and packing them before reaching the last consumer.
Potential Target areas	Agriculture production in the region has been increasing annually. Annual Rice and maize harvest is estimated to be 371,166 tons and 531,314 tons Respectively. Maswa, Bariadi and Busega Districts are reliable sources.
Type of Investor recommended	Small/Medium Local Investors are preferred.
4.9 <i>Establishment of export processing zone</i>	
Proposed Products	Export processing Zone (EPZ) concept was conceived in 1970's; later EPZ scheme was

	Descriptions
	<p>established in Tanzania under Act No. 11 of 2002 (amended), it was geared to promote growth of falling export in Country and also growth of manufacturing export products Industries. EPZ can be summarized as a unit bearing clusters of special designed zones of aggressive economic factories for the promotion of Exports. In addition to EPZ, also Special Economic Zone (SEZ) were established aiming at fast tracking economic growth and poverty reduction. Unlike EPZ, SEZ involves others sectors than manufacturing Industry. These include agriculture, trade, tourism, mining, forests etc. These areas Enjoys special Government support with respect to fiscal incentives, tax rebates and other Exclusive benefits for the growth of exports. In these areas also Government establishes pre-defined infrastructure facilities and regulations. Establishment of EPZ to stimulate growth of Export products.</p>
<p>Objective of setting up EPZ in Simiyu Region</p>	<p>These includes among others:-</p> <ul style="list-style-type: none"> • Encourage and generate Economic development in the Region. • Encourage foreign Direct investments (FDI) • Foster the Establishment and development of

	Descriptions
	<p>Industrial Enterprises within the Region and Lake Zone as whole.</p> <ul style="list-style-type: none"> • Encourage and generate wider Economic Activities by encouraging foreign investments for the development of the EPZ. • Creates and increase employment and development skills labor within the Region. • Attract and encourages transfer of new technology and promote industrial investments. • Ensure world class quality products. • Forster linkages of local economy with international markets. <p>Export Promotion zone (EPZ) will be set up in the outskirts of Bariadi Town and at present an area of 2,000 ha. have been set aside for this purpose.</p>
Potential Target areas	2000 Hectares he been set aside for Establishment of EPZ in the outskirts of Bariadi town.
Type of Investor recommended	A variety of Investor will be recommended starting from the Government, Foreign investors and Local investors.

5 MANAGEMENT AND FACILITATION

5.1 Investment Policy and Legislation:

Tanzania offers a well-balanced and competitive package of fiscal incentives in investment. Investments in Tanzania are guaranteed against nationalization and expropriation.

Tanzania's untapped natural resources offer a wide range of investment opportunities; arable land, minerals and natural tourist attractions which are all awaiting potential investors. The pro investment attitude by Government is clearly demonstrated by the innovative investment legislation, the increasing number of foreign direct investments in the country and economic and structural reforms that have led to substantial progress in establishing a functioning market economy.

5.2 District Investment Incentive Package:

Shinyanga region and districts natural resources envelope comprises of arable land, beekeeping, cultural tourism and mineral resources. Location of Shinyanga gives it advantage of centrality over most other regions in terms of accessing markets for most of the raw agricultural materials, supply of goods and services to neighboring countries of Rwanda, Burundi and DRC-Congo.

5.3 Areas Earmarked for Land Bank:

All the Local Government Authorities have reserved land for future demand, however land have been planned for different needs. Land banks are categorized in differed forms that is; Surveyed industrial plots, Hotel construction sites, Educational facilities construction sites, Open spaces, Recreational sites, Petrol station sites, Bus terminal sites and truck/lorry park sites.

5.4 Availability of Tanzania Investment Centre Zonal Office:

The Region has TIC zonal office situated in Shinyanga Municipality. The Zonal Office has mandate and roles to facilitate investment procedures in the region. This includes also issuing all the necessary investment permits on behalf of the TIC headquarters.

All the necessary documents required for investment license application like Business Plan, Registration Forms, Certificate of the Company, Evidence of Land Ownership (Title Deed) etc can now be submitted to the TIC Zonal office. The TIC Zonal office makes all the necessary evaluation before sending it to the headquarters for final signature. Investors do not have to go all the way to the TIC headquarters. The licenses and other relevant permits can now be collected at TIC Zonal office. This is one of the incentives for investing in the region.

5.5 Government Administration.

There are two levels of Administrative Units, which are Region (including District) Administration, and Local Government Administration.

5.5.1 Regional Secretariat:

In the Mainland Tanzania a Region is headed politically by a Regional Commissioner (RC) while the head of the Civil Service at that level is the Regional Administrative Secretary (RAS). The Regional Secretariat is charged with the role of policy interpretation, advise, coordination, monitoring, enforcement and creation of an enabling environment for the LGAs to discharge their duties.

5.5.2 Local Government Authority

In Shinyanga region all councils follows recommendations of the Local Government Reform Programme, they have put in place suggestion boxes at all public offices for democratic expression of their views and discontent with services provided. The Council is also obliged to mainstream stakeholders plan and budget in the Annual District Development Plan and Budget (ADDPB).

6 ANNEXES

6.1 Tax Structure and Administration

Tanzania has a stable and predictable fiscal regime, providing a soft landing to all investors. It recognizes that investors need to recover their investment costs first before paying corporate tax.

The administration of various tax laws is entrusted to the Tanzania Revenue Authority (TRA), a semi autonomous government agency created by Act No.11 of Parliament in 1995. It is responsible for Central Government taxes and several non-tax revenues.

Revenue departments under TRA include;

- (a) Domestic Revenue Department,
- (b) Customs and Excise Department,
- (c) Large Taxpayer Department, and
- (d) Tax Investigations Department

6.1.1 Registration with Domestic Revenue;

The registration which can be undertaken by TIC on behalf of the investor requires the following documents;

- (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, and
- (vii) Photographs of directors. Forms to be filled include (i) Business Inquiry Forms (ii) IT 21 forms for companies (iii) IT 20 forms for individuals, and (iv) TIN form.

Taxes under the domestic revenue department include: -

1. *Corporate tax* (30% for both resident and non resident);
2. *Withholding tax* (for dividend payments, pension, insurance premium, royalties, transport and disposal of assets);
3. *Income tax rates for individuals* (the marginal rate ranges from 18.5% to 30%);
4. *Income tax rate for non-resident individuals* (a flat rate of 20% applies);
5. *Taxable value of employment benefits* (generally all benefits are taxable);
6. *Capital gains tax* (the gain/loss upon sale realization is included in business income and

Taxed at the general rate);

7. *Skills and development levy* (6% of the gross emoluments paid to employees);
8. *Gaming tax* (as prescribed in the Pools and Lotteries Act, 1967)

When a loss is incurred, such a loss is an allowable deduction in ascertaining the total income of that person; thus a loss is carried forward indefinitely. A number of capital deductions are entitled under the Income Tax Act 2004, including wear and tear granted to a person who owns machinery. The law allows a 50% allowance in the first year of use for plant and machinery used in manufacturing processes and fixed in a factory, fish farming, and providing services to tourists and fixed in a hotel. Thereafter, different wear and tear rates apply.

6.1.2 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 a monthly VAT return along with the payments to the nearest regional VAT office by the last working day of the month following the month of business.

6.1.3 VAT Deferment:

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.

6.1.4 VAT Refunds:

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

6.1.5 Taxes on profits and income

Corporate taxes

The tax rate on both resident and non-resident corporations is 30%. However, a non-resident corporation is also required to pay an additional 10% on its repatriated profits.

(A company is resident in Tanzania if it is incorporated in Tanzania, or its management and control was exercised in Tanzania during the year of income, or it has a permanent domestic establishment in Tanzania. A non-resident company is taxed in Tanzania to the extent that the income has been sourced in the United Republic of Tanzania).

Newly listed companies, enjoy a reduced rate of 25% for the first three years, provided that at least 30% of their shares are publicly issued. An alternative minimum tax of 0.3% is charged on the turnover of a corporation that makes losses for three consecutive years as a result of tax incentives.

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 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.

TABLE xxxx Capital allowances for depreciable assets		Rate (%)
	Category	
1	Buildings (straight line)	
	* used in agriculture or livestock/fish farming	20.0
	* other	0.5
2.	Plant and machinery (initial allowances)	
	* used in manufacturing (first year)	20.0
	*used in agriculture	5.0
	*on building, factories and offices	15
3.	Plant & machinery (reducing balance)	
	*class 1	20.0
	*class 2	5.0

	*class 3	15
4.	Intangible assets (straight line)	1 divided by useful life
5	Agriculture – improvements/research and development	100.0
6.	Mining exploration and development	100.0

TABLE xxxx Taxes on personal income (TZS)

	Monthly income bands (TZS)	Tax rate on bank (%)	Cumulative tax on income (TZS)
First	135,000	0	0
Next	225,000	14	31,500
Next	180,000	20	67,500
Next	180,000	25	112,500
Over	720,000	30	Variable

TABLExxxx. Withholding tax rates (%)

Category	Rate (%)	
	Non-resident	Resident
1 Dividends		
*to company controlling 25% or more of DSE-listed company	5	5
*otherwise	10	10
2 interest	10	10
3 Rent		
*land and buildings	10	15
*aircraft lease	0	
*other assets	0	15
4 Royalties	15	15
5 Natural resources payments	15	15
6 Service fees	0	15
7 Technical services to mining companies	5	15
8 Insurance premiums	0	5
9 Payments to resident persons without a Taxpayer identification Number (TIN) certificate	2	N/A

TABLE III.4. Capital gains tax (%)

Category	On Tanzanian assets (%)	On overseas assets (%)
Individual		
*resident	10	30
*non-resident	20	N/A

Company	30	30
*resident	30	30
*non-resident	30	N/A

A variety of employee benefits are taxable. These include housing, vehicles and interest-free loans provided by the employer.

The contribution to the National social Security fund (NSSF) is 20% of the employee's gross pay with both the employer and the employee sharing the burden (10% each). This contribution is tax-deductible for both.

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

Exemptions to the capital gains tax are:

- Private resident:
Gains of TZS 15 million or less
- Agricultural land:
Market value of less than TZS 10 million
- Shares
 - DSE shares held by resident
 - Shares held by non-resident with shareholding of less than 25%
 - Units in a approved collective investment scheme
 - Shares in a resident company held by another resident company with a shareholding of 25% or more.

Foreign tax relief

On double taxation treaties, see Chapter II.3. Incentives, special zones and related matters.

Taxes on goods and services

Value-added tax (VAT)

VAT is charged at the rate of 18% on the supply of goods and services. Whether imported or domestically produced. Certain supplies such as insurance, education financial services and tourist services are exempt from VAT, while supplies of human and veterinary medicine are zero-rated.

The registration there hold is gross turnover of TZS 40 million per annum. A separate application can be made to the Commissioner for Customs to deem motor vehicles as capital goods.

Capital goods (plan and machinery, excluding motor vehicles) and goods and series provided under a technical aid or donor-funded project and special agreements are relieved from VAT. Government agencies are not relieved from VAT.

Excise duty

Excise duty is charged on various imported and locally produced goods and services, especially on certain consumer goods such as petroleum and alcohol and tobacco products. The rates may be specific, such as TZS 40 per litre on heavy furnace oil, or ad valorem, such as 20% on motor vehicles older than 10 years.

Stamp duty

Stamp duty is payable on a range of transactions such as lease agreements, conveyances and transfers of shares. (Most such instruments need to be stamped to have legal status). The duty is 1% on all transactions except the conveyance of agricultural land, which latter incurs a duty of TZS 500.

Taxes on international trade

The East African Custom Union Protocol that came into force on 1 January 20-05 eliminates internal tariffs among the five member countries. Burundi, Kenya, Rwanda, Tanzania and Uganda. Externally, it puts in place a Common External Tariff (CET)

Note the Protocol has no effect on domestic taxes such as the VAT of the Excise Duty.

Certain 'sensitive goods' (including most cereals, milk, jute bags, cement, sugar and second-hand clothes (mitumba) attract rates higher than the top CET rate of 25%.

Certain industries and items are entitled to exemptions under the customs law, such as assemblers of bicycle and motor cycle kits, importers of gas cylinders, some hotel equipment, refrigeration, solar equipment and energy saving bulbs.

Where goods are currently subject to a lower rate of duty from the trading blocs of COMESA and SADC, the applicable lower rate will supersede the EAC rates up to a time when the trading arrangements between the three trading blocs are harmonized. (A declaration launching negotiations on a COMESA –EAC SADC Tripartite Free Trade Area (FTA) was signed by Heads of State of the member countries of the three blocs on 12 June 2011).

Note that a list of all tax laws is available on the Tanzania revenue authority's website

TABLE xxxxx. The EAC Common external tariff (%)

Category	Rate (%)
Raw materials, capital goods, agricultural inputs, pure-bred animals, medicines	0
Semi-finished goods	10
Finished final consumer goods	15

6.2 Priorities & restrictions

Priorities¹

FDI is particularly welcome in the following areas, in which special incentives are offered:

- Agriculture and agro-based industries;
- Economic infrastructure (transport, telecommunications, ports, banking and insurance);
- Manufacturing;
- Mining;
- Petroleum and gas; and
- Tourism.

Restrictions and prohibitions²

Industries closed or restricted for both domestic and foreign investors are as follows:

Manufacture/processing of narcotic drugs	Prohibited
Manufacture of weapons and ammunition	Prohibited
Sawn timber, veneer, plywood utility	Subject to approval by the products
Wood-based logs as raw materials Resources	Ministry of Tourism and natural

¹ UNCTAD, An Investment Guide to Tanzania, June 2005 (see Sources consulted)

² Ibid.

Foreign ownership is restricted in the following industries to the equity % specified³

Telecommunications (all sub-sectors)	65%
Insurance	65%
Media	
*Newspapers	0%
*Television broadcasting	49%

Investment protection, investor treatment and dispute settlement

Investment protection

Investment is protected under law in Tanzania. The Constitution (Chapter One, Part III, Section 24) acknowledges the right to private property and permits nationalization only with fair and adequate compensation. Section 22 of the Tanzania Investment Act No. 26 of 1997 affirms that “no business enterprise shall be nationalized or expropriated by the Government” except by due process which makes provision for a) the payment of fair, adequate and prompt compensation which may be repatriated in convertible currency and b) the right of access to the Courts or to arbitration for the determination of the investor's interest or right and the amount of compensation to which he is entitled.

Tanzania has been a member of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group since June 19, 1992. It is also a signatory to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ratified May 18, 1992, entered into force June 17, 1992).

Additional protection may be offered in specific cases by the provisions of bilateral investment treaties in force — see table II.11 on BITs currently in force in Chapter II above. No foreign investment has in fact been expropriated in Tanzania since 1985.

Investor treatment

There is no discrimination against foreign companies under the law in Tanzania

Dispute settlement

As noted earlier, a Commercial Court was established in Dar es Salaam in 1999 to deal with commercial disputes. Since then, new commercial courts have been opened in Mwanza and Arusha. Two others are in the process of opening in Dodoma and Tanga. Access has been improved and costs have been lowered. Nonetheless, there is

an ongoing problem of court capacity, which means that dispute settlement remains a lengthy and time-consuming process for investors⁴.

Beyond the commercial courts, the Government has initiated another approach to dispute resolution. The Investor Complaints Bureau was established in 2010 and is chaired by the Government's Chief Secretary. Both investors, and the TIC on behalf of investors, can address their concerns to the Bureau. One example is an incident in which the Ministry of Infrastructure and Development wanted to monopolize roadside billboards, for which it planned to sell usage permits. Investors took their concerns about this matter to the TIC and it in turn approached the Bureau. Resolution was provided at a high level and much more quickly than would have been possible through the commercial courts⁵.

And then there is arbitration. Tanzania has an Arbitration Act (2002) that governs both domestic arbitration and the enforcement of foreign arbitral awards. If a dispute is related to ownership of immovable property, it cannot be arbitrated. The administration of arbitrations is carried out by the National Construction Council (NCC) and the Tanzania Institute of Arbitrators. The enforcement procedure is quite lengthy⁶.

Tanzania is also a member of the International Centre for the Settlement of Investment Disputes (ICSID), associated with the World Bank. However, there is no specific legislation in Tanzania providing for enforcement either under the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards or under the ICSID Convention⁷.

Land

Under section 4 (1) of the Land Act 1999 as amended, all land in Tanzania belongs to the State. It may be acquired for use through:

- Rights of occupancy granted by the Government;
- Derivative rights granted by the Tanzania Investment Centre; and
- Sub-leases created out of the rights of occupancy held by the private sector. Rights of occupancy and derivative rights are granted for both short-term and long-term periods. Periods of long-term rights of occupancy range from 5–99 years and are renewable⁸.

⁴ UNCTAD, Report on the implementation of the IPR, 2011, http://www.unctad.org/en/docs/diaepcb201006_en.pdf .

⁵ Ibid.

⁶ World Bank, Investing across Borders: Tanzania, <http://iab.worldbank.org/Data/Explore%20Economies/Tanzania#/Arbitrating-disputes>

⁷ US Department of Commerce, Doing Business in Tanzania: 2011 Country Commercial Guide (see Sources consulted)

⁸ Tanzania Investment Centre (TIC), Tanzania Investment Guide, 2008 and Beyond, <http://www.tic.co.tz/> .

The Tanzania Investment Centre (TIC) can help investors to whom it has issued a Certificate of Incentives acquire land, both rural and urban, and it does not charge a fee for this service. It now has officers from the respective Government ministries and departments stationed at the Centre to facilitate land acquisition. The TIC also maintains a land bank, which contains designated plots of land that can be made available to foreign investors. However, a request for land not already in the land bank has to go through a lengthy review and approval process by local level authorities as well as the President's office, in order to be officially re-designated, from Village Land, with customary rights of occupancy, to General Land, which can be titled for investment and sale.

The process of acquiring land can thus be difficult and time-consuming for foreign investors. In part, this is because less than 10% of land has been surveyed and the registration of title deeds is handled manually and mainly at the local level. A partnership with a local investor is one way out of these difficulties, as the local partner can provide the land.

Foreign exchange and performance requirements

Conversion and transfer

Tanzania has liberalized foreign-exchange transactions. There are no restrictions on the repatriation of earnings and capital or on exchange transactions relating to current account payments. Unconditional transfer in freely convertible currencies is allowed with respect to net profits; the repayment of foreign loans; royalties, fees and charges in respect of technology transfer agreements; the remittance of proceeds (net of taxes and obligations) in the event of sale or liquidation of any interest attributable to investment; and payments of emoluments and other benefits to foreign employees working in Tanzania⁹.

The only restriction is that a bureau de change may not sell foreign currency worth more than USD 10,000 to a resident wishing to travel outside Tanzania at any one time for each trip.

Performance requirements

While the Government encourages investors to use locally available raw materials in the production of goods and services wherever possible, there is no legal requirement to use raw materials sourced within the country. Firms investing in Export Processing Zones (EPZs) and firms that wish to claim the 'stand-alone EPZ' status are required to export at least 80% of the goods they produce. (Such firms also need to have an annual export turnover of not less than USD 500,000 for foreign-owned firms and USD 100,000 for locally owned ones.)

⁹ World Bank, Investing across Borders: Tanzania, <http://iab.worldbank.org/Data/Explore%20Economies/Tanzania#/Arbitrating-disputes>

Investors granted Certificates of Incentives by the TIC are required to complete the implementation of their investment project within the implementation period agreed upon. They are also expected to report progress every six months on the progress of their business plans

TABLE xxxx. Services offered by the Tanzania Investment Centre (TIC)

Service provided	Delivery time	Cost (USD)
• Investment promotion		
Preparation of local projects profile	7 days	Free
Investor's guide	Immediate	Free
Provision of Investment Act	Immediate	Free
• Investment facilitation		
Application form	Immediate	100.00
Certificate of incentives	7 days	750.00
Land acquisition	30 days	Free
VAT registratopm	7 days	Free
Tax Clearance	1 day	Free
Tax identification number	1 day	Free
Custom approval of import list	14 days	Free
Business name search	1 day	Free
Business licensing	3 days	Free
Company registration	3 days	Free
• Immigration and labour		
Residence permit class A*	14 days	2,255.00
Residence permit, class B*	14 days	1,705.00
Special pass for class A & B	1 day	600.00
Work permit class B- Labour	14 days	Free
• Linkages with Government institutions	1 day	Free

Source: Tanzania Investment Centre (TIC), Tanzania Investment Guide, 2008 and Beyond, <http://www.tic.co.tz/>, supplemented by personal communication with TIC personnel in the process of revising the 2008 guide.

Incorporation and exit

Table III.7 below describes the steps involved in starting a business in Tanzania. While the procedure is broadly similar for both foreign and domestic investors, there are some differences as well. In step 2, for example, a domestic business is issued a Certificate of Incorporation, with the cost ranging from TZS 126,200 to TZS 400,000 (USD 80–250), while a foreign company receives a Certificate of Compliance, at a cost of USD 1,200.¹⁰

A number of these steps are undertaken by the Tanzania Investment Centre on behalf of investors who meet certain minimum capital requirements — see the preceding table. The TIC can also provide further details — contact information in Appendix A. Pointers to further information in Appendix A. Pointers to further information.

TABLE xxx. Starting a business in Tanzania: Steps, time and cost

	Procedure	Time (Days)	Cost (TZS)
1	Apply for clearance of the proposed company 1 No charge name at the Business Registration and Licensing Authority (BRELA)	1	No charge
2	Apply for a certificate of incorporation and 7 Variable of commencement to Registrar of Companies	7	Variable
3	Apply for taxpayer identification number (TIN) 2 No charge with the Tanzania Revenue Authority	2	No charge
4	Income tax officials inspect the office site of the No charge new company (simultaneous with procedure 3	1y	No charge
5.	Apply for PAYE with the Tanzania Revenue Authority (simultaneous with procedure 4	1	No charge

¹⁰ Tanzania Investment Centre (TIC), Tanzania Investment Guide, 2008 and Beyond <http://www.tic.co.tz/>

6.	Apply for business license from the regional trade officer (depending on the nature of business	6	1,000
7	Receive a land and town inspection of the premises (simultaneous with procedure 6)	1	Transport (trivial)
8.	Have the health officer inspect the premises and obtain his signature (simultaneous with procedure 6)		
9.	Apply for VAT certificate with the Tanzania revenue Authority	4	No charge
10	Receive VAT/stamp duty inspection (simultaneous with procedure 9)	1	No charge
11	Register for the workmen's compensation insurance at the national insurance Corporation or secure other alternative insurance policy	1	No charge
12	Obtain registration number at the National social Security Fund (NSSF)	7	No charge

Source: World Bank and IFC, Doing Business 2012: Economy Profile: Tanzania (see Sources consulted

2. Foreign investors in Tanzania

Company Name	Major Foreign ownership	Nature of Business
Mining, Oil and Gas		
BP Tanzania Ltd (BP plc)	United Kingdom Petroleum	
Geita Goldmine (AngloGold Ashanti Ltd)	Saudi Arabia	Gold mining
Kahama Mining Corporation Ltd	Canada	Gold mining
Songas Tanzania Ltd CDC Group plc)	United Kingdom	Gas production (& distribution)
Williamson Diamond Mines (De Beers Group)	South Africa	Diamond mining
Manufacturing		
ABB Electric Company	Switzerland	Electrical goods
Coca Cola Kwanza Tanzania Ltd United (The Coca-Cola Company)	United States	Soft drinks
Daesung Cable Co. Ltd	Korea	Cables & metal products
General Tyre (E.A.) (Continental AG) Ltd	Germany	Tyres
Karibu Textile Mills Ltd Nash Holding (Mauritius) Ltd.)	Mauritius	Textiles
Matsushita Electric Industrial Co, Ltd)	Japan	Dry batteries
	Resolute Mining Ltd Australia Gold mining	
Kilombero Sugar Company Ltd	South Africa	Sugar
Mbeya Cement Co. Ltd (Lafarge SA)		Cement
Tanzania Breweries Ltd (SABMiller plc)	South Africa	Beers and spirits
Tanzania Cigarette Company Ltd	Japan	Cigarettes
Unilever (T) Ltd (Unilever plc)	United Kingdom & the Netherlands	Consumer products
Financial Services		

Bank of Malaysia (T) Ltd	Malaysia	Banking
Citibank Tanzania Ltd (Citigroup Inc.)	United States	Banking
Jubilee Insurance Company Ltd	Kenya	Insurance
Royal & Sun Alliance Insurance (T) Ltd (Royal & Sun Alliance Insurance Group plc)	United Kingdom	Insurance
Standard Chartered Standard Chartered plc)	United Kingdom	Banking
Tourism and Transport		
ASB Holdings (Kempisk Hotel S.A)	Switzerland	Hotel Development
Costal travel Ltd	Italy	Wildlife camps
Consolidated tourist and Hotel investment Ltd (Sopa Lodges)	Kenya	Hotels & Lodges

6.3 Contacts for further information

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<p>Fanuel Yona Lukwaro</p> <p>Zonal Manager (Lake Zone) Tanzania Investment Centre P.O. Box 638 Kenyata Street Mwanza, Tanzania Tel: 255 28 2540871/2 Fax: 255 28 2540884 Email: lakezone@tic.co.tz Website: www.tic.co.tz</p>	<p><i>Ms. Mwamvua A. Jilumbi</i></p> <p>Ag. Regional Administrative Secretary Simiyu region, P.O. Box Simiyu, Tanzania Email: Website:</p>