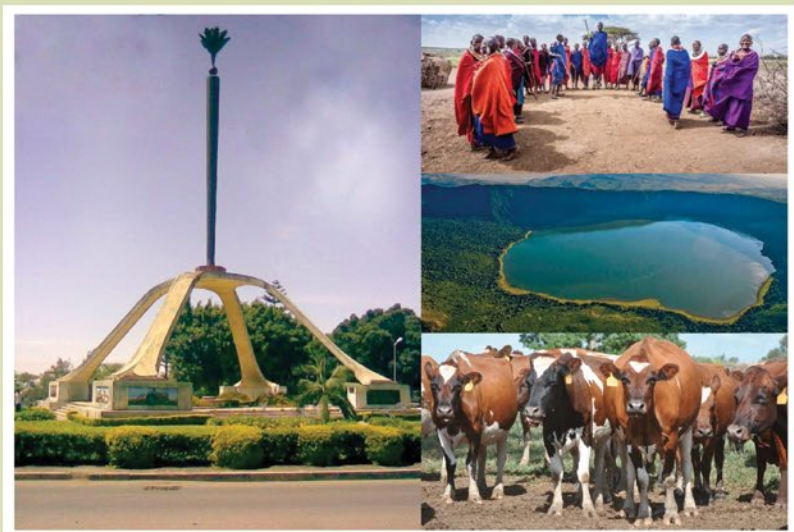




THE UNITED REPUBLIC OF TANZANIA  
PRESIDENT'S OFFICE  
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

# ARUSHA REGION INVESTMENT GUIDE



2022





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

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# LIST OF ABBREVIATIONS

|        |  |
|--------|--|
| AGOA   | African Growth and Opportunity Act                         |
| ASDP   | Agriculture Sector Development Programme                   |
| BMGF   | Bill and Melinda Gates Foundation                          |
| BRELA  | Business Registration and Licensing Agency                 |
| CCET   | Community Common External Tariff                           |
| CoET   | College of Engineering and Technology                      |
| COMESA | Common Market for Eastern and Southern Africa              |
| CSO    | Civil Society Organisation                                 |
| DC     | District Council   |
| DIDF   | District Irrigation Development Fund                       |
| DPs    | Development Partners                                       |
| DRC    | Democratic Republic of Congo                               |
| DSE    | Dar es Salaam Stock Exchange                               |
| EAC    | East African Community                                     |
| EBA    | Everything But Arms  |
| EPZ    | Export Processing Zone                                     |
| ESRF   | Economic and Social Research Foundation                    |
| EU     | European Union   |
| FAO    | Food and Agriculture Organisation                          |
| FCC    | Fair Competition Commission                                |
| FOE    | Faculty of Engineering                                     |
| FYDP   | Five-Year Development Plan                                 |
| GAFSP  | Global Agriculture and Food Security Programme             |
| GDP    | Gross Domestic Product                                     |
| GoT    | Government of Tanzania                                     |
| ICSD   | International Centre for Settlement of Investment Disputes |
| IFC    | International Finance Cooperation                          |
| IIDS   | Integrated Industrial Development Strategy                 |
| IMF    | International Monetary Fund                                |
| IPI    | Institute of Product Innovation                            |
| ISO    | Industrialisation Support Organisation                     |
| ITC    | International Trade Centre                                 |
| KIA    | Kilimanjaro International Airport                          |

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|          |   |
|----------|---|
| LGAs     | Local Government Authorities                                      |
| M&E      | Monitoring and Evaluation   |
| MIGA     | Multilateral Investment Guarantee Agency                          |
| MIT      | Ministry of Industries and Trade                                  |
| MLF      | Ministry of Livestock and Fisheries                               |
| MNRT     | Ministry of Natural Resources and Tourism                         |
| MoA      | Ministry of Agriculture   |
| MWI      | Ministry of Water and Irrigation                                  |
| NBS      | National Bureau of Statistics                                     |
| NEEC     | National Economic Empowerment Council                             |
| NGO      | Non-Government Organisation                                       |
| NIDF     | National Irrigation Development Fund                              |
| PO-PRALG | President's Office – Regional Administration and Local Government |
| PPCP     | Public-Private Community Partnership                              |
| PPP      | Public-Private Partnership  |
| RALG     | Regional Administration and Local Government                      |
| RAS      | Regional Administrative Secretary                                 |
| RECs     | Regional Economic Communities                                     |
| RS       | Regional Secretariat  |
| SACCOS   | Savings and Credit Co-operative Society                           |
| SADC     | Southern Africa Development Community                             |
| SDL      | Skills and Development Levy                                       |
| SEZ      | Special Economic Zone   |
| SIDA     | Swedish International Development Agency                          |
| SIDO     | Small Industry Development Organisation                           |
| SIDP     | Sustainable Industrial Development Policy                         |
| SOEs     | State-Owned Enterprises   |
| TAFIRI   | Tanzania Fisheries Research Institute                             |
| TANESCO  | Tanzania Electric Supply Company                                  |
| TANTRADE | Tanzania Trade Development Authority                              |
| TBS      | Tanzania Bureau of Standards                                      |
| TCCIA    | Tanzania Chamber of Commerce, Industries and Agriculture          |
| TDU      | Textiles Development Unit   |
| TMDA     | Tanzania Medicines and Medical Devices Authority                  |
| TIC      | Tanzania Investment Centre  |

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|        |  |
|--------|--|
| TIN    | Taxpayer Identification Number   |
| TMEA   | Trademark East Africa  |
| TNBC   | Tanzania National Business Council                                       |
| TPSF   | Tanzania Private Sector Foundation                                       |
| TRA    | Tanzania Revenue Authority   |
| TRIMs  | Trade-Related Investment Measures  |
| TVETDP | Technical and Vocational Education and Training<br>Development Programme |
| TZS    | Tanzanian Shilling   |
| UNCTAD | United Nations Conference on Trade and Development                       |
| UNDP   | United Nations Development Programme                                     |
| UNIDO  | United Nations Industrial Development Organisation                       |
| VAT    | Value-Added Tax  |
| WB     | World Bank   |
| WTO    | World Trade Organisation   |

## DEMONSTRATION OF COMMITMENT FROM THE HIGHEST LEVEL OF GOVERNMENT



"As our country achieves the status of a middle-income economy, the impetus is placed on continuing to build a Competitive and Industrial Economy for Human Development to achieve the objectives of the vision with the following qualities: improving the living conditions of Tanzanians; the existence of peace, security and unity; good governance and the rule of law; the existence of an educated and learning society; and building a strong and competitive economy."

**Her Excellency, Samia Suluhu Hassan.**

*The President of the United Republic of Tanzania.*

*Keynote to the Tanzania Five Year Development Plan, June, 2021.*



"A Five-Year Development Plan is determined to make Tanzania a major business hub for land-locked countries that use the port of Dar es Salaam to ship their cargoes"

**His Excellency, Dr. Philip Isidor Mpango,**

*Vice President of the United Republic of Tanzania.*

*Remarks provided at the Port of Singapore during the Bloomberg New Economy Forum held in Singapore from 15 to 20 November 2021*



"The 21st Century is going to identify itself with intensifying competitive business environment in which businesses that will triumph are those with relevant industrial products and services, modern technologies and human resource that is imbued with respective skills, work ethics and innovativeness. Industrialisation is the basic requirement and core secret for business to survive in the 21st Century. It is in this wisdom that the Fifth Phase Government of the United Republic of Tanzania has embraced industrialisation as its ultimate goal. The success of this goal calls for regional administrations to focus on the provision of conducive business environment necessary to facilitate business operations and flow of investments."

**Hon. Kassim Majaliwa Majaliwa,**

*Prime Minister of the United Republic of Tanzania.*

*Opening remarks at the Business and Investment Forum, Tabora Region, on 21 November 2018*

## FOREWORD



Welcome to Arusha Region. The region has developed an investment guide to highlight priority investment opportunities available in the region. The guide is part and parcel of the overall national framework of Tanzania, such as Tanzania Development Vision (TDV 2025), Long-term Perspective Plan (LTPP) 2011/12-2025/26, and the industrialisation policy.

Arusha Regional Investment Guide serves several purposes. First, for investors and stakeholders at large, it is a source of current information relating to investment opportunities available in the region (see part three of this guide for specific details). In this regard, it is an “eye-opener” to potential domestic and foreign investors, who are not only invited to invest in the region but are also assured of the region’s support in their investment undertakings.

Second, the Guide is an essential marketing strategy and an effective means of exposing the region’s comparative and competitive advantages that can be exploited by foreign as well as local investors to produce a win-win outcome for both national and regional economies and to investors as well. Third, the Guide serves to promote and advertise the region’s productive capacities in key primary and industrial sectors. The enhanced investments in the region are expected to augment the Gross Domestic Product (GDP) and promote inclusive and resilient economic growth needed to accelerate societal development and wellbeing of Arusha Region and Tanzania at large.

Through this Guide, Arusha Regional Secretariat and its local government authorities (LGAs) have resolved to prioritise all investment initiatives available in the region and commit to providing political support, attractive initiatives and support services for investors at the time of setting up businesses and throughout the period of business operations in the region. In addition, Arusha Regional Office and its LGAs will provide a satisfactory conducive policy, regulatory, business environment and investment climate, and are available to provide further details on selected strategic and viable opportunities to interested investors.

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The preparation of Arusha Regional Investment Guide involved key stakeholders from the Government and private sector in the region. I am very grateful for the exemplary support provided by the former Regional Commissioner, Idd Hassan Kimanta, the Regional Secretariat (RS) under the Regional Administrative Secretary (RAS), the Late Mr. Richard N. Kwitega, the entire staff in the RS, and the local council directors in the region for their commitment in making this publication possible.

I take this important opportunity to express my sincere gratitude to the United Nations Development Programme (UNDP) for the financial support, and to the Economic and Social Research Foundation (ESRF) for developing this Guide. Likewise, I wish to express my heartfelt gratitude to ESRF's team of experts comprising of Prof. Godwin Mjema, Mrs. Margareth Nzuki, Dr. Elineema Kisanga, Mr. Mussa Martine and Mr. Njile Isack for their commitment and technical support that collectively resulted in the completion of this Guide. Last but not least, I am very thankful to everyone who participated in the preparation of this Guide.

Let me once again take this opportunity to welcome you to invest in Arusha Region, while promising to continue providing needed support to make your investments productive, profitable and prosperous.



**Hon. John V. K. Mongella**  
**Regional Commissioner**  
**Arusha Region, Tanzania**

## EXECUTIVE SUMMARY

Arusha Region is one of the United Republic of Tanzania's 31 administrative regions; it is located in the north-eastern corner of Tanzania just below the Equator between latitudes 2° and 4° and between longitudes 35° and 38° east of Greenwich. Arusha City is the region's capital. Arusha Region has been nicknamed the **Geneva of Africa** due to its hosting of international conferences. In addition, Arusha City has been the seat of the East African Community since its formation in the mid-1960s.

Arusha Region borders Kajiado and Narok counties in Kenya to the north, Kilimanjaro Region to the east, Manyara and Singida regions to the south, Simiyu Region to the west and Mara Region to the north-west. The region covers a total surface area of 35,069.4 square kilometres (land area is 34,515.5 sq. km and water bodies cover 553.9 sq. km). Administratively, Arusha Region has six (6) districts, namely Monduli, Arumeru, Arusha, Karatu, Ngorongoro and Longido; and seven (7) local government authorities, which are Ngorongoro, Longido, Monduli, Karatu, Meru and Arusha district councils; and Arusha City Council.

Arusha Region benefits from the national investment policy and climate, including political stability and development frameworks that reflect the overall socio-economic and cultural development in the country. Tanzania, with its large and growing domestic population, strategic location, an abundance of natural resources and internal political stability, presents a uniquely attractive investment opportunity.

The region's population is growing at 2.7 percent and projected to reach 2,104,074 people at the end of year 2020 as compared to the country's population of about 58 million people growing at 2.7 percent. The regional economy depends mainly on agriculture, livestock, natural resources, mining and industrial sectors. The regional GDP per capita (at market prices) amounted to TZS 3,034,353 in 2018.

Arusha Region is the centre of tourism in Tanzania due to its strategic location in the Northern Tourism Circuit, which includes attractions such as Ngorongoro Crater, Manyara and Arusha national parks and parts of Serengeti National

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Park. The region is also blessed with a variety of mineral-based products, including gold, ruby, green and red aventurine, and soda ash.

The strategic geographical location of Arusha Region, especially being the Headquarters of the East African Community (EAC), gives it market access to all EAC member countries and beyond, including the Democratic Republic of Congo (DRC). The region is well served by efficient air transport, road and now the up and running Dar es Salaam – Arusha railway network. The development of the various tourism and tourism-related projects attract not only an increased flow of international trade with the neighbouring countries but also lower transport costs, thereby boosting regional and national economies.

The region has developed this investment guide to provide investment information to prospective investors and attract them to invest in Arusha Region. The guide has five parts: part one gives reasons for investors to choose Arusha Region as an investment destination; part two presents the socio-economic profile of Arusha Region so as to equip potential investors with general information about the region that can be essential in making investment decisions; part three presents priority investment opportunities in the region; part four pinpoints specific issues related to facilitation, processes, requirements, and incentives for investment in Tanzania in general and in Arusha Region in particular; and part five provides important contacts in Arusha Region that will help potential investors in following up opportunities in which they want to invest.

Interested parties are invited to invest in the following priority investment opportunities: production of packaging materials; animal feeds processing; coffee processing; dairy processing; meat processing; leather processing and production of leather goods; cereal processing; processing of horticulture crops; lapidary, which involves cutting, shaping and polishing minerals; large-scale day-old chick hatchery; skills development training institute; building irrigation infrastructure mainly for paddy and horticulture crops; bulb onion farming; commercial cereals farming (maize, wheat, barley, millet and sorghum); modern coffee farming; floriculture; coffee value addition; bulb onion processing; soda ash processing; fish farming, hatcheries and related technologies; ranches and cattle fattening; artificial insemination and veterinary related services; mining and mineral processing; aggregates

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production; developing Meru Dry Port, distribution and logistics centre; construction of modern markets, business and trade services centres; construction of modern agriculture and livestock markets; construction of modern bus stand and lorry parking spaces; rain-water harvesting, desalination and purification for domestic consumption, irrigation and livestock use; tourism-related infrastructure and services; construction of private schools and colleges, as well as modern health care facilities.

## DISCLAIMER

The publication of Arusha Region Investment Guide is meant to assist potential investors by availing them with valuable information pertaining to investment opportunities and, to some extent, provide some pointers to potential investable areas in the region. The Guide is not meant to be a detailed feasibility study and does not in any way claim to give exhaustive information or detailed practical instructions needed by potential investors in undertaking actual investments. Investors have to be aware that this document is simply a guide and hence need to recognise that actual investment decisions are informed by, among other things, a detailed cost-benefit analysis supported mainly by detailed feasibility studies. Depending on the nature of the investment, potential investors are expected to conduct feasibility studies and/or environmental impact assessment for detailed information.

For this reason, this Guide is meant to help potential investors to find additional sources of information from public and private sectors, which they can use to make successful and profitable investment decisions in Tanzania generally and in Arusha Region in particular. The information relating to potential investment areas in Arusha Region was sourced through consultations with various stakeholders and is therefore useful only to the extent that it assists potential investors to be aware of the investment opportunities existing in the region and should not, in any way, be used as a defence in a legal investment dispute or in any other related matter.

The Guide is presented in good faith and in cognisance of the 2018 Amendment to the Statistics Act (2015). Where a datum point used in this Guide unknowingly contradicts an official statistic, it should be deemed an error and the official statistic should be assumed to be correct.

## REASONS FOR INVESTING IN ARUSHA REGION

### 1.1 Arusha Region in the Broader Tanzanian Context

Arusha Region is part of the United Republic of Tanzania (URT) and hence benefits and enjoys the country's investment policy and climate, including political stability and development frameworks that strategise the overall socio-economic and cultural development in the country.

Tanzania has abundant natural resources, including land (for agriculture and livestock), water bodies (such as lakes, rivers and springs), mineral resources, biodiversity and unique landscapes, such as Mount Kilimanjaro, Ngorongoro Conservation Area (Ngorongoro Crater, Olduvai George, Laitole Foot Print, & Embakai Crater), Serengeti National Park, and Rubondo National Park, which attract tourists from all over the world. In addition, its location on the East Coast of Africa gives it a comparative advantage in providing trade and transport services to neighbouring, land-locked countries.

The region also benefits from several measures undertaken by the Government of Tanzania to create a free-of-challenge business environment to encourage local and foreign investment. The Government has created a stable and attractive macro- and micro-economic climate with single-digit inflation; there are on-going reforms in fiscal and monetary policy and improvements in the business climate through legal and regulatory reforms aimed at streamlining procedures and freeing business from unnecessary bureaucracy.

The combination of various policies and strategies has fostered economic growth of Tanzania. According to the World Bank (2017), Tanzania has been sustaining an average annual rate of 6-7 per cent economic growth since the late 1990s. The Government recognises the role of the private sector (both local and foreign) and other strategic partners as the engine of growth, poverty reduction and the drivers of economic transformation. This

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important role of the private sector has been further emphasised in the Third Five Year Development Plan (FYDP III) (2021/22-2025/26) by recognising that the realisation of the goals and targets of FYDP III hinges on, among others things, effective participation of the private sector in developing industries and enterprises that spur economic growth and create jobs.

## **1.2 Investment Climate and Trade Policy in Tanzania**

The Government of Tanzania has reviewed its policies and regulations in order to attract local and foreign private investment. This is evidenced by the recent development of the Blueprint for Regulatory Reforms to Improve the Business Environment. The recommendations of the Blueprint are being implemented at a reasonable pace, including merging similar functions of regulatory institutions, abolishing nuisance taxes and fees, improving dialogue between Government and private sector etc. Most importantly, implementation of the Blueprint has led to a review of the National Investment Promotion Policy (1996) and Tanzania Investment Act, 1997 among others.

The country has adopted the World Trade Organisation's (WTO's) Trade-Related Investment Measures (TRIMs) to encourage investments in line with national priorities, as well as to attract and regulate foreign investment. The trade development instruments that Tanzania has adopted include establishment of export processing zones (EPZs), investment code and rules, export development/promotion and export facilitation. EPZs were established by the 2002 EPZ Act and are open to both domestic and foreign investors, particularly in agri-business, textiles and electronics sectors. The Special Economic Zones Act of 2006 authorised the establishment of special economic zones (SEZs) to encourage Greenfield investments in light industry, agro-processing industry and agriculture. The Export Processing Zones Authority (EPZA) governs both EPZs and SEZs. The Government has encouraged both local and foreign investors to take advantage of the investment opportunities under EPZA for their benefit and for the benefit of the country. There are three categories of licences issued by EPZA:

- i). Developer's licence: for investment in infrastructure development, including construction of industrial buildings and warehouses, development of internal roads, landscaping and fencing, and provision of utilities

- 
- ii). Operator's licence: for investors who are undertaking manufacturing operations, including manufacturing, processing breaking bulk, re-packaging, re-labelling and trading
  - iii). Service provider's licence: for investors who are providing services and utilities to EPZ and SEZ investors within the zone, including banking, insurance, and information and communication technologies (ICTs).

EPZA also oversees incentive packages such as exemptions from corporate tax and withholding tax on rent; dividends and interest; remission of customs duty, value-added tax (VAT) and other taxes on raw materials and capital goods; and exemption from VAT on utilities and levies imposed by local authorities. In addition, working permits for foreign staff can be issued by EPZA. More information can be found on the website [www.epza.go.tz](http://www.epza.go.tz) and email address is [info@epza.go.tz](mailto:info@epza.go.tz).

All the above factors, plus the country's well formulated development-cum-strategic frameworks, have contributed to continuous real GDP growth of about seven percent (7%) for over a decade, and is a member of what the World Bank has dubbed the "7 percent Club", a group of countries forecast to achieve 7 percent or more real GDP growth for the next decade.

Investments in Tanzania are guaranteed against nationalisation 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 offers access to major markets of the world, such as America through the Africa Growth Opportunity Act (AGOA); Europe through Everything-But-Arms (EBA); Asia (e.g. India and China), and Middle East, all done through special bilateral trade and investment agreements and arrangements.

Tanzania is one of the members of two major regional economic communities (RECs), namely the Southern African Development Community (SADC) and the East African Community (EAC). With the upcoming of the SADC-EAC-COMESA Tripartite Agreement, Tanzania is impliedly linked to COMESA as well. The regional economic communities are growing significantly, and so investors in Tanzania will have the advantage of accessing both domestic and regional markets, as well as the export markets in the European Union, the United States, the growing Asian economies of China and India, and in

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the Middle East, to mention only the leading ones. The domestic market is significant, given Tanzania's population of about 58 million people, growing at a rate of 2.7 percent per annum, and a growing middle class.

Briefly, the following are among the reasons why one should invest in Tanzania:

- There is a high degree of investment security because of unparalleled political stability that is strife-free without ethnic division, democratic rule that respects diversity of opinion and a strong tradition of constitution and the rule of law
- The country has maintained a business-friendly macro-economic stability with low inflation (single digit), stable exchange rates supported by unrestricted and unconditional transfers of profits, loan repayments, emoluments, royalties, fees and charges
- There is a commitment to ensuring simplified bureaucracy, streamlined through the acclaimed services of the Tanzania Investment Centre, which is a one-stop facilitation Government agency that registers projects and serves registered investment projects
- The Government of Tanzania is committed to, and has successfully undertaken economic liberalisation measures commended by both the World Bank and IMF with business-supportive legislation continually being improved through genuine dialogue between the Government and the private sector
- There is a well-balanced package of incentives to investors with additional negotiated benefits to strategic investors
- The economy is rapidly emerging as the most effective entry point and gateway for trade into eastern, southern and central Africa
- There are lucrative investment opportunities in infrastructure and value-adding facilities that are among the fastest growing segments of the economy
- The Government is committed to ensuring investment guarantees and settlement of disputes. Investments in Tanzania are guaranteed against political risks, nationalisation and expropriation
- Foreign business operating in Tanzania may obtain credit from domestic financial institutions up to the limits established by the Bank of Tanzania. Major banks like Standard Chartered Bank, Citibank, EXIM, Stanbic, ABSA Bank (formerly traded as Barclays Bank), KCB Bank, Bank of Africa, Citibank, BancABC and Diamond Trust Bank, have invested in Tanzania.

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Other Banks are CRDB Bank PLC, NBC Limited, National Microfinance Bank Limited, Azania Bank, Akiba Bank, and TPB Bank. Investors in Arusha may also access facilities from development financing institutions such as Tanzania Agriculture Development Bank (TADB) and TIB Bank.

### **1.3 Why One Should Invest in Arusha Region**

Arusha is one of the regions in Tanzania that has enormous investment opportunities to meet the socio-economic requirements of its inhabitants and the country at large. Arusha Region is the hub of tourism in Tanzania, given its advantageous location in the Northern Tourism Circuit with attractions such as the Ngorongoro Crater, Manyara National Park, Arusha National Park and parts of Serengeti National Park. The region is also blessed with a variety of mineral-based products, including gold, ruby, green and red aventurine, and soda ash.

Furthermore, the conducive climate in the region has attracted livestock rearing and cultivation of both cash and food crops, including wheat, maize, beans, bulb onions, and cut flowers. A unique feature of Arusha Region is its location as the Headquarters of EAC. This has availed the region to attract visitors not only from EAC member countries but also from around the globe.

Below are some of the reasons for investors to choose Arusha as an investment destination:

- i). Tourism and tourism-related attractions conducive for establishing world-class tourism facilities
- ii). Availability of agricultural raw materials, specifically maize, wheat, bulb onions and horticulture crops for establishing agro-processing industries
- iii). Availability of livestock such as cattle, goats, sheep and poultry products for establishing meat and leather processing industries
- iv). A good number of schools (primary and secondary), vocational training and higher learning institutions for skilled and semi-skilled labour
- v). High demand for health care services/facilities (clinics and hospitals)
- vi). Transport links with other regions and proximity with neighbouring intra-lacustrine countries those in the EAC region, namely Kenya, Uganda, Burundi, Rwanda, and South Sudan

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- vii). The region's economic infrastructure has been tremendously improved and strategic investments are being made to further improve the infrastructure. The region is well served with road network linking even remote areas in northern Tanzania. It is serviced by two airports, an international airport and a local one, plus eight airstrips. It has well established communication facilities and is adequately supplied with electricity
  - viii). The region has set aside land for various investments in all her seven (7) local government authorities. The region is also ready to allocate more land for investments if and when needed
  - ix). Being an international market for gem stones and other minerals
  - x). Presence of Kilimanjaro International Airport
  - xi). Peace and political stability that offer a safe environment for investment
  - xii). The Regional Secretariat and local government authorities are positioned to facilitate investments in the region, particularly in collaboration with key partners. This includes the establishment of facilitation desks at the Regional Secretariat and local government authorities for providing correct information to potential investors.

## **1.4 Suggested Priority Investment Areas in Arusha Region**

Interested parties are invited to invest in the following suggested priority investment areas. More details are given in Part Three of this guide.

### **1.4.1 Regional Level Priority Investment Opportunities**

- i). Production of packaging materials
- ii). Animal feeds processing
- iii). Coffee processing
- iv). Dairy processing
- v). Meat processing
- vi). Leather processing and leather goods production
- vii). Cereal processing
- viii). Processing of horticulture crops
- ix). Lapidary (cutting, shaping & polishing stones and gems, e.g. Tanzanite)
- x). Hatchery
- xi). Construction of skills development training institutes.

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## 1.4.2 District Level Priority Investment Opportunities

- i). Building irrigation infrastructure, mainly for growing paddy and horticulture crops
- ii). Bulb onion farming
- iii). Commercial cereals farming (maize, wheat, barley, millet and sorghum)
- iv). Modern coffee farming
- v). Floriculture
- vi). Coffee value addition
- vii). Bulb onion processing
- viii). Soda ash processing
- ix). Fish farming, hatcheries and related technologies
- x). Ranches and cattle fattening
- xi). Artificial insemination and veterinary related services
- xii). Mining and mineral processing
- xiii). Production of aggregates
- xiv). Development of Meru Dry Port, and a distribution and logistics centre
- xv). Construction of modern markets, as well as business and trade services centres
- xvi). Construction of modern agriculture and livestock markets
- xvii). Construction of a modern bus stand and lorry parking spaces
- xviii). Rain-water harvesting, desalination and purification for domestic consumption, irrigation and livestock use
- xix). Tourism infrastructure and tourism-related services
- xx). Construction of private schools and colleges
- xxi). Construction of modern health care facilities
- xxii). Construction of modern bus stand.

## 1.5 The Guide's Target Groups

For prospective investors to make sound decisions on where and in which sector to invest requires adequate information, and so is the ability by public officials to provide correct information on investment opportunities to investors.

The main targets for this guide are therefore national and international prospective investors interested in starting new businesses or acquiring existing ones in various sectors; investors resident within the region with

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businesses and seek to either expand their current operations or venture into new businesses; and Government ministries responsible for assisting business owners. Specifically, the following are the beneficiaries of the guide:

- Investors, business owners and stakeholders, agricultural crop estates, livestock keepers, medium-to-large farms and value-adding and marketing entities intending to invest in Arusha designated industry and business areas
- Ministry of Industry and Trade (MIT)
- Prime Minister’s Office (Investment)
- Primary stakeholders across value chains, including individual entrepreneurs, importers and exporters of input and output factors, as well as agriculture crops producers, livestock keepers and fisher folks
- Government ministries, agencies, local government authorities, EPZA, and state-owned enterprises (SOEs), for example those responsible for agriculture, industries, trade, finance, and international cooperation
- Academia/researchers in the Northern Zone and in Tanzania
- Umbrella organisations such as the Tanzania National Business Council (TNBC), Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA), pension and provident funds investing in agriculture and industry, and other support institutions
- The TCCIA Arusha Region Branch, which is one of the strong private sector umbrella organisations, has approximately 470 members, of which about 13% are tourism companies, accommodation and restaurant enterprises. Representation of tour companies and that of tourist hotels is good
- Institutions overseeing the management of quality and safety management issues, such as Tanzania Bureau of Standards (TBS) and Tanzania Medicines and Medical Devices Authority (TMDA)
- Organisations providing productive capacities, information and data, monitoring and evaluation and other business support services. Such organisations are Textiles Development Unit (TDU), Business Registration and Licensing Agency (BRELA), Tanzania Revenue Authority (TRA), Fair Competition Commission (FCC), National Economic Empowerment Council (NEEC), Tanzania Trade Development Authority (TANTRADE), industry support organisations (ISOs), agricultural and industrial

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extension services providers, etc.

- Selected civil society organisations (CSOs) and non-government organisations (NGOs), and development partners (DPs), such as the Food and Agriculture Organisation (FAO), United Nations Development Programme (UNDP), World Bank (WB), United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), European Union (EU), United Nations Industrial Development Organisation (UNIDO), and Trademark East Africa (TMEA), etc.

## PART TWO

# SOCIO-ECONOMIC PROFILE OF ARUSHA REGION

This part presents key socio-economic elements of Arusha Region, including location, administrative units, agro-ecological zones and land-use patterns, the status of social services, productive sectors, transport, energy and financial services. This highlight is important in informing and equipping potential investors with current and updated information they need in making investment decisions in the region.

## 2.1 Geographical Location

Arusha Region is located in the north-eastern corner of Tanzania. It lays below the equator between latitudes  $2^{\circ}$  and  $4^{\circ}$ . Longitudinally, the region is situated between  $35^{\circ}$  and  $38^{\circ}$  east of Greenwich. The region is bordered by Kajiado County and Narok County in Kenya to the north, Kilimanjaro Region to the east, Manyara and Singida regions to the south, and Mara and Simiyu regions to the west. Major towns include



Monduli, Namanga, Longido and Loliondo to the north, Mto wa Mbu and Karatu to the west, and Usa River to the east.

## 2.2 Land Area

Arusha Region is one of the small regions of Tanzania Mainland, with a total surface area of 35,158 square kilometres occupying about 3.97 percent of the entire area of Tanzania Mainland of 885,987 square kilometres. Arusha Region has a total land area of 34,604.1 square kilometres and water area of 553.9 square kilometres (or 1.6%) of Lake Eyasi, Manyara and Natron. Ngorongoro District Council has the largest land area constituting 40.6 percent of the region's total land area followed by Longido District Council (22.6 percent), Monduli District Council (18.6 percent), Karatu District Council (9.4 percent), Arusha District Council (4.1 percent), and Meru District Council (3.9 percent). Arusha City Council with 0.8 percent of the area is the smallest council in Arusha region.

*Table 2.1: Distribution of Surface Area (Land and Water Areas) by Council; Arusha Region, 2020*

| LGA                         | Land Area (sq.kms) | Percent of Land Area | Water Area (sq.kms) | Percent of Water Area | Total Surface Area (sq.kms) | Percent of Surface Area |
|-----------------------------|--------------------|----------------------|---------------------|-----------------------|-----------------------------|-------------------------|
| Monduli District Council    | 6,419.00           | 18.5                 | 128.4               | 23.2                  | 6,547.40                    | 18.6                    |
| Meru District Council       | 1,348.40           | 3.9                  | 5.7                 | 1.0                   | 1,354.10                    | 3.9                     |
| Arusha District Council     | 1446.7             | 4.2                  | 0                   | 0.0                   | 1446.7                      | 4.1                     |
| Arusha City Council         | 272                | 0.8                  | 0                   | 0.0                   | 272                         | 0.8                     |
| Karatu District Council     | 3,300.00           | 9.5                  | 10.6                | 1.9                   | 3,310.60                    | 9.4                     |
| Ngorongoro District Council | 14,036.00          | 40.6                 | 252.6               | 45.6                  | 14,288.60                   | 40.6                    |
| Longido District Council    | 7,782.00           | 22.5                 | 156.6               | 28.3                  | 7,938.60                    | 22.6                    |
| <b>Total</b>                | <b>34,604.10</b>   | <b>100.0</b>         | <b>553.9</b>        | <b>100.0</b>          | <b>35,158</b>               | <b>100.0</b>            |

*Source: Arusha Regional Commissioner's Office, 2020*

## 2.3 Administrative Units

Arusha Region is one of Tanzania's 31 administrative regions. Arusha region has six (6) administrative districts, namely Arumeru, Arusha, Karatu, Longido, Monduli and Ngorongoro. The region has also seven (7) local government authorities, namely Ngorongoro, Longido, Monduli, Karatu, Meru and Arusha district councils; and Arusha City Council. The region is sub-divided into 23 divisions, 158 wards, 391 villages, 154 *mitaa*, 1,505 hamlets, and 6 townships. The administrative units of Arusha Region are shown in Table 2.2.

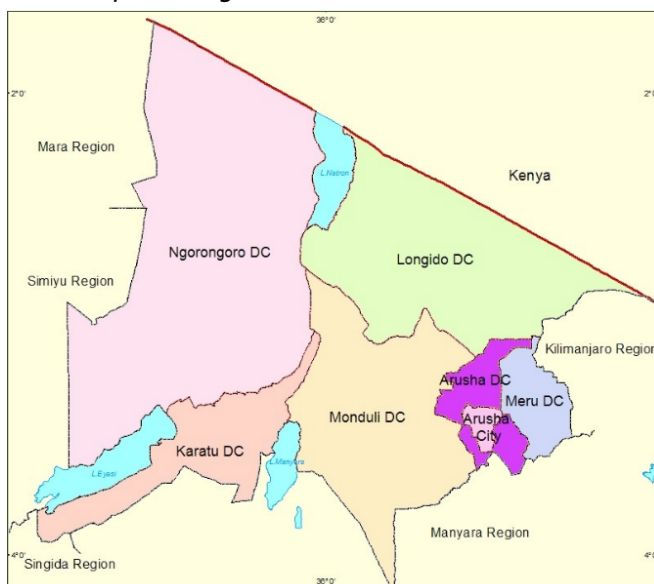
**Table 2.2: Administrative Units of Arusha Region in 2020**

| District     | Council                     | Divisions | Wards      | Villages   | Mitaa      | Hamlets      | Townships |
|--------------|-----------------------------|-----------|------------|------------|------------|--------------|-----------|
| Monduli      | Monduli District Council    | 3         | 20         | 62         | 0          | 236          | 1         |
| Arumeru      | Meru District Council       | 3         | 26         | 90         | 0          | 330          | 1         |
|              | Arusha District Council     | 3         | 27         | 67         | 0          | 259          | 1         |
| Arusha       | Arusha City Council         | 3         | 25         | 0          | 154        | 0            | 0         |
| Karatu       | Karatu District Council     | 4         | 14         | 57         | 0          | 262          | 1         |
| Ngorongoro   | Ngorongoro District Council | 3         | 28         | 65         | 0          | 242          | 1         |
| Longido      | Longido District Council    | 4         | 18         | 50         | 0          | 176          | 1         |
| <b>Total</b> |                             | <b>23</b> | <b>158</b> | <b>391</b> | <b>154</b> | <b>1,505</b> | <b>6</b>  |

\*In district councils there are no mitaa, also in cities there are no villages or hamlets

**Source:** Arusha Regional Commissioner's Office, 2020

**Figure 2.1: Map showing the location of Councils in Arusha Region**



## 2.4 Population

The population of Arusha Region has experienced significant growth during the period between 2012 and 2020, increasing from 1,694,310 (year 2012 census) to 2,104,074 (year 2020 projections). The 2002-2012 inter-censal population growth rate was 2.7 percent. The population growth rate of rural areas was 2.5 percent and that of urban areas was 2.9 percent between 2002 and 2012. Arusha Region had an average population density of 45 persons per square kilometre, slightly lower than the Tanzania Mainland population density of 49 persons per square kilometre in 2012. This marked Arusha as a mid-densely populated region and it was ranked number 13 in terms of population density among Tanzania Mainland regions.

**Table 2.3: Population Projection by 2020**

| LGA                         | Actual Population - 2012<br>Population and Housing Census |                |                  | Projected Population<br>for the Year 2020 |                  |                  |
|-----------------------------|---|----------------|------------------|---|------------------|------------------|
|                             | Male  | Female         | Total            | Male                                      | Female           | Total            |
| Monduli District Council    | 75,615  | 83,314         | 158,929          | 93,072                                    | 100,781          | 193,853          |
| Meru District Council       | 131,264   | 136,880        | 268,144          | 165,397                                   | 171,824          | 337,221          |
| Arusha City Council         | 199,524   | 216,918        | 416,442          | 253,782                                   | 272,005          | 525,787          |
| Karatu District Council     | 117,769   | 112,397        | 230,166          | 148,982                                   | 141,193          | 290,175          |
| Ngorongoro District Council | 82,610  | 91,668         | 174,278          | 100,068                                   | 109,751          | 209,819          |
| Arusha District Council     | 154,301   | 168,897        | 323,198          | 192,261                                   | 206,695          | 398,956          |
| Longido District Council    | 60,199  | 62,954         | 123,153          | 72,994                                    | 75,269           | 148,263          |
| <b>Total</b>                | <b>821,282</b>  | <b>873,028</b> | <b>1,694,310</b> | <b>1,026,556</b>                          | <b>1,077,518</b> | <b>2,104,074</b> |

**Source:** NBS (2019) Sub-National Population Projection for Years 2013 to 2021 Based on the 2012 Population and Housing Census

## 2.5 Climate, Soils, Vegetation, and Topography

### 2.5.1 Climate

Arusha Region experiences moderate temperatures with rainfall varying with altitude. The average annual



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temperature is 21°C in the highlands and 24°C in the low lands. The region has two types of rainfall patterns: mono and bimodal. The southern district of Karatu normally enjoys mono-modal rainfall, which usually starts in November and ends in April. The rainfall in this district is usually reliable, ranging from 800mm to 1,000 mm. This district is the major producer of crops, especially cereals.

Arumeru, Arusha, Monduli, Ngorongoro and Longido districts, as well as part of Karatu District, usually get both short and long rainfalls. Normally, the short rains start in October and end in December, while the long rains start in February/March and end in May/June. The short rains usually cover about 25 percent of the total season while the long rains season is the main season for the production of cereal crops. Moreover, the areas with reliable rainfall (1,000 mm - 1,200 mm), which are the plateaus of Arumeru and Arusha districts, are highly populated while the low lands of Arumeru, Monduli, Longido and Ngorongoro districts, which are mainly semi-arid, are occupied by pastoralists with large herds of cattle, and crop production in these areas is insignificant.

### **2.5.2 Soil**

Soils in Arusha Region are classified by colour into grey, brown and red-brown. Extensive soils which originate from recent volcanic ash are found in the north-western parts of the region, west of the Rift Valley and in Ngorongoro crater. Brown soils cover large areas in the central part of the region and west of Arusha District. The south-eastern areas are characterised by grey-brown and red-brown soils. Soil erosion is particularly severe in the heavily settled central part of the region.

### **2.5.3 Topography**

With the exception of Arumeru, Monduli Juu and Oldeani plateaus, the region is not mountainous but it is in high altitudes ranging from 800 to 4,500 metres above sea level. The Great Rift Valley runs through the middle of the region



*A Photo showing Oldonyo Lengai Mountain*

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from north to south. Oldonyo Lengai (also known in the Maasai language as the **Mountain of God**) is an active volcano to the north of Ngorongoro Conservation Area. Altitudes throughout the region vary widely, but much of it ranges from 900 to 1,600 metres (3,000 to 5,200 ft.) in elevation. Mount Meru, the second-highest mountain in Tanzania after Mount Kilimanjaro, peaks at 4,655 metres (15,272 ft.).

Arusha Region has the highest number of craters and extinct volcanoes in Tanzania. Other geographical features include Monduli Mountains, Mt. Longido, and Olduvai Gorge.

### 2.5.4 Vegetation

Arusha Region's forest reserves are an important source of valuable timber, including cedar and podo. The culture of these species is relatively well known and it could be readily regenerated. The extensive upland reserves of Marang and Nou are suitable for the production of broad-leaved hardwoods and podo through regeneration in a natural forest, and Nou has areas potential for industrial plantation.



Biodiversity values of the forests are relatively low in terms of species richness, with most of the species being widespread in Africa. However, many reserves are important for wildlife, a resource that will increasingly generate foreign exchange revenues through tourism, especially in Arusha and Kilimanjaro regions, which are the centres of Tanzania's tourist industry.

Arusha Region has a distinctive vegetation based on topographic and geographic features as well as climatic conditions. These are woodlands, bushlands, wooded grasslands, bushed grasslands and open grasslands, all of which cover 80 percent of the region. The districts differ in their dominant vegetation as follows:

**Table 2.4: Dominant Vegetation in LGAs**

| Council  | Dominant Vegetation  |
|--|--|
| Karatu District Council                            | Bushed and wooded grasslands.  |
| Ngorongoro, Longido, and Monduli District Councils | Open grasslands, bushed and wooded grasslands.                             |
| Meru District Council                              | More than half is cultivated while the rest is bushed and open grasslands. |

**Source:** Arusha Regional Commissioner’s Office, Arusha, 2019

## 2.6 Agro-Ecological Zones

Arusha Region has three distinctive agro-economic zones (AEZ) based on varied relief features, soil types and climatic conditions:

### a) Highlands Zone

These are a continuation of the slopes of Mount Meru in Arumeru and Arusha districts with very high population density, and the Oldeani Mountain in Karatu District. This zone is known as the coffee and banana zone as it is characterised by coffee, bananas, flowers, and dairy farming. The zone has a high altitude ranging from 800 to 4,500 metres above sea level and has a temperate climate and heavy annual rainfall (over 1,000 mm) and occupies three districts and the largest part of the region. The terrain of the zone is characterised by high hills, steep slopes and valleys. The zone has the greatest agricultural potential because of its high soil fertility and reliable rains. Its soils are brown and volcanic in nature and are also deep and well-drained.



About sixty percent of the region’s population makes their living in this zone, resulting in a population density of around 200 people per square kilometre. The main food crops are bananas, round potatoes, maize, and beans. Coffee, flowers and temperate fruits are grown as cash crops. There is a high

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proportion of improved cattle under zero-grazing and a low concentration of indigenous cattle in this zone due to lack of adequate grazing land.

### **b) Rift Valley Highlands**

The Rift Valley Highlands Zone lies in the Rift Valley of Oldeani Plateaus and portions of the southern part of Monduli and Ngorongoro districts, especially Digodigo Ward, which is covered with sand-clay soils. The zone has hot temperatures ranging from 20°C to 30°C and is characterised by an annual rainfall of between 800 and 1,000 mm, all falling in one season. Agriculture in this zone involves the cultivation of paddy, maize, wheat, barley, and legumes, as well as dairy and traditional livestock. The population density in this zone is relatively low at about 20 persons per square kilometre.



### **c) Maasai Steppes**



This zone is characterised by long dry seasons, as the rain it receives is below 800 mm per annum. It covers most parts of Monduli, Longido, and Ngorongoro districts. Population density in these areas is as low as around 15 persons per square kilometre. Temperatures are high, varying from 25°C to 30°C.

Soils are brown with moderate fertility. Agriculture in this zone involves the cultivation of maize, beans, legumes, and the keeping of indigenous livestock. Overgrazing is common in some areas due to a high concentration of livestock. Wild animals are plenty in this zone and these intermingle with livestock. The worldwide famous Manyara National Park and the Ngorongoro Conservation Area (Olduvai George, Embakai Crater and Ngorongoro Crater) are in this zone.

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## 2.7 Regional Economy

The regional economy depends mainly on agriculture, livestock, natural resources, mining and the industrial development sectors. The Regional Gross Domestic Product (GDP) at current market prices has been increasing steadily from about TZS 2.97 trillion in 2012 to about TZS 6.00 trillion in 2018. The regional GDP per capita (at market prices) increased from TZS 1,754,637 in 2012 to TZS 3,034,353 in 2018 (Table 2.5).

*Table 2.5: Gross Domestic Product (GDP) and Per Capita Income for Arusha (2012-2018)*

| Year | Regional GDP (TZS, Million) | Per Capita Income (TZS) | Arusha's Share in National GDP |
|------|-----------------------------|-------------------------|--------------------------------|
| 2012 | 2,971,171                   | 1,754,637               | 4.77                           |
| 2013 | 3,462,446                   | 1,989,548               | 4.74                           |
| 2014 | 3,923,661                   | 2,192,685               | 4.75                           |
| 2015 | 4,435,305                   | 2,408,628               | 4.70                           |
| 2016 | 5,094,048                   | 2,693,043               | 4.70                           |
| 2017 | 5,570,252                   | 2,860,290               | 4.69                           |
| 2018 | 5,999,901                   | 3,034,353               | 4.64                           |

*Source: NBS (2019), Regional GDP*

## 2.8 Productive Sectors

The main productive sectors include agriculture, livestock, natural resources, mining, and the industrial development sector.

### 2.8.3 Agriculture

Nearly half of households in Arusha Region are engaged in agriculture (NBS, 2012). Peasant and large-scale farming were very common in the region, with the latter covering a land area of 74,236 hectares (NBS, 2012). The region is first in having large-scale farms growing coffee, maize, beans and flowers. By this year (2020) Arusha Region has 515,331.9 hectares of land suitable for growing crops, of which 64.9 percent is being utilised, leaving 35.1 percent used for other economic activities such as human settlements, livestock keeping, national parks, reserve areas etc. (Table 2.6).

**Table 2.6: Distribution of Total Arable Land by LGA in Arusha Region in year 2020**

| Council                     | Land Area (ha)   | Total Arable Land (ha) | Percent of Arable Land | Cultivated Arable Land (ha) | Percent of Arable Land Cultivated |
|-----------------------------|------------------|------------------------|------------------------|-----------------------------|-----------------------------------|
| Monduli District Council    | 641,900          | 105,547.5              | 16.4                   | 87,632.5                    | 83.0                              |
| Meru District Council       | 134,840          | 81,350.0               | 60.3                   | 67,931.0                    | 83.5                              |
| Arusha City Council         | 27,200           | -                      | -                      | -                           | -                                 |
| Karatu District Council     | 330,000          | 102,573.0              | 31.1                   | 73,453.2                    | 71.6                              |
| Arusha District Council     | 144,669          | 78,350.0               | 54.2                   | 36,802.0                    | 47.0                              |
| Ngorongoro District Council | 1,403,600        | 110,933.4              | 7.9                    | 39,348.0                    | 35.5                              |
| Longido District Council    | 778,200          | 36,578.0               | 4.7                    | 29,223.0                    | 79.9                              |
| <b>Total</b>                | <b>3,460,409</b> | <b>515,331.9</b>       | <b>14.9</b>            | <b>334,389.7</b>            | <b>64.9</b>                       |

*Source: Arusha Regional Commissioner's Office, 2020*

### i). Food Crops

The common food crops in the region include maize, paddy, beans, banana and sorghum. Despite its dominance, agriculture still uses traditional production techniques and relies heavily on rain-fed cropping methods. The use of traditional agricultural inputs implies that, among other things, agricultural productivity is still not optimal.



In 2017/18 - 2019/20, Karatu District was the largest producer of maize and paddy, while Ngorongoro District was the largest producer of sorghum and Arusha District was the largest producer of beans. Production can be increased from current levels by employing modern farming methods. There is room for private sector to invest in irrigation, smart farming and precision agriculture.

**Table 2.7: Production of Major Food Crops in Tonnes in Arusha Region**

| Crop    | Year           | Monduli District Council | Meru District Council | Arusha City Council | Karatu District Council | Arusha District Council | Ngorongoro District Council | Longido District Council | Total          |
|---------|----------------|--------------------------|-----------------------|---------------------|-------------------------|-------------------------|-----------------------------|--------------------------|----------------|
| Maize   | 2017/18        | 13,698                   | 70,841                | 7566                | 90,728.90               | 44,552                  | 18,565                      | 11,945                   | 257,896        |
|         | 2018/19        | 4,540                    | 34,605                | 7061                | 88,662.80               | 25,750                  | 16,667                      | 12,987.53                | 190,273        |
|         | 2019/20        | 21,145                   | 66,778                | 4281                | 53,197.68               | 58,479.50               | 43,874.96                   | 20,293.01                | 268,049        |
|         | <b>Total</b>   | <b>39,383</b>            | <b>172,224</b>        | <b>18,908</b>       | <b>232,589</b>          | <b>128,782</b>          | <b>79,107</b>               | <b>45,226</b>            | <b>716,218</b> |
|         | Annual Average | 13,128                   | 57,408                | 6,303               | 77,530                  | 42,927                  | 26,369                      | 15,075                   | 238,739        |
|         | <b>Percent</b> | <b>5.5</b>               | <b>24.0</b>           | <b>2.6</b>          | <b>32.5</b>             | <b>18.0</b>             | <b>11.0</b>                 | <b>6.3</b>               | <b>100.0</b>   |
| Paddy   | 2017/18        | 712                      | 5,000                 | -                   | 9,390.00                | 242                     | -                           | -                        | 15,344         |
|         | 2018/19        | 576                      | 4997                  | -                   | 3,746.30                | 242                     | -                           | -                        | 9,561          |
|         | 2019/20        | 432                      | 5,102                 | -                   | 3,500.00                | 242                     | -                           | -                        | 9,276          |
|         | <b>Total</b>   | <b>1,720</b>             | <b>15,099</b>         | <b>-</b>            | <b>16,636</b>           | <b>726</b>              | <b>-</b>                    | <b>-</b>                 | <b>34,181</b>  |
|         | Annual Average | 573                      | 5,033                 | -                   | 5,545                   | 242                     | -                           | -                        | 11,394         |
|         | <b>Percent</b> | <b>5.0</b>               | <b>44.2</b>           | <b>-</b>            | <b>48.7</b>             | <b>2.1</b>              | <b>-</b>                    | <b>-</b>                 | <b>100.0</b>   |
| Sorghum | 2017/18        | 5                        | -                     | -                   | 2,693.60                | 41                      | 2,709                       | -                        | 5,449          |
|         | 2018/19        | 5                        | -                     | -                   | 1,142.60                | 41                      | 973                         | -                        | 2,162          |
|         | 2019/20        | 0.5                      | -                     | -                   | 1,142.60                | 41                      | 2,360.95                    | -                        | 3,545          |
|         | <b>Total</b>   | <b>11</b>                | <b>-</b>              | <b>-</b>            | <b>4,979</b>            | <b>123</b>              | <b>6,043</b>                | <b>-</b>                 | <b>11,155</b>  |
|         | Annual Average | 4                        | -                     | -                   | 1,660                   | 41                      | 2,014                       | -                        | 3,718          |
|         | <b>Percent</b> | <b>0.1</b>               | <b>-</b>              | <b>-</b>            | <b>44.6</b>             | <b>1.1</b>              | <b>54.2</b>                 | <b>-</b>                 | <b>100.0</b>   |
| Beans   | 2017/18        | 2,731                    | 8,000                 | 1707                | 16,391.90               | 11,255                  | 7,850                       | 668                      | 48,603         |
|         | 2018/19        | 5,891                    | 8,102                 | 853                 | 13,700.90               | 11,544                  | 2728                        | 838.23                   | 43,657         |
|         | 2019/20        | 7,577                    | 3,695                 | 407.4               | 6,850.45                | 18,159                  | 6,998.51                    | 1213                     | 44,900         |
|         | <b>Total</b>   | <b>16,199</b>            | <b>19,797</b>         | <b>2,967</b>        | <b>36,943</b>           | <b>40,958</b>           | <b>17,577</b>               | <b>2,719</b>             | <b>137,160</b> |
|         | Annual Average | 5,400                    | 6,599                 | 989                 | 12,314                  | 13,653                  | 5,859                       | 906                      | 45,720         |
|         | <b>Percent</b> | <b>11.8</b>              | <b>14.4</b>           | <b>2.2</b>          | <b>26.9</b>             | <b>29.9</b>             | <b>12.8</b>                 | <b>2.0</b>               | <b>100.0</b>   |

**Source:** Arusha Region, Compiled Data from Councils (Agriculture Departments), 2020

## ii). Cash Crops

Production of cash crops in Arusha Region fluctuated over the 2017 – 2019 period as indicated in Table 2.8.

The region managed to harvest an average of 122,141.3 tonnes of cash crops per year over the 2017 – 2019 period. In terms of tonnage, onion was the major cash crop, accounting for 86 percent of annual production of all major cash crops produced in the region.

*Table 2.8: Production of Major Cash crops (tonne) by Council, Arusha Region*

| Crop   | Year           | Monduli District Council | Meru District Council | Karatu District Council | Arusha District Council | Longido District Council | Total           |
|--------|----------------|--------------------------|-----------------------|-------------------------|-------------------------|--------------------------|-----------------|
| Coffee | 2017           | 26                       | 864                   | 1,604.80                | 51.4                    | -                        | 2,546.2         |
|        | 2018           | 25.6                     | 735                   | 1,641.50                | 77.4                    | -                        | 2,479.5         |
|        | 2019           | 26                       | 735                   | 1,560.00                | 77.4                    | -                        | 2,398.4         |
|        | <b>Total</b>   | <b>78</b>                | <b>2,334</b>          | <b>4,806</b>            | <b>206</b>              | <b>-</b>                 | <b>7,424.1</b>  |
|        | Annual Average | 26                       | 778                   | 1,602                   | 69                      | -                        | 2,474.7         |
|        | <b>Percent</b> | <b>1.0</b>               | <b>31.4</b>           | <b>64.7</b>             | <b>2.8</b>              | <b>-</b>                 | <b>100.0</b>    |
| Wheat  | 2017           | 2,238                    | -                     | 1,899.80                | 2,250                   | 2309.07                  | 8,696.9         |
|        | 2018           | 1,836                    | -                     | 1,435.30                | 2,350                   | 2709.82                  | 8,331.1         |
|        | 2019           | 1,379                    | -                     | 1202.75                 | 3,350                   | -                        | 5,931.8         |
|        | <b>Total</b>   | <b>5,453</b>             | <b>-</b>              | <b>4,538</b>            | <b>7,950</b>            | <b>5,019</b>             | <b>22,959.7</b> |
|        | Annual Average | 1,818                    | -                     | 1,513                   | 2,650                   | 2,509                    | 8,489.7         |
|        | <b>Percent</b> | <b>21.4</b>              | <b>-</b>              | <b>17.8</b>             | <b>31.2</b>             | <b>29.6</b>              | <b>100.0</b>    |
| Barley | 2017           | 3,356                    | -                     | 2,614.60                | 104                     | -                        | 6,074.6         |
|        | 2018           | 2,112                    | -                     | 2,853                   | 104                     | -                        | 5,069.0         |
|        | 2019           | 2,413                    | -                     | 2,853                   | 115                     | -                        | 5,381.0         |
|        | <b>Total</b>   | <b>7,881</b>             | <b>-</b>              | <b>8,321</b>            | <b>323</b>              | <b>-</b>                 | <b>16,524.6</b> |
|        | Annual Average | 2,627                    | -                     | 2,774                   | 108                     | -                        | 5,508.2         |
|        | <b>Percent</b> | <b>47.7</b>              | <b>-</b>              | <b>50.4</b>             | <b>2.0</b>              | <b>-</b>                 | <b>100.0</b>    |

| Crop        | Year           | Monduli District Council | Meru District Council | Karatu District Council | Arusha District Council | Longido District Council | Total            |
|-------------|----------------|--------------------------|-----------------------|-------------------------|-------------------------|--------------------------|------------------|
| Onions      | 2017           | 10.5                     | 576                   | 117,519.6               | 1600                    | -                        | 119,706.1        |
|             | 2018           | 6.7                      | 557                   | 113,281.2               | 1100                    | -                        | 114,944.9        |
|             | 2019           | 12                       | 1020                  | 79,296.84               | 2000                    | -                        | 82,328.8         |
|             | <b>Total</b>   | <b>29</b>                | <b>2,153.00</b>       | <b>310,098</b>          | <b>4,700</b>            | <b>-</b>                 | <b>316,979.8</b> |
|             | Annual Average | 10                       | 717.67                | 103,366                 | 1,567                   | -                        | 105,659.9        |
|             | <b>Percent</b> | <b>0.01</b>              | <b>0.7</b>            | <b>97.8</b>             | <b>1.5</b>              | <b>-</b>                 | <b>100.0</b>     |
| Cut flowers | 2017           | -                        | -                     | -                       | 8.6                     | -                        | 8.6              |
|             | 2018           | -                        | -                     | -                       | 8.9                     | -                        | 8.9              |
|             | 2019           | -                        | -                     | -                       | 8.8                     | -                        | 8.8              |
|             | <b>Total</b>   | <b>-</b>                 | <b>-</b>              | <b>-</b>                | <b>26</b>               | <b>-</b>                 | <b>26.3</b>      |
|             | Annual Average | -                        | -                     | -                       | 8.8                     | -                        | 8.8              |
|             | <b>Percent</b> | <b>-</b>                 | <b>-</b>              | <b>-</b>                | <b>100.0</b>            | <b>-</b>                 | <b>100.0</b>     |

**Source:** Arusha Region, Compiled Data from Councils (Agriculture Departments), 2020

### iii). Irrigation Potential

Arusha Region has a total of 49,233 hectares suitable for irrigation. The area that is currently under irrigation is only 27,211 hectares, which is equivalent to 55.3 percent. Crops under irrigation include paddy, maize and horticulture produce, mainly tomatoes, onions, cabbages, egg plants, water melon, capsicum etc.



There is potential for expansion of irrigation and interested parties are encouraged to invest in irrigation, given that about 44.7 percent of the area that is potential for irrigation has no irrigation infrastructure. Investment in irrigation will address famine and also mitigate challenges related to climatic change, improve agriculture incomes and alleviate poverty.

**Table 2.9: Potential Area for Irrigation, Level of Utilisation and Number of Irrigation Schemes in Arusha Region in 2019**

| LGA                         | Land Area (ha)   | Potential Area for Irrigation (ha) | Area under Irrigation (ha) | Number of Irrigation Schemes | Areas with Irrigation Schemes   |
|-----------------------------|------------------|------------------------------------|----------------------------|------------------------------|---|
| Monduli District Council    | 641,900          | 11,050                             | 3,234                      | 18                           | Mto wa Mbu, Selela, Mahande, Mikungani, Kabambe and Engaruka  |
| Arusha District Council     | 144,669.2        | 5,294                              | 3,397                      | 37                           | Marurani, Nduruma, Mlangarini, Timbolo, Ilkiding'a, Kimnyak, Olturoto, Bwawani, and Sambasha.   |
| Meru District Council       | 134,840          | 18,745                             | 13,104                     | 38                           | Makiba, Kikwe, Mbuguni, Shambarai Burka, Maroroni, Nkoandua, Ambureni, Akheri, Seela Sing'si, Poli, Nkoanekoli, Usa River, Imbaseni, Maji ya Chai, Ngarenanyuki, Ngabobo na Uwiro |
| Arusha City Council         | 27,200           | 1,168                              | 120                        | 27                           | Baraa, Oloirien, Sinon, Sokon I, Lemara and Sombetini   |
| Karatu District Council     | 330,000          | 7,786                              | 5,135                      | 10                           | Lake Eyasi/Mang'ola, Chem chem, Mbuganyekundu and Endashangwet  |
| Ngorongoro District Council | 1,403,600        | 3,440                              | 1,381                      | 12                           | Digodigo, Pinyinyi, Sale, Samunge, Kisangiro, Oldonyosambu, Yasimdito Naan, Arash (Ngariapus), Ngarasero (Monic), Malambo (Ngaboro) and Tinaga                                    |
| Longido District Council    | 778,200          | 1,750                              | 840                        | 2                            | Tingatinga and Ngereyani  |
| <b>Total</b>                | <b>3,460,409</b> | <b>49,233</b>                      | <b>27,211</b>              | <b>144</b>                   |   |

**Source:** Arusha Regional Commissioner's Office, 2020

## 2.8.4 Livestock

The livestock sector, including poultry, plays a significant role in the economy of households in Arusha Region. Livestock keeping is the second most important economic activity after agriculture in the region and involves rearing of animals, including cattle, goats and sheep, and chickens.

## a) Livestock Population

In 2019, the region had a total of 1,857,862 cattle; 2,043,201 goats; 1,848,028 sheep; 23,726 pigs; and 2,069,604 chickens. Livestock provides income and contributes to nutrition. In some cases, cattle have been used to work in cultivation. Given this good number of livestock, there is an opportunity to invest in dairy, meat and leather processing industries.

**Table 2.10: Livestock Population and Marketed Livestock in Arusha Region in 2019**

| LGA                         | Cattle           |               | Goats            |                | Sheep            |               | Pigs          |              | Chickens         |                |
|-----------------------------|------------------|---------------|------------------|----------------|------------------|---------------|---------------|--------------|------------------|----------------|
|                             | Population       | Marketed      | Population       | Marketed       | Population       | Marketed      | Population    | Marketed     | Population       | Marketed       |
| Arusha District Council     | 101,105          | 11,416        | 90,671           | 5,308          | 64,248           | 3,938         | 27,699        | 1,141        | 368,226          | 182,624        |
| Arusha City Council         | 31,173           | -             | 31,374           | -              | 15,561           | -             | 4,970         | -            | 476,000          | -              |
| Meru District Council       | 235,224          | 9,788         | 177,864          | 13,576         | 126,990          | 6,932         | 3,220         | 216          | 493,861          | 260,000        |
| Karatu District Council     | 271,885          | 8914          | 256,008          | 24677          | 84,221           | 8226          | 11,922        | 1825         | 183,256          | 31179          |
| Monduli District Council    | 234,876          | -             | 186,266          | -              | 162,188          | -             | 1,534         | -            | 265,218          | -              |
| Longido District Council    | 216,848          | 6,288         | 399,754          | 65,132         | 301,211          | 24,864        | 153           | -            | 15,666           | -              |
| Ngorongoro District Council | 659,156          | 27,818        | 791,270          | 45,445         | 856,646          | 49,756        | 844           | 283          | 273,958          | 14,965         |
| <b>Regional Total</b>       | <b>1,857,862</b> | <b>64,224</b> | <b>2,043,201</b> | <b>154,138</b> | <b>1,848,028</b> | <b>93,716</b> | <b>23,726</b> | <b>3,465</b> | <b>2,069,604</b> | <b>488,768</b> |

**Note:** Marketed livestock for Ngorongoro District Council represents estimates. There were no formal market records from Monduli District Council and Arusha City Council

**Source:** Arusha Regional Commissioner's Office, 2020

## b) Facilities for Livestock Development

To a large extent, delivery of livestock health services depends on facilities such as veterinary health centres, dips, and water sources. By the end of 2019, Arusha Region as a whole had 57 veterinary health centres, 163 dips, 187 crushes, 9 hides/skin sheds, 2 abattoirs, 50 livestock primary markets, 2 livestock secondary markets, 2 livestock border markets, 142 slaughter slabs, 128 dams and 21 slaughterhouses.

**Table 2.11: Distribution of Livestock Infrastructure by Council; Arusha Region, 2019**

| LGA                         | Dips       | Veterinary Centres | Crushes    | Hides/skin sheds | Abattoirs | Slaughter slabs | Slaughterhouses | Livestock Markets |           |          | Water Sources for Livestock |           |          |
|-----------------------------|------------|--------------------|------------|------------------|-----------|-----------------|-----------------|-------------------|-----------|----------|-----------------------------|-----------|----------|
|                             |            |                    |            |                  |           |                 |                 | Primary           | Secondary | Border   | Dams                        | Rivers    | Lakes    |
| Monduli District Council    | 34         | 22                 | 9          | 0                | 1         | 8               | 0               | 10                | 1         | 0        | 61                          | 0         | 1        |
| Meru District Council       | 20         | 17                 | 3          | 4                | 0         | 89              | 4               | 3                 | 0         | 0        | 1                           | 16        | 1        |
| Arusha City Council         |            |                    |            |                  |           |                 |                 |                   |           |          |                             |           |          |
| Karatu District Council     | 30         | 0                  | 9          | 1                | 0         | 1               | 6               | 5                 | 0         | 0        | 6                           | 1         | 1        |
| Arusha District Council     | 19         | 7                  | 4          | 2                | 0         | 20              | 7               | 4                 | 1         | 0        | 20                          | 0         | 0        |
| Ngorongoro District Council | 36         | 10                 | 66         | 1                |           | 13              | 2               | 16                |           | 1        | 28                          | 2         |          |
| Longido District Council    | 24         | 1                  | 96         | 1                | 1         | 11              | 2               | 12                | 0         | 1        | 12                          | 0         | 0        |
| <b>Total</b>                | <b>163</b> | <b>57</b>          | <b>187</b> | <b>9</b>         | <b>2</b>  | <b>142</b>      | <b>21</b>       | <b>50</b>         | <b>2</b>  | <b>2</b> | <b>128</b>                  | <b>19</b> | <b>3</b> |

**Note:** There were no official records from Arusha City Council

**Source:** Arusha Region, Compiled Data from Councils 2020

## c) Grazing Land Area

Arusha Region has a total of 3,460,409 hectares, of which 48.2 percent (1,666,873.40 ha) is suitable for grazing. About 99.5 percent of the area suitable for grazing is actually used for that purpose, which is an indicator of overgrazing as the number of livestock is likely to increase.

To alleviate the problem of overgrazing, modern practices of livestock keeping, which include zero grazing (the region had about 192,220 cattle under zero grazing in 2020) and dual farming are recommended. Livestock keepers are being advised to reduce large numbers of livestock by selling them and, in so doing, raising resources to engage in other economic activities.

**Table 2.12: Estimated Area under Grazing by Council, Arusha Region, 2020**

| LGA                         | Land Area (ha)   | Land Suitable for Grazing (ha) | Land used for Grazing (ha) | Number Cattle under Zero Grazing |
|-----------------------------|------------------|--------------------------------|----------------------------|----------------------------------|
| Monduli District Council    | 641,900          | 398,385.5                      | 398,385.5                  | 500                              |
| Meru District Council       | 134,840          | 3,520                          | 3,520                      | 83,346                           |
| Arusha City Council         | 27,200           | n/a                            | n/a                        | -                                |
| Karatu District Council     | 330,000          | 155,808                        | 148,018                    | 81,566                           |
| Arusha District Council     | 144,669.20       | 50,024.90                      | 50,024.90                  | 26,565                           |
| Ngorongoro District Council | 1,403,600        | 419,900                        | 419,900                    | 243                              |
| Longido District Council    | 778,200          | 639,235                        | 639,235                    | 0                                |
| <b>Total</b>                | <b>3,460,409</b> | <b>1,666,873.40</b>            | <b>1,659,083.40</b>        | <b>192,220</b>                   |

**Source:** Arusha Region, Compiled data from LGAs Offices, 2020

#### d) Marketing for Livestock and their Products

With economic growth, consumption patterns tend to change towards high value and high protein foods, such as those derived from livestock. This implies that, given the economic growth in Tanzania, the market demand for livestock and livestock products is likely to continue in the future.

**Table 2.13: Marketing of Livestock Hides and Skins in Arusha Region for 2017 - 2019**

| LGA                      | Category     | Total Number of Hides and Skins Marketed |               |               | Total Value in TZS |                   |                   |
|--------------------------|--------------|--|---------------|---------------|--------------------|-------------------|-------------------|
|                          |              | 2017                                     | 2018          | 2019          | 2017               | 2018              | 2019              |
| Monduli District Council | Cattle Hides | 4,996                                    | 6,004         | 5,949         | 9,992,000          | 9,006,000         | 5,949,000         |
|                          | Goat Skins   | 3,096                                    | 5,370         | 5,295         | 3,096,000          | 5,370,000         | 2,647,500         |
|                          | Sheep Skins  | 4,078                                    | 5,143         | 4,909         | 4,078,000          | 5,143,000         | 2,454,500         |
|                          | <b>Total</b> | <b>12,170</b>                            | <b>16,517</b> | <b>16,153</b> | <b>17,166,000</b>  | <b>19,519,000</b> | <b>11,051,000</b> |
| Meru District Council    | Cattle Hides | 1,398                                    | 934           | 1,500         | 699,000            | 467,000           | 750,000           |
|                          | Goat Skins   | -  | -             | -             | -                  | -                 | -                 |
|                          | Sheep Skins  | -  | -             | -             | -                  | -                 | -                 |
|                          | <b>Total</b> | <b>1,398</b>                             | <b>934</b>    | <b>1,500</b>  | <b>699,000</b>     | <b>467,000</b>    | <b>750,000</b>    |
| Arusha City Council      | Cattle Hides | -  | -             | -             | -                  | -                 | -                 |
|                          | Goat Skins   | -  | -             | -             | -                  | -                 | -                 |
|                          | Sheep Skins  | -  | -             | -             | -                  | -                 | -                 |
|                          | <b>Total</b> | <b>-</b>                                 | <b>-</b>      | <b>-</b>      | <b>-</b>           | <b>-</b>          | <b>-</b>          |

| LGA                         | Category     | Total Number of Hides and Skins Marketed |               |               | Total Value in TZS |                   |                    |
|-----------------------------|--------------|--|---------------|---------------|--------------------|-------------------|--------------------|
|                             |              | 2017                                     | 2018          | 2019          | 2017               | 2018              | 2019               |
| Karatu District Council     | Cattle Hides | 10,402                                   | 10,950        | 11,987        | 5,201,000          | 10,950,000        | 35,961,000         |
|                             | Goat Skins   | 2,920                                    | 3,650         | 3,567         | 1,460,000          | 3,650,000         | 10,701,000         |
|                             | Sheep Skins  | 8,760                                    | 10,950        | 11,217        | 4,380,000          | 10,950,000        | 33,651,000         |
|                             | <b>Total</b> | <b>22,082</b>                            | <b>25,550</b> | <b>26,771</b> | <b>11,041,000</b>  | <b>25,550,000</b> | <b>80,313,000</b>  |
| Arusha District Council     | Cattle Hides | 11,672                                   | 25,172        | 25,305        | 2,334,400          | 5,034,400         | 8,856,750          |
|                             | Goat Skins   | 11,595                                   | 4,359         | 6,163         | 1,159,500          | 4,375,100         | 1,540,750          |
|                             | Sheep Skins  | 43,751                                   | 15,158        | 9,870         | 435,900            | 15,158,700        | 2,467,500          |
|                             | <b>Total</b> | <b>67,018</b>                            | <b>44,689</b> | <b>41,338</b> | <b>3,929,800</b>   | <b>24,568,200</b> | <b>12,865,000</b>  |
| Ngorongoro District Council | Cattle Hides | 622                                      | 854           | 916           | 3,110,000          | 4,270,000         | 4,580,000          |
|                             | Goat Skins   | 1,089                                    | 1,377         | 1,401         | 1,633,500          | 2,065,500         | 2,101,500          |
|                             | Sheep Skins  | 814                                      | 925           | 958           | 1,221,000          | 1,387,500         | 1,437,000          |
|                             | <b>Total</b> | <b>2,525</b>                             | <b>3,156</b>  | <b>3,275</b>  | <b>5,964,500</b>   | <b>7,723,000</b>  | <b>8,118,500</b>   |
| Longido District Council    | Cattle Hides | 1,980                                    | 2,174         | 2,230         | 1,980,000          | 2,174,000         | 2,230,000          |
|                             | Goat Skins   | -  | -             | -             | -                  | -                 | -                  |
|                             | Sheep Skins  | -  | -             | -             | -                  | -                 | -                  |
|                             | <b>Total</b> | <b>1,980</b>                             | <b>2,174</b>  | <b>2,230</b>  | <b>1,980,000</b>   | <b>2,174,000</b>  | <b>2,230,000</b>   |
| Regional Total              | Cattle Hides | 31,070                                   | 46,088        | 47,887        | 23,316,400         | 31,901,400        | 58,326,750         |
|                             | Goat Skins   | 18,700                                   | 14,756        | 16,426        | 7,349,000          | 15,460,600        | 16,990,750         |
|                             | Sheep Skins  | 57,403                                   | 32,176        | 26,954        | 10,114,900         | 32,639,200        | 40,010,000         |
|                             | <b>Total</b> | <b>107,173</b>                           | <b>93,020</b> | <b>91,267</b> | <b>40,780,300</b>  | <b>80,001,200</b> | <b>115,327,500</b> |

**Source:** Compiled Data from LGAs Offices, Arusha Region, 2020

It is estimated that in 2019 about 804,311 livestock were sold: cattle (64,224); goats (154,138); chickens (488,768); pigs (3,465); and sheep (93,716). About 91,267 hides and skins were marked in 2019 (cattle hide 47,887; goat skins 16,426; and sheep skins 26,954). Milk production per day was about 691,520.8 litres in 2019.

**Table 2.14: Production of Milk in Arusha Region for 2017 - 2019**

| LGA                         | Milk from         | Number of Litres   |                    |                    | Total Value in TZS     |                        |                        |
|-----------------------------|-------------------|--------------------|--------------------|--------------------|------------------------|------------------------|------------------------|
|                             |                   | 2017               | 2018               | 2019               | 2017                   | 2018                   | 2019                   |
| Monduli District Council    | Indigenous Cattle | 109,142            | 216,731            | 269,892            | 109,142,000            | 260,077,200            | 323,870,400            |
|                             | Dairy Cattle      | 101,540            | 105,991            | 386,199            | 101,540,000            | 127,189,200            | 463,438,800            |
|                             | Goats             | -                  | -                  | -                  | -                      | -                      | -                      |
|                             | <b>Total</b>      | <b>210,682</b>     | <b>322,722</b>     | <b>656,091</b>     | <b>210,682,000</b>     | <b>387,266,400</b>     | <b>787,309,200</b>     |
| Meru District Council       | Indigenous Cattle | 1,120,000          | 1,150,000          | 1,200,000          | 952,000,000            | 977,500,000            | 1,020,000,000          |
|                             | Dairy Cattle      | 10,080,000         | 10,350,000         | 10,800,000         | 8,568,000,000          | 8,797,500,000          | 9,180,000,000          |
|                             | Goats             | 18,700             | 18,740             | 19,000             | 25,245,000             | 25,299,000             | 25,650,000             |
|                             | <b>Total</b>      | <b>11,218,700</b>  | <b>11,518,740</b>  | <b>12,019,000</b>  | <b>9,545,245,000</b>   | <b>9,800,299,000</b>   | <b>10,225,650,000</b>  |
| Arusha City Council         | Indigenous Cattle | -                  | -                  | -                  | -                      | -                      | -                      |
|                             | Dairy Cattle      | -                  | -                  | -                  | -                      | -                      | -                      |
|                             | Goats             | -                  | -                  | -                  | -                      | -                      | -                      |
|                             | <b>Total</b>      | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>               | <b>-</b>               | <b>-</b>               |
| Karatu District Council     | Indigenous Cattle | 89,685,457         | 91,757,282         | 98,912,275         | 134,528,185,500        | 137,635,923,000        | 148,368,412,500        |
|                             | Dairy Cattle      | 119,793,924        | 127,027,482        | 130,654,217        | 179,690,886,000        | 190,541,223,000        | 195,981,325,500        |
|                             | Goats             | 3,678,808          | 3,779,585          | 4,411,165          | 5,518,212,000          | 5,669,377,500          | 6,616,747,500          |
|                             | <b>Total</b>      | <b>213,158,189</b> | <b>222,564,349</b> | <b>233,977,657</b> | <b>319,737,283,500</b> | <b>333,846,523,500</b> | <b>350,966,485,500</b> |
| Arusha District Council     | Indigenous Cattle | 1,012,645          | 37,284             | 40,522             | 1,012,645,000          | 37,284,000             | 40,522,000             |
|                             | Dairy Cattle      | 6,468,238          | 7,882,284          | 5,322,576          | 6,468,238,000          | 7,882,284,000          | 5,322,576,000          |
|                             | Goats             | 1,012,645          | 37,284             | 40,522             | 1,012,645,000          | 37,284,000             | 40,522,000             |
|                             | <b>Total</b>      | <b>8,493,528</b>   | <b>7,956,852</b>   | <b>5,403,620</b>   | <b>8,493,528,000</b>   | <b>7,956,852,000</b>   | <b>5,403,620,000</b>   |
| Ngorongoro District Council | Indigenous Cattle | 102,716            | 122,716            | 125,085            | 102,716,000            | 122,716,000            | 125,085,000            |
|                             | Dairy Cattle      | 166,860            | 179,820            | 197,640            | 166,860,000            | 179,820,000            | 197,640,000            |
|                             | Goats             | -                  | -                  | -                  | -                      | -                      | -                      |
|                             | <b>Total</b>      | <b>269,576</b>     | <b>302,536</b>     | <b>322,725</b>     | <b>269,576,000</b>     | <b>302,536,000</b>     | <b>322,725,000</b>     |
| Longido District Council    | Indigenous Cattle | 16,306             | 16,038             | 18,793             | 1,500,000              | 1,800,000              | 2,000,000              |
|                             | Dairy Cattle      | -                  | -                  | -                  | -                      | -                      | -                      |
|                             | Goats             | 4,231              | 6,248              | 7,204              | 1,500,000              | 1,800,000              | 2,000,000              |
|                             | <b>Total</b>      | <b>20,537</b>      | <b>22,286</b>      | <b>25,997</b>      | <b>3,000,000</b>       | <b>3,600,000</b>       | <b>4,000,000</b>       |
| Regional Total              | Indigenous Cattle | 92,046,266         | 93,300,051         | 100,566,567        | 136,706,188,500        | 139,035,300,200        | 149,879,889,900        |
|                             | Dairy Cattle      | 136,610,562        | 145,545,577        | 147,360,632        | 194,995,524,000        | 207,528,016,200        | 211,144,980,300        |
|                             | Goats             | 4,714,384          | 3,841,857          | 4,477,891          | 6,557,602,000          | 5,733,760,500          | 6,684,919,500          |
|                             | <b>Total</b>      | <b>233,371,212</b> | <b>242,687,485</b> | <b>252,405,090</b> | <b>338,259,314,500</b> | <b>352,297,076,900</b> | <b>367,709,789,700</b> |

**Source:** Compiled Data from LGAs Offices, Arusha Region, 2020

## 2.8.5 Natural Resources

The natural resources sector is comprised of various sub-sectors, including forestry, beekeeping, fishery and tourism (wildlife and other attractions). The sector plays an important role in promoting climate stability, conserving water sources and soil fertility, controlling land erosion, and providing a source of wood fuel, and industrial materials. Furthermore, the natural resource sector

contributes substantially to income generation of households who employed themselves in various sub-sectors within the natural resources sector, as detailed below.

### 2.8.5.1 Forestry

Arusha Region used to have a wide range of large forest cover. Due to an increase in human economic activities caused by population growth, forests depleted at a high rate as a result of demand for firewood, timber, human settlements and expansion of agriculture. As Table 2.15 shows, Arusha Region has a total forest area of 77,316 hectares, which is 2.2 percent of the region's total land area of 3,460,409 hectares. Ngorongoro District has the largest forest cover of 46,750.9 hectares followed by Monduli District (18,538 ha) and Longido District (10,794 ha). Due to its urban nature Arusha City has no forest reserves.

**Table 2.15: Forest Reserves by District:Council, Arusha Region**

| Council                     | Total Land Area (ha) | Number of Forest Reserves | Size in Hectares (ha) | Percent of Forest Reserves Area to Total Land Area |
|-----------------------------|----------------------|---------------------------|-----------------------|--|
| Arusha District Council     | 144,669.20           | 3                         | 152                   | 0.1  |
| Arusha City Council         | 27,200               | 0                         | 0                     | 0.0  |
| Meru District Council       | 134,840              | 7                         | 175.5                 | 0.1  |
| Karatu District Council     | 330,000              | 8                         | 906                   | 0.3  |
| Monduli District Council    | 641,900              | 6                         | 18,538                | 2.9  |
| Longido District Council    | 778,200              | 3                         | 10,794                | 1.4  |
| Ngorongoro District Council | 1,403,600            | 5                         | 46,750.9              | 3.3  |
| <b>Regional Total</b>       | <b>3,460,409</b>     | <b>32</b>                 | <b>77,316</b>         | <b>2.2</b>   |

**Note:** Forest reserve in Karatu District Council is owned by villages

**Source:** Arusha Region, Compiled Data from Councils (Natural Resources), 2020

### 2.8.5.2 Beekeeping

The forest cover available in some parts of the region has a great potential for beekeeping, though the sub-sector is still underdeveloped due to lack of know-how and modern technology. There was a dominance of traditional beehives over modern beehives in Arusha Region in 2017 – 2019 due mainly

to low cost of making traditional beehives compared to modern ones. In this regard, supporting beekeepers by introducing micro-credit schemes would have a big impact on shifting dependence from traditional beehives to modern beehives. Modern beehives increase honey production which is necessary for income gains. In addition, Table 2.16 shows that Ngorongoro, Meru and Arusha districts are leading in beekeeping.

**Table 2.16: Number of Traditional and Modern Beehives in Arusha Region**

| LGA                         | Traditional   |               |               | Modern       |              |               |
|-----------------------------|---------------|---------------|---------------|--------------|--------------|---------------|
|                             | 2017          | 2018          | 2019          | 2017         | 2018         | 2019          |
| Arusha District Council     | 1,311         | 1,367         | 1,372         | 2,861        | 2,877        | 2,978         |
| Arusha City Council         | -             | -             | -             | -            | -            | -             |
| Meru District Council       | 4,193         | 4,552         | 4,530         | 1,717        | 3,582        | 5,552         |
| Karatu District Council     | 600           | 860           | 858           | 256          | 316          | 406           |
| Monduli District Council    | -             | -             | 964           | 626          | 301          | 499           |
| Longido District Council    | -             | -             | -             | -            | -            | -             |
| Ngorongoro District Council | 10,200        | 10,600        | 12,300        | 1,000        | 1,400        | 2,600         |
| <b>Regional Total</b>       | <b>16,304</b> | <b>17,379</b> | <b>20,024</b> | <b>6,460</b> | <b>8,476</b> | <b>12,035</b> |

*Source: Arusha Regional Commissioner's Office, 2020*

Arusha Region produces about 150,793 litres of honey and 15.7 tonnes of bee wax per year. There is also huge potential for increasing production, which provides an opportunity to establish processing industries.

**Table 2.17: Beekeeping Products Harvested by Council; Arusha Region, 2017 - 2019**

| LGA                     | 2017           |                  | 2018           |                  | 2019           |                  | Average Annual Production |                  |
|-------------------------|----------------|------------------|----------------|------------------|----------------|------------------|---------------------------|------------------|
|                         | Honey (Litres) | Bee wax (Tonnes) | Honey (Litres) | Bee wax (Tonnes) | Honey (Litres) | Bee wax (Tonnes) | Honey (Litres)            | Bee wax (Tonnes) |
| Arusha District Council | 15,138         | 8.3              | 15,466         | 8.5              | 19,006         | 8.7              | 17                        | 8.5              |
| Arusha City Council     | -              | -                | -              | -                | -              | -                | -                         | -                |
| Meru District Council   | 3,222          | -                | 3,585          | -                | 5,000          | -                | 3,935                     | -                |

|                             |                |           |                |             |                |             |                |             |
|-----------------------------|----------------|-----------|----------------|-------------|----------------|-------------|----------------|-------------|
| Karatu District Council     | 2,480          |           | 3,300          |             | 3,746          |             | 3,175          |             |
| Monduli District Council    | -              | -         | -              | -           | 1,263          | -           | -              | -           |
| Longido District Council    | -              | -         | -              | -           | -              | -           | -              | -           |
| Ngorongoro District Council | 122,000        | 6.1       | 134,000        | 6.7         | 175,000        | 8.8         | 143,667        | 7.2         |
| <b>Regional Total</b>       | <b>142,840</b> | <b>14</b> | <b>156,351</b> | <b>15.2</b> | <b>204,015</b> | <b>17.5</b> | <b>150,793</b> | <b>15.7</b> |

*Source: Arusha Regional Commissioner's Office, 2020*

### 2.8.5.3 Fisheries

Arusha Region is not well endowed with water bodies in which fishing activities can be carried out. Through man-made and natural fishing ponds the region is able to practise small-scale fishing activities as indicated in Table 2.18. The largest number of ponds in 2019 was in Meru District.

*Table 2.18: Selected Fishery Statistics in Arusha Region*

| Council                     | Number of Fishing Ponds in 2019 | Number Fishers in 2019 | Registered Fishing Vessels in 2019 | Fish Production in 2019 in Tonnes | Average Annual Fish Production in Tonnes (2017 - 2019) |
|-----------------------------|---------------------------------|------------------------|------------------------------------|-----------------------------------|--|
| Arusha District Council     | 75                              | 51                     | -                                  | 1                                 | 1  |
| Arusha City Council         | 90                              | 86                     | -                                  | 32                                |  |
| Meru District Council       | 535                             | 271                    | -                                  | 11                                | 11   |
| Karatu District Council     | 5                               | 600                    | 54                                 | 500                               | 250  |
| Monduli District Council    | -                               | -                      | -                                  | -                                 | -  |
| Longido District Council    | -                               | -                      | -                                  | -                                 | -  |
| Ngorongoro District Council | 4                               | 4                      | -                                  | -                                 | -  |
| <b>Regional Total</b>       | <b>709</b>                      | <b>1,012</b>           | <b>54</b>                          | <b>543.6</b>                      | <b>261.1</b>   |

*Source: Arusha Regional Commissioner's Office, 2020*

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### 2.8.5.4 Tourism

On the tourism industry, there are several identified tourist attractions in the region, most of which are well established and promoted; these include:

#### a) **Wildlife**

Wildlife is a valuable resource in Tanzania, as it is the country's major tourist attraction and a major source of foreign exchange earnings. Tourism is an important industry in Tanzania, particularly in the northern circuit of which



*A photo showing wildebeest migration*

Arusha Region is the centre-point. The role of tourism in the economy includes job creation and foreign currency generation, which is an important source of revenue for the Government.

The following are categories of the wildlife management system in Tanzania as well as in Arusha Region:

#### *i). National parks*

These are protected areas where there are no human settlements. Activities permitted in national parks include viewing and photographic safaris, as well as research and training activities. According to Table 2.18 in Arusha Region, there are Arusha National Park (Momella), part of Serengeti National Park, Ngorongoro Conservation Area with its major attraction of Ngorongoro Crater, and Lake Manyara National Park.

The Ngorongoro Conservation Area spans vast expanses of highland plains, savanna, savanna woodlands and forests. Established in 1959 as a multiple land use area, with wildlife coexisting with semi-nomadic Maasai pastoralists practising livestock grazing, it includes the spectacular Ngorongoro Crater, the world's largest caldera. The property has global importance for biodiversity conservation due to the presence of globally threatened species, the density

of wildlife inhabiting the area, and the annual migration of wildebeest, zebra, gazelles and other animals into the northern plains. Extensive archaeological research has also yielded a long sequence of evidence of human evolution and human-environment dynamics, including early hominid footprints dating back 3.6 million years.

*ii). Game reserves*

In these, human settlements are prohibited. However, game cropping, tourist hunting, photographic safaris and training activities are undertaken.

*iii). Game and controlled areas*

In these areas, indigenous Tanzanians have legal access to wildlife use under supervision and control of the Government. These include Randilen Wildlife Management Area, Enduimet Wildlife Management Area, and Ngorongoro Game Controlled Area.

**Table 2.19: National Park and Game Controlled areas by LGA, Arusha Region; 2020**

| LGA                     | National Parks          |                          |  | Game Controlled Areas         |           |  |
|-------------------------|-------------------------|--------------------------|--|-------------------------------|-----------|--|
|                         | Name of National Park   | Size (ha)                | Top five common Wildlife species available                         | Name of Game Controlled Areas | Size (ha) | Top five common wildlife species available |
| Arusha District Council | Nil                     |                          |  | Nil                           |           |  |
| Arusha City Council     | Nil                     |                          |  | Nil                           |           |  |
| Meru District Council   | 1: Arusha National Park | 552 sq km (212-sq miles) | 1. Elephant<br>2. Giraffe<br>3. Leopards<br>4. Black White Colobus | Nil                           |           |  |

|                             |                              |            |  |  |  |   |
|-----------------------------|------------------------------|------------|--|--|--|---|
| Karatu District Council     | Nil                          |            |  | Nil  |  |   |
| Monduli District Council    | Lake Manyara National Park   | 600        | 1. Tree-Climbing Lion.<br>2. Buffalos<br>3. Elephants<br>4. Hippos | Randilen Wildlife Management area  | 310  | Dik-dik<br>Zebras<br>Giraffes<br>Buffalos   |
| Longido District Council    | Nil                          |            |  | Longido Game Controlled Area, Lake Natron Game Controlled Area East, North, West & South | 766,900  | 1. Elephants<br>2. Lions<br>3. Buffalo<br>4. Giraffes<br>5. Leopards<br>6. Wildebeest<br>7. Zebra<br>8. Oryx<br>9. Gerenuk<br>10. Lesser Kudu |
| Ngorongoro District Council | Ngorongoro Conservation Area | 829,200 ha | 1. Elephants<br>2. Lions<br>3. Buffalo<br>4. Giraffes<br>5. Rhino  | Lake Natron Game Controlled Area and Loliondo Game Controlled Area                       | 574,400 ha (Loliondo GCA 400,000 ha, Lake Natron 174,400 ha) | 1. Elephants<br>2. Lions<br>3. Zebras<br>4. Giraffes<br>5. Wildebeests  |

**Source:** Arusha Regional Commissioner's Office, 2020

## b) Tourist visits in national parks

Data show that over 44.4 percent of tourists who visited Arusha National Park from 2013 to 2017 were foreigners and 55.6 percent were local tourists.

The International Visitors' Exit Survey 2017 found that 74 percent of all international visitors came to Arusha Region for holiday and leisure purposes compared to 60 percent for Tanzania Mainland as a whole.

**Table 2.20: Number of Tourists who Visited Arusha National Park**

| Year           | Number of Tourists |                |                |
|----------------|--------------------|----------------|----------------|
|                | Local              | Foreigners     | Total          |
| 2013           | 41,224             | 30,706         | 71,930         |
| 2014           | 38,337             | 29,878         | 68,215         |
| 2015           | 31,089             | 24,708         | 55,797         |
| 2016           | 33,463             | 26,714         | 60,177         |
| 2017           | 33,885             | 30,185         | 64,070         |
| <b>Total</b>   | <b>177,998</b>     | <b>142,191</b> | <b>320,189</b> |
| <b>Percent</b> | <b>55.6%</b>       | <b>44.4%</b>   | <b>100%</b>    |

*Source: MNRT, the 2017 Tourism Statistical Bulletin*

Table 2.21 shows number of local and foreign visitors who visited Ngorongoro Conservation Area from 2015 to 2019. More than half of the visitors were foreigners.

Table 2.21 further shows that the best year for tourism season over the five-year period from 2015 to 2019 was in 2019 with 280,252 local and 445,283 foreign tourists.

**Table 2.21: Number of Tourism who Visited Ngorongoro Conservation Area**

| Year           | Type of Tourism  |                  | Total            |
|----------------|------------------|------------------|------------------|
|                | Local            | Foreigners       |                  |
| 2015           | 278,929          | 289,061          | 567,990          |
| 2016           | 270,495          | 329,854          | 600,349          |
| 2017           | 245,428          | 391,038          | 636,466          |
| 2018           | 261,189          | 419,036          | 680,225          |
| 2019           | 280,252          | 445,283          | 725,535          |
| <b>Total</b>   | <b>1,336,293</b> | <b>1,874,272</b> | <b>3,210,565</b> |
| <b>Percent</b> | <b>41.62%</b>    | <b>58.38%</b>    | <b>100%</b>      |

*Source: Ngorongoro Conservation Area Authority (NCAA), 2020*

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### c) **Eco-tourism and accommodation facilities**

Growth of tourism industry resulted in a multi-sector development in Arusha Region, including the accommodation facilities sector. The region has a number of accommodation facilities found in all LGAs to support the tourism sector in respective areas.

### d) **Historic sites and cultural tourism**

Can be conducted and promoted; such areas include:

#### i). *Cultural tourism - Maasai and Batemi cultural groups*

Arusha Region is the best place to explore various types of cultural activities conducted by different ethnic groups in the region. One can visit the Maasai cultural *bomas* in Ngorongoro Conservation Area to learn more about the unique culture of this tribe.

The importance of cultural tourism to Tanzania's economy lies in its attribute to allow tourist expenditure to trickle down to local communities and expand the local economy of host destination. Secondly, it enables tourists to experience the local people's ways of life, offering insights into the values, benefit and traditions in the host communities in own environments.



*Maasai cultural group*



*Batemi cultural group*

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ii). *Oldonyo Lengai Mountain*



iii). *Lake Natron - Flamingo breeding site*



iv). *Loorbilini Escarpment*



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v). *Olduvai Gorge (Ngorongoro)*

Olduvai Gorge is one of the most important archaeological sites on earth. The geological strata exposed in the gorge reveals a remarkable record of animal and human evolution from about two million until fifteen thousand years ago. Among the significant findings from Olduvai Gorge is a range of stone tool types, thousands of animal fossils – both extinct and extant species – and fossil bones of hominids (pre-homo sapiens) and early homo sapiens. Mary and Louis Leakey unearthed here a jawbone in 1959, which has pushed back the beginning of human evolution well past the 1.5-million-year mark. The various kinds of hominids found here show a gradual increase in brain size and in the complexity of their stone tools.



vi). *Lake Natron Footprints*



vii). *Laetoli Footprints*

An earliest sign of humans in Ngorongoro Conservation Area is at Laetoli, "The Cradle of Mankind." This is the place where three separate tracks of small-brained upright-walking early hominids, "Lucy" or *Australopithecus afarensis*, have been miraculously preserved in muddy ash deposited by volcanic eruptions and hardened by the sun some 3.6 million years ago.



viii). *Natron Water Falls*



ix). *Nasera Rock*



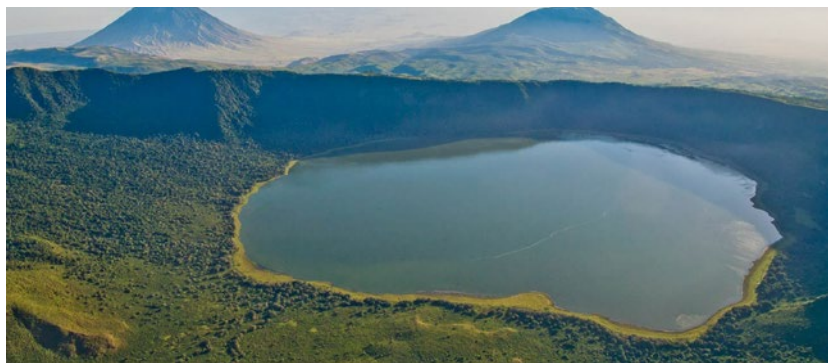
x). *Shifting Sand*



xi). *Cultural Museum in Engaresero Village*



xii). *Ngorongoro Crater*



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xiii). *Empakai Crater Lake*



### 2.8.5.5 Mining

Mining is one of the economic activities within Arusha Region. Mineral resources available in the region include gold, ruby, green and red aventurine, and building materials. Arusha City is the best marketing place of minerals coming from some districts within Arusha Region (especially Karatu, Monduli and Ngorongoro districts) and nearby regions, specifically Manyara and Shinyanga.



Tanzanite mining, both small and large-scale, is being done in Mererani, Manyara Region, which is close to Arusha City, while the processing and trade of the gemstone take place in the city itself. The curtailing of smuggling and Government policies have aided local cutting of the stones. Several up-market retail stores selling Tanzanite are located in Arusha City and exports of cut and polished Tanzanite have steadily increased, thereby showing significant potential for Arusha Region to benefit from Tanzanite. Although there are no mining activities of Tanzanite within the city, it remains a significant marketing centre for master-dealers in precious gemstones including Tanzanite, green

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gametes, green tourmaline, sapphires and rhodolite from Kiteto, Simanjiro, and Longido.

Master dealer markets for the mentioned gems attract customers and agents from outside and within Tanzania. In Arusha City there are about six up-market retail stores selling Tanzanite and some provide information to tourists about the mineral. It is not clear what impact the issues regarding TanzaniteOne and small-scale miners will have on them.

However, the potential for Arusha Region to benefit from cutting of rough stones is significant, given the rarity and limited supply of the gemstones. Other gemstones are mined at Longido.

Additionally, prospectors in mining are needed to invest in exploration to search for minerals available in Arusha Region.

#### **2.8.5.6 Industrial Sector**

In the early 1980s' Arusha was the second region in industrial development after Dar es Salaam Region. Most of the industries in Arusha were publicly owned and based on manufacturing and processing. Famous industries were textile, tyre manufacturing, home-use products, pharmaceuticals, beverage, food and fruit processing etc.

Because of the poor performance of the majority of these industries, some of them were privatised and others were operated jointly by the Government and private investors through public-private partnership (PPP) arrangements.

In the year 2019 the region had 4 large-scale industries, 3 medium-scale industries and 7 small-scale industries.

**Table 2.22: List of Existing Industrial Establishments in Arusha Region in 2019**

| S/N  | Name of establishments                                  | Ownership  | Sector                 | Products produced                     |
|--|---|--|------------------------|---------------------------------------|
| <b>Large-scale establishments (employing 100 people and above)</b>                       |   |  |                        |                                       |
| 1.   | Eliya Food Overseas Ltd                                 | Private  | Livestock              | Meat processing                       |
| 2.   | Monaban Trading & Farming Company Ltd                   | Private  | Industry & trade       | Plastic bags manufacturing            |
| 3.   | Bodi ya Nafaka na Mazao Mchanganyiko Kanda ya Kaskazini | Government and Ministry of Agriculture & Livestock | Agriculture            | Maize processing & roasting cashewnut |
| 4.   | Group Water Power Point (T) Ltd                         | Private  | Water & infrastructure | PVC & plastic pipe                    |
| <b>Medium-scale establishments (employing between 50 – 99 people and above)</b>          |   |  |                        |                                       |
| 1.   | Fitfarm Africa Co. Ltd                                  | Private  | Agriculture            | Maize processing                      |
| 2.   | Kisongo Grain Market                                    | Private  | Agriculture            | Cereals & Legumes                     |
| 3.   | Animal Food Processing Industry                         | Private  | Livestock              | Animal food processing                |
| <b>Small-scale establishment (employing between 5 – 49 people and above)</b>             |   |  |                        |                                       |
| 1.   | Loliondo Bakery   | Private  | Agriculture            | Bread making                          |
| 2.   | Perota Bakery   | Private  | Agriculture            | Bread making                          |
| 3.   | Richard Koillah   | Private  | Agriculture            | Bread making                          |
| 4.   | Fama Winery Co.   | Private  | Agriculture            | Fama premium wine                     |
| 5.   | Ashy Man Industry                                       | Private  | Agriculture            | Maize processing                      |
| 6.   | Sianga Intertrade Co. Ltd                               | Private  | Livestock              | Livestock food                        |
| 7.   | Shaneni Enterprises Ltd                                 | Private  | Agriculture            | Bread making                          |
| <b>Some of the micro-scale establishments (employing between 1 – 4 people and above)</b> |   |  |                        |                                       |
| 1.   | Still Hope Enterprises                                  | Private  | Industry & Trade       | Soap & Shampoo                        |
| 2.   | Vitto   | Private  | Agriculture            | Maandazi, Keki                        |
| 3.   | Eliachi John  | Private  | Trade & Industry       | Blocks making                         |
| 4.   | The Brown Bakery  | Private  | Agriculture            | Bakery                                |
| 4.   | Mama Kelvin   | Private  | Forestry               | Carpentry                             |
| 5.   | Moine Investment  | Private  | Agriculture            | Cereals                               |
| 6.   | Reo-both Grains Sales                                   | Private  | Agriculture            | Cereals & flour processing            |

**Source:** Arusha Regional Commissioner's Office, 2020

## 2.9 Economic Infrastructure

Arusha Region is the hub of the northern tourist circuit. As such, it has a well-developed air transport system and telecommunication network. All the four major roads connecting the region to neighbouring areas are of good tarmac standard. These are Arusha – Moshi, Arusha – Namanga Border to Kenya, Arusha – Ngorongoro Gate and Arusha – Minjingu.

## i). Roads

Arusha Region is served by 6,579 km of roads network comprising tarmac, gravel and earth roads. Public roads management is undertaken by Tanzania Roads Agency (TANROADS), responsible for trunk and regional roads; and Tanzania Rural and Urban Roads Agency (TARURA). Road network for Arusha Region in 2019 under TARURA was about 5070.77 kilometres. The distribution of length of road network under TARURA is given in Table 2.23. On the other hand, total trunk roads and regional roads was about 1,441 kilometres in 2020 (see Figure 2.2).

**Table 2. 23: Distribution of the Length of Road Network by Grade and by LGA, Arusha Region, 2019**

| LGA                         | Road Network by Grade (in Km) |                |                 |                |
|-----------------------------|-------------------------------|----------------|-----------------|----------------|
|                             | District Roads                | Feeder Roads   | Community Roads | Total          |
| Arusha City Council         | 220.99                        | 561.52         | 0               | 782.51         |
| Arusha District Council     | 227.18                        | 343.56         | 54.02           | 624.76         |
| Karatu District Council     | 121.61                        | 543.27         | 47.15           | 712.03         |
| Longido District Council    | 446.6                         | 232.68         | 16.53           | 695.81         |
| Meru District Council       | 305.92                        | 218.99         | 74.62           | 599.53         |
| Monduli District Council    | 529.28                        | 180.32         | 2.87            | 712.47         |
| Ngorongoro District Council | 585.91                        | 343            | 14.75           | 943.66         |
| <b>Grand-Total</b>          | <b>2437.49</b>                | <b>2423.34</b> | <b>209.94</b>   | <b>5070.77</b> |
| <b>Percentage</b>           | <b>48.1</b>                   | <b>47.8</b>    | <b>4.1</b>      | <b>100.0</b>   |

**Source:** Arusha Regional Commissioner's Office, 2019

**Figure 2.2: Trunk Roads and Regional Roads in Arusha Region**



**Source:** TANROADS, 2020

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## **ii). Dry Port**

Arusha Region, in particular Meru District Council, has set aside 1,960 hectares of land inside Malula Industrial Park at Malula Ward near the Kilimanjaro International Airport (KIA) to be used as a dry port and distribution centre to neighbouring regions and countries. Once construction is completed, the facility will not only cut transport costs but will also boost Tanzania's trade with EAC member countries and other neighbouring land-locked countries.

## **iii). Air Transport**

Arusha Region is served by two airports, namely the Kilimanjaro International Airport and a domestic one, known as Arusha Airport. The international airport serves both Arusha and Kilimanjaro regions. Kilimanjaro International Airport is situated some 48 kilometres away from Arusha City centre and administratively it is not in Arusha Region though this is the source or destination of the majority of air passengers. In addition to the two airports, there are eight airstrips in the region, with Karatu District Council having the majority because of tourist activities.

## **iv). Railway Transport**

Arusha Region has a railway line connecting it with Kilimanjaro, Tanga, Coast and Dar es Salaam regions. It is an outlet to the ports of Tanga and Dar es Salam. There is a proposal for extending the line to Mara Region so that it can ferry goods destined to Uganda through Musoma Port.

## **v). Information and Communication Technologies (ICTs) and Telecommunication Services**

Arusha City is one of the points of presence (POP) on the National Information Communications Technologies (ICTs) Broadband Backbone (NICTTB, a fibre optic cable system) as shown on the following map. As well as providing connectivity to other parts of the country, it connects to undersea cables with connections to other countries. The region has well established communication facilities provided by Tanzania Telecommunications Corporation (TTCL) [formerly known as Tanzania Telecommunications Company Limited] for landline and mobile telephone services. Also, Vodacom,

Airtel, Tigo, Halotel and Zantel provide mobile phone services for voice and data. The Internet is a fast-growing means of communication that is used by Arusha residents. Tanzania Posts Corporation (TPC) has post offices in Arusha City and all other districts in the region. Arusha Region has also access to several radio and television stations.

*Figure 2.3: Tanzania National ICT Broadband Backbone Network Map*



## vi). Energy

Arusha Region uses various sources of energy for lighting, cooking and for running machines. These sources include hydro-electricity, gas (especially cooking gas), paraffin, firewood and solar power. Electricity is necessary for accelerating socio-economic development in any



community. Thus, the Government has been working to ensure that most households, offices, schools and other institutions in both rural and urban areas use electricity as the main source of energy for lighting as well as other uses.

Table 2.24 shows the level of electricity supply in the LGAs districts of Arusha Region. Arusha City Council has the highest demand and supply while Ngorongoro, on the other hand, has the lowest demand and supply.

**Table 2.24: Electricity Supply by Council, Arusha Region in 2019**

| LGA                         | Demand (MWH) | Supply (MWH)      | Type of Use       |                   |
|-----------------------------|--------------|-------------------|-------------------|-------------------|
|                             |              |                   | Domestic (MWH)    | Commercial (MWH)  |
| Monduli District Council    | 7.8          | 31,548.91         | 12,257.81         | 19,291.10         |
| Meru District Council       | 5.4          | 35,139.00         | 11,007.78         | 24,131.22         |
| Arusha City Council         | 69.62        | 361,879.12        | 123,871.80        | 238,007.32        |
| Karatu District Council     | 6.84         | 28,694.51         | 10,321.29         | 18,373.22         |
| Ngorongoro District Council | 0.358        | 14,896.00         | 10,281.88         | 4,614.12          |
| Arusha District Council     | 34.81        | 180,939.56        | 68,998.66         | 111,940.90        |
| Longido District Council    | 1.5          | 24,896.67         | 10,102.54         | 14,794.13         |
| <b>Total</b>                | <b>126.3</b> | <b>677,993.77</b> | <b>246,841.76</b> | <b>431,152.01</b> |

*Source: Arusha Regional Manager's Office, TANESCO 2020*

## 2.10 Social Services

### 2.10.1 Health Care Services

The development of the health sector in Arusha Region is to a large extent influenced by the private sector, local government and community participation. The 2020 data shows that out of 16 hospitals, 59 health centres and 307 dispensaries in the region, 10 hospitals, 22 health centres and 128 dispensaries are privately owned, while 6 hospitals, 37 health centres and 179 dispensaries are publicly owned. This is an indication of the regional awareness of the need for health care services and community participation.



The region has several pharmacies, located mostly in urban centres, offering a wide range of essential and non-essential drugs. Apart from the above services, the health sector in Arusha also benefits from health insurance schemes given by both the Government (NHIF and CHF) and the private sector.

**Table 2.25: Distribution and Ownership of Health Care Facilities by LGA: Arusha Region by June 2020**

| SN   | LGA                         | Number of Dispensaries |            |            | Number of Health Centres |           |           | Number of Hospitals |           |           |
|--|-----------------------------|------------------------|------------|------------|--------------------------|-----------|-----------|---------------------|-----------|-----------|
|  |                             | Public                 | Private    | Total      | Public                   | Private   | Total     | Public              | Private   | Total     |
| 1.   | Arusha City Council         | 11                     | 56         | 67         | 9                        | 8         | 17        | 2                   | 4         | 6         |
| 2.   | Arusha District Council     | 28                     | 20         | 48         | 5                        | 2         | 7         | 1                   | 1         | 2         |
| 3.   | Karatu District Council     | 27                     | 13         | 40         | 6                        | 5         | 11        | 0                   | 1         | 1         |
| 4.   | Longido District Council    | 26                     | 2          | 28         | 4                        | 1         | 5         | 0                   | 0         | 0         |
| 5.   | Meru District Council       | 30                     | 23         | 53         | 7                        | 3         | 10        | 1                   | 1         | 2         |
| 6.   | Monduli District Council    | 33                     | 9          | 42         | 2                        | 2         | 4         | 1                   | 1         | 2         |
| 7.   | Ngorongoro District Council | 24                     | 5          | 29         | 4                        | 1         | 5         | 1                   | 2         | 3         |
| <b>Regional Total</b>                        |                             | <b>179</b>             | <b>128</b> | <b>307</b> | <b>37</b>                | <b>22</b> | <b>59</b> | <b>6</b>            | <b>10</b> | <b>16</b> |
| <b>Total health facilities in the region</b> |                             | <b>382</b>             |            |            |                          |           |           |                     |           |           |
| % of public hospitals                        |                             | 37% (6/16)             |            |            |                          |           |           |                     |           |           |
| % of public health centers                   |                             | 62% (37/59)            |            |            |                          |           |           |                     |           |           |
| % of public dispensaries                     |                             | 58% (179/307)          |            |            |                          |           |           |                     |           |           |

**Source:** Regional Commissioner's Office (Regional Medical Office), Arusha Region 2020

## 2.10.2 Education Services

Table 2.26 shows that in 2020, 68.3 percent of all 796 primary schools in Arusha Region were publicly owned. On the other hand, the private sector owned 252 primary schools in 2020. In the same period 58.6 percent of all 256 secondary schools in Arusha Region were publicly owned while the private sector owned 106 secondary schools.

**Table 2.26: Number of Schools by Ownership and by LGA in Arusha Region in year 2020**

| LGA                         | Primary Schools |                |            |            | Secondary Schools |                |            |            |
|-----------------------------|-----------------|----------------|------------|------------|-------------------|----------------|------------|------------|
|                             | Public          | Percent Public | Private    | Total      | Public            | Percent Public | Private    | Total      |
| Arusha District Council     | 95              | 65.5           | 50         | 145        | 29                | 53.7           | 25         | 54         |
| Arusha City Council         | 48              | 31.6           | 104        | 152        | 29                | 50.9           | 28         | 57         |
| Meru District Council       | 113             | 67.7           | 54         | 167        | 29                | 44.6           | 36         | 65         |
| Monduli District Council    | 64              | 78.0           | 18         | 82         | 12                | 52.2           | 11         | 23         |
| Karatu District Council     | 108             | 93.1           | 8          | 116        | 32                | 91.4           | 3          | 35         |
| Longido District Council    | 43              | 82.7           | 9          | 52         | 9                 | 90.0           | 1          | 10         |
| Ngorongoro District Council | 73              | 89.0           | 9          | 82         | 10                | 83.3           | 2          | 12         |
| <b>Total</b>                | <b>544</b>      | <b>68.3</b>    | <b>252</b> | <b>796</b> | <b>150</b>        | <b>58.6</b>    | <b>106</b> | <b>256</b> |

**Source:** Regional Commissioner's Office (Education Department), Arusha Region, 2020

Arusha Region is among few regions in the country endowed with institutions of higher learning, including universities, technical colleges and vocation training centres as shown in Table 2.27. The table shows that the region had 78 higher learning institutions in 2019: nine (9) universities; ten (10) teacher training colleges; and fifty-two (52) vocation training centres. The presence of higher learning institutions in the region is an opportunity for young people to be educated and open up chances for employment opportunities.

These institutions are capable of offering services in training, research and consultancy to various clients.



**Table 2.27: Number of Higher Learning Institutions in Arusha Region, 2015 and 2019**

| Type of College       | 2015      |                |           |           | 2019      |                |           |           |
|-----------------------|-----------|----------------|-----------|-----------|-----------|----------------|-----------|-----------|
|                       | Public    | Percent Public | Private   | Total     | Public    | Percent Public | Private   | Total     |
| Universities          | 6         | 66.7           | 3         | 9         | 6         | 66.7           | 3         | 9         |
| Technical Colleges    | 7         | 100.0          | 0         | 7         | 7         | 100.0          | 0         | 7         |
| Teachers' Colleges    | 2         | 20.0           | 8         | 10        | 2         | 20.0           | 8         | 10        |
| VETA Training Centres | 2         | 3.8            | 50        | 52        | 2         | 3.8            | 50        | 52        |
| <b>Total</b>          | <b>17</b> | <b>21.8</b>    | <b>61</b> | <b>78</b> | <b>17</b> | <b>21.8</b>    | <b>61</b> | <b>78</b> |

*Source: Regional Commissioner's Office (Education Department), Arusha Region, 2020*

### 2.10.3 Water Supply

The current supply of water in the region is adequate. About 834,577 beneficiaries (67.6%) had a total of 5,042 working water points by June 2020 (Table 2.28). Also about 59.1% of people in urban areas had access to reliable and safe water by June, 2020 (Table 2.29).



**Table 2.28: Status of Water Acces in Rural Areas in Arusha Region as of June, 2020**

| LGA                         | No of Water Projects | Water Points       |              |              | Estimated Number of People in Rural Areas as of June, 2020 | Estimated Number of People with Access to Water in Rural as of June, 2020 | Percentage of People with Access to Water in Rural as of June, 2020 |
|-----------------------------|----------------------|--------------------|--------------|--------------|--|---|---|
|                             |                      | Total Water Points | Working      | Not Working  |  |   |   |
| Arusha City Council         | -                    | -                  | -            | -            | -  | -   | -   |
| Arusha District Council     | 86                   | 1,871              | 1,679        | 192          | 311,984  | 194,366   | 62.3  |
| Karatu District Council     | 108                  | 718                | 696          | 22           | 226,917  | 147,174   | 64.9  |
| Longido District Council    | 182                  | 579                | 493          | 86           | 115,895  | 75,563  | 65.2  |
| Meru District Council       | 240                  | 2,030              | 1,274        | 756          | 263,707  | 202,263   | 76.7  |
| Monduli District Council    | 305                  | 580                | 446          | 134          | 151,593  | 102,743   | 67.8  |
| Ngorongoro District Council | 124                  | 655                | 454          | 201          | 164,125  | 112,468   | 68.5  |
| <b>Total</b>                | <b>1,045</b>         | <b>6,433</b>       | <b>5,042</b> | <b>1,391</b> | <b>1,234,221</b>   | <b>834,577</b>  | <b>67.62</b>  |

**Source:** Regional Commissioner's Office Arusha Region, 2020

**Table 2.29: Status of Water Acces in Urban Areas in Arusha Region as of June, 2020**

| Na           | District   | Township/City | Water Authority                      | Estimated Number of People in Urban Areas as of June, 2020 | Water Demand (Litres/Day) | Water Supply (Litres/Day) | Access to Water in Urban Areas as of June, 2020 (%) |
|--------------|------------|---------------|--------------------------------------|--|---------------------------|---------------------------|---|
| 1.           | Arusha     | Arusha City   | Urban Water Supply Agency (AUWSA)    | 416,442  | 106,000,000               | 60,000,000                | 56.6  |
| 2.           | Arumeru    | Usa River     | Usa River Urban Water Supply Agency  | 24,000   | 3,901,000                 | 4,128,000                 | 73.8  |
| 3.           | Arumeru    | Ngaramtoni    | Ngaramtoni Urban Water Supply Agency | 120,000  | 7,200,000                 | 1,750,000                 | 24.3  |
| 4.           | Karatu     | Karatu        | Karatu Urban Water Supply Agency     | 42,098   | 4,700,000                 | 2,632,000                 | 56  |
| 5.           | Longido    | Longido       | Longido Urban Water Supply Agency    | 18,006   | 1,462,000                 | 2,160,000                 | 100   |
| 6.           | Monduli    | Monduli       | Monduli Urban Water Supply Agency    | 19,928   | 1,681,000                 | 1,350,000                 | 80.3  |
| 7.           | Ngorongoro | Loliondo/Waso | Loliondo Urban Water Supply Agency   | 15,200   | 1,267,500                 | 270,000                   | 21.3  |
| <b>Total</b> |            |               |                                      | <b>655,674</b>   | <b>122,310,500</b>        | <b>72,290,000</b>         | <b>59.1</b>   |

**Source:** Regional Commissioner's Office Arusha Region, 2020

## PART THREE

# PRIORITY INVESTMENT OPPORTUNITIES IN ARUSHA REGION

This part presents priority investment opportunities identified by the region. The opportunities are grouped into regional level and council level as follows:

### 3.1 Regional Level Priority Investment Opportunities

Based on available resources such as raw materials and/or required infrastructure for some of the investment opportunities, Arusha Region has identified eleven (11) key investment opportunities at regional level. These include production of packaging materials; animal feeds processing; coffee processing; dairy processing; meat processing; leather processing and leather goods production; cereal processing; processing horticultural crops; lapidary, which involves cutting, shaping and polishing minerals; large-scale day-old chick hatchery; and construction of a skills development training institute.

Regional level investment opportunities have two main attributes: first, it is their scale and scope, which transcend beyond those of individual LGAs; and the opportunities are large enough to serve all LGAs. Specific details for each opportunity are given below:

#### A. Industrial Sector

##### 1. Production of packaging materials

###### Overview of the Opportunity

###### Key features



- Interested parties are invited to invest in producing packaging materials for agricultural products, processed agricultural produce and other products
- About 24 hectares are available in Meru District Council for this investment.



|                                 |  |
|---------------------------------|--|
| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>▪ High demand for quality and well packaged agricultural products in the region by both international and domestic consumers</li> <li>▪ To improve the economic and social wellbeing of agriculture producers through market access</li> </ul>  |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>▪ This investment is in line with Government's industrialisation policy and Integrated Industrial Development Strategy, which, among other things, promotes value addition at both primary and secondary levels</li> <li>▪ National Agriculture Policy 2013</li> <li>▪ The Third Five-Year Development Plan, which has prioritised value addition in agriculture (processing, grading and packaging)</li> <li>▪ Agriculture Sector Development Programme II.</li> </ul> |

## 2. Animal feeds processing

| <b>Overview of the Opportunity</b>   |  |
|--|--|
| <b>Key features</b><br>               | <ul style="list-style-type: none"> <li>▪ Interested parties are invited to put up a plant for producing animal feeds in Karatu District that will serve the whole region</li> <li>▪ The processing plant is expected to produce feeds for cattle, goats, sheep and chicken</li> <li>▪ Investing in poultry feeds processing is also a potential opportunity in the region, given the increasing number of poultry – specifically chickens – of which their consumption is increasing</li> <li>▪ Land for this investment is available in the region: about 100 hectares in Karatu District; 24.5 hectares in Longido District; 7.85 hectares in Arusha City Council and 398.385 hectares in Monduli District.</li> </ul> |
| <b>Key investment rationale</b><br> | <ul style="list-style-type: none"> <li>▪ The livestock sub-sector development in Arusha Region and in Tanzania at large requires availability of quality feeds to enhance productivity</li> <li>▪ The processing plant will serve the existing demand for animal feeds in the whole region. The districts have identified demand for animal feeds to cater for local cattle fattening and feeding chicken, as many households have started to raise chickens and fatten cattle</li> </ul>  |



|                                 |  |
|---------------------------------|--|
|                                 | <ul style="list-style-type: none"> <li>▪ Establishment of a processing plant for animal feeds is expected to promote production of cereals and related products</li> <li>▪ An increased supply of animal feeds will increase the productivity of livestock and poultry</li> <li>▪ Animal feeds industry (like all other industries) will generate employment for the region's residents.</li> </ul>  |
| <p><b>Available support</b></p> | <ul style="list-style-type: none"> <li>▪ Livestock Sector Development Strategy</li> <li>▪ Agriculture Sector Development Programme Phase Two (ASDP II)</li> <li>▪ National Livestock Policy (2006) and Tanzania Livestock Master Plan supporting animal feeds processing;</li> <li>▪ Existence of Tanzania Animal Feeds Manufacturers Association (TAFMA), which provides a common forum for all manufacturers of animal feeds in Tanzania</li> <li>▪ Political support at national, regional and local government levels for animal feeds</li> <li>▪ As per the 2017/18 agriculture budget, livestock keepers enjoy VAT exemption on locally produced animal feeds. This is an effort to encourage livestock production and promote the production of fertilised eggs used for incubation.</li> </ul> |

### 3. Coffee processing

| <p><b>Overview of the Opportunity</b></p>  |   |
|--|---|
| <p><b>Key features</b></p>               | <ul style="list-style-type: none"> <li>▪ Interested parties are invited to invest in a large factory that will process coffee, pack and brand it</li> <li>▪ This factory will make instant/blended coffee and other final coffee products</li> <li>▪ The factory will get raw materials from all districts that produce and/or add value to coffee</li> <li>▪ About 2 hectares are available at Oldeani and Ganako wards in Karatu District for this investment.</li> </ul>   |
| <p><b>Key investment rationale</b></p>  | <ul style="list-style-type: none"> <li>▪ High demand for quality and well packaged agricultural products in the region by both internal and external population</li> <li>▪ The agro-processing industry, like all other industries, will generate employment for the people of the region</li> <li>▪ Agricultural processing aimed at meeting the goals of income growth, increased productivity, improved quality and enhanced value addition to coffee</li> <li>▪ To improve the social and economic wellbeing of agricultural producers through market assurance.</li> </ul> |

|                                 |  |
|---------------------------------|--|
| <p><b>Available support</b></p> | <ul style="list-style-type: none"> <li>▪ National Agriculture Policy 2013</li> <li>▪ Industrialisation Policy and the Third Five-Year Development Plan have prioritised agro-processing in the country</li> <li>▪ Tanzania Coffee Board, which aims to facilitate an enabling environment for a sustainable coffee sector</li> <li>▪ Agriculture Sector Development Programme II.</li> </ul> |
|---------------------------------|--|

#### 4. Dairy processing

| <p style="text-align: center;"><b>Overview of the Opportunity</b></p>  |  |
|--|--|
| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>▪ There is a need for establishing a medium or large-scale milk processing plant in Arusha District</li> <li>▪ Ideally, the investor may commence operations with a medium-scale plant (with daily input of about 2,000 litres of milk)</li> <li>▪ To ensure a constant supply of raw milk, a potential investor will establish collection centres in all districts</li> <li>▪ The region is supporting and encouraging livestock keepers to adopt modern dairy-keeping practices, including cross breeding</li> <li>▪ Ample land has been set aside for this investment: about 100 hectares in Karatu District; 24.5 hectares in Longido District; 7.85 hectares in Arusha City Council and part of 800 hectares at Makuyuni in Monduli District.</li> </ul>  |
| <p><b>Key investment rationale</b></p>   | <ul style="list-style-type: none"> <li>▪ The dairy processing industry will be in line with the animal feeds processing industry that the region is prioritising and encouraging</li> <li>▪ High demand for quality milk by both internal and external markets</li> <li>▪ The dairy industry, like all other industries, will generate employment for the people of the region</li> <li>▪ There are enough raw materials: about 691,520.8 litres of milk per day were produced in the region in 2019.</li> </ul>   |

**Available support**

- Livestock Sector Development Strategy
- Agriculture Sector Development Programme Phase Two (ASDP II)
- Political support at national, regional and local government levels for milk processing
- Good transport infrastructure will increase small-holder farmers' access to established milk collection centres
- **VAT special relief on project capital goods:** VAT exemption on heat-insulated milk-cooling tanks and aluminium jerry cans used for storage and collection of milk
- Seventy-five percent (75%) import duty relief on deemed capital goods, including equipment, utility vehicles and some building materials through TIC.

## 5. Livestock meat processing

### Overview of the Opportunity

**Key features**



- Investing in a livestock meat processing plant is a viable opportunity in Arusha Region, given a large number of cattle, goats, sheep and poultry in the region
- The industry will serve the existing opportunity emanating from the large livestock base in all districts of the region
- Arusha City Council has set aside about 5 hectares at Sakina Ward for this investment
- Investors may also use part of 100 hectares available in Karatu District; 24.5 hectares in Longido District and part of 800 hectares at Makuyuni in Monduli District, which have been set aside for investing in livestock processing.

**Key investment rationale**



- Arusha Region can produce about 18,378.02 tonnes of meat per day
- The meat processing industry will be in line with the cattle fattening project that the region is prioritising and encouraging
- High demand for quality meat by both internal and external markets
- The industry will provide raw materials such as animals skins, hooves, hides etc. needed for leather industry
- The meat processing industry, like all other industries, will generate employment for the people of the region.

|                                 |   |
|---------------------------------|---|
| <p><b>Available support</b></p> | <ul style="list-style-type: none"> <li>▪ Livestock Sector Development Strategy</li> <li>▪ Agriculture Sector Development Programme Phase Two (ASDP II)</li> <li>▪ Political support at national, regional and local government levels for animal processing</li> <li>▪ The Meat Industry Act No. 10 of 2006, which promotes meat industry restructuring through the establishment of proper organisation and coordination of meat industry stakeholders for the development of the industry.</li> </ul> |
|---------------------------------|---|

**6. Leather processing and leather goods production**

**Overview of the Opportunity**


|  |  |
|--|--|
| <p><b>Key features</b></p>             |  <ul style="list-style-type: none"> <li>▪ Investors are invited to put up a plant for processing livestock products, mainly animal skins, leather, hides and hooves</li> <li>▪ The plant will take advantage of the available large livestock base in all districts of Arusha Region</li> <li>▪ Investment in livestock leather processing is also a viable opportunity in the region, given a large number of cattle, goats, sheep and poultry</li> <li>▪ LGAs have set aside ample land for this investment: about 100 hectares in Karatu District; 24.5 hectares in Longido District; and 800 hectares at Makuyuni in Monduli District.</li> </ul> |
| <p><b>Key investment rationale</b></p> | <ul style="list-style-type: none"> <li>▪ The livestock product processing (animals skins, hooves, hides etc) will stimulate livestock keeping</li> <li>▪ This is in line with meat processing industry prioritised by the region</li> <li>▪ High demand for quality leather goods by both internal and external markets</li> <li>▪ Leather industry, like all other industries, will generate employment for the people of the region.</li> </ul>   |

|                                 |  |
|---------------------------------|--|
| <p><b>Available support</b></p> | <ul style="list-style-type: none"> <li>▪ Livestock Sector Development Strategy</li> <li>▪ Agriculture Sector Development Programme Phase Two (ASDP II)</li> <li>▪ Political support at national, regional and local government levels for animal processing</li> <li>▪ Government priority to ban export of live animals</li> <li>▪ Geographical location allows the region to get leather from neighbouring regions</li> <li>▪ Reduced corporate tax rate from normal 30 percent to 20 percent for a new entity dealing with processing of leather products</li> <li>▪ Seventy-five percent (75%) import duty relief on deemed capital goods, including equipment, utility vehicles and some building materials through TIC</li> <li>▪ Renewed Government commitment to support development of leather sub-sector through enforcement of laws and upgrading of rural extension services</li> <li>▪ Direct VAT exemption on imported plant and machinery.</li> </ul> |
|---------------------------------|--|

## 7. Cereal processing

| Overview of the Opportunity  |  |
|--|--|
| <p><b>Key features</b></p>               | <ul style="list-style-type: none"> <li>▪ Interested parties are encouraged to invest in processing, packaging and branding of <b>cereals</b> mainly maize, sorghum, wheat, and barley</li> <li>▪ The factory will get raw materials from all districts that produce cereals</li> <li>▪ Investors are expected to partner with local investors or acquire land from private individuals.</li> </ul>   |
| <p><b>Key investment rationale</b></p>  | <ul style="list-style-type: none"> <li>▪ High demand for quality and well packaged agricultural products in the region by both internal and external population</li> <li>▪ Agro-processing industry, like all other industries, will generate employment for the people of the region</li> <li>▪ To improve the social and economic wellbeing of agricultural producers through market assurance.</li> </ul>  |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>▪ National Agriculture Policy 2013</li> <li>▪ Industrialisation Policy and the Third Five-Year Development Plan have prioritised agro-processing in the country</li> <li>▪ Agriculture Sector Development Programme II.</li> </ul>  |

## 8. Processing of horticulture crops

| Overview of the Opportunity  |   |
|--|---|
| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>Interested parties are encouraged to invest in vegetable processing</li> <li>The factory will get raw materials from all vegetable-producing districts in the region</li> <li>LGAs that have set aside areas for industrial development include:- <ul style="list-style-type: none"> <li>✓ About 16.18 hectares at Mbuganyekundu in Karatu District</li> <li>✓ Twenty (20) hectares at Jobaj and Malekchand in Karatu District</li> <li>✓ About 891 hectares in Longido District.</li> </ul> </li> </ul> |
| <p><b>Key investment rationale</b></p>   | <ul style="list-style-type: none"> <li>High demand for quality and well packaged agricultural products in the region by both internal and external markets</li> <li>Agro-processing industry, like all other industry, will generate employment for the people of the region</li> <li>To improve the social and economic wellbeing of agricultural producers through market assurance.</li> </ul>   |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>National Agriculture Policy 2013</li> <li>Industrialisation Policy and the Third Five-Year Development Plan have prioritised agro-processing in the country</li> <li>Agriculture Sector Development Programme II</li> <li>Tanzania Horticulture Association (TAHA) on policy dialogue, logistics and marketing.</li> </ul>   |

## 9. Lapidary (cutting, shaping & polishing precious stones and gems e.g. Tanzanite)


| Overview of the Opportunity  |   |
|--|---|
| <p><b>Key features</b></p>  |  <ul style="list-style-type: none"> <li>Interested parties are invited to invest in cutting, shaping and polishing precious stones and gems such as Tanzanite, gold, ruby, green and red aventurine</li> <li>Investors are expected to partner with local investors or acquire land from private individuals in Arusha City Council or any LGA.</li> </ul> |

|  |  |
|--|--|
| <p><b>Key investment rationale</b></p>  | <ul style="list-style-type: none"> <li>▪ Lapidary is a value-addition activity to minerals and thus increases incomes of all people involved in the mining value chain</li> <li>▪ Mining will generate employment opportunities</li> <li>▪ Improved processing and marketing of minerals will enable the region to collect a substantial amount of revenue.</li> </ul>   |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>▪ The region offers incentive including easy access to land</li> <li>▪ Good infrastructure, which includes roads networks, communication services, electricity supply and markets</li> <li>▪ This investment is in line with Government Industrialisation Policy, which, among other things, promotes value addition</li> <li>▪ Political support at national, regional and local government levels.</li> </ul> |

### 10. Establishment of Hatchery

Poultry production, mainly chicken, has been increasing in the region because of increased demand and awareness created among farmers. The presence of a hatchery unit in the region will ensure availability of chicks to farmers and thus reduce the cost of purchasing them from other areas. Therefore, producing day-old chicks within the region is an opportunity for investment.



| <p><b>Overview of the Opportunity</b></p>  |   |
|--|---|
| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>▪ Establishment of a large-scale poultry eggs hatchery</li> <li>▪ The investment should include vans for distributing chicks to customers in areas where there is no regular transport system</li> <li>▪ Investors are expected to partner with local investors or acquire land from private individuals in Arusha City Council or any LGA.</li> </ul> |
| <p><b>Key investment rationale</b></p>   | <ul style="list-style-type: none"> <li>▪ There is a high demand for one-day-old chicks, as most residents in the region and neighbouring regions increasingly opt for chicken/poultry farming.</li> </ul>   |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>▪ Livestock policy and development programmers support expansion of modern poultry farming.</li> </ul>   |

## B. Service Sector

### 11. Establishment of a skills development training institute

#### Overview of the Opportunity

#### Key features

- The investment will target skills needed to support the region's economic transformation agenda. This calls for skills development in a number of areas that would support productivity and quality of outputs in the following sectors: value addition (primary processing) for agricultural crops, milk, fish; leather processing and leather-related value addition; technicians of various fields; fishing; various fields in arts including theatre; leadership in sports; production and marketing entrepreneurship; sorting, grading, packaging and branding of products; hospitality industry etc.
- More specifically, investors are invited to build specialised vocational education training institutes for developing skills mentioned above and others to be identified by stakeholders
- The institute will, among other things, provide skills on primary processing of agricultural produce found in Arusha, such as fruits (mangoes and tangerines), tomatoes and other vegetables, cashew nuts and honey
- The length of the training programme will vary from short (one month) to long (twelve months) periods, depending on the needed skills
- All LGAs have set aside land for education sector development as follows:
  - ✓ Twenty-nine (29) hectares at Eyasi in Karatu District
  - ✓ Some 1.2 hectares at Oldonyosambu in Arusha District
  - ✓ Over fourteen hectares (14.32 ha) at Valeska Village in Makiba Ward, Meru District






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|                                 | <ul style="list-style-type: none"> <li>✓ More than two hundred hectares (206.79 ha) at Oloipir, Samunge, O/Magaiduru and Arash wards in Ngorongoro District</li> <li>✓ Some 650 hectares at Makuyuni Lokisale Village in Makuyuni Lokisale Ward, Monduli District.</li> </ul>   |
| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>▪ FYDP III categorically recognises the important role of skills development as a major catalyst for transforming economies at national and sub-national levels</li> <li>▪ This is supported by Tanzania’s Education and Training Policy, 2014</li> <li>▪ Demand for skills development has been identified in all LGAs as being critical for promoting value addition to agricultural commodities and other non-agricultural small-scale manufacturing industries.</li> </ul> |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>▪ Technical and Vocational Education and Training Development Programme (TVETDP)</li> <li>▪ Supportive institutions: College of Engineering and Technology (CoET) founded in 2001 through the transformation and integration of the Institute of Production Innovation (IPI) and the existing Faculty of Engineering (FoE) at CoET.</li> </ul>   |

### 3.2 Council Level Priority Investment Opportunities

At council level, interested parties are invited to invest in the following: building irrigation infrastructure mainly for paddy and horticulture crops; bulb onion farming; commercial cereals farming (maize, wheat, barley, millet and sorghum); modern coffee farming; floriculture; coffee value addition; bulb onion processing; soda ash processing; fish farming, hatcheries and related technologies; ranches and cattle fattening; artificial insemination and veterinary related services; mining and mineral processing; aggregates production; developing a dry port, as well as a distribution and logistics centre at Meru; construction of modern markets, business and trade services centres; construction of modern agricultural and livestock markets; construction of modern bus stand and lorry parking spaces; rain-water harvesting, desalination and purification for domestic consumption, irrigation and livestock use; tourism-related investments; construction of private schools and colleges, as well as modern health care facilities. Detailed information about council level investment opportunities is given below.

## A. Agriculture Sector

### 1. Building irrigation infrastructure mainly for paddy and horticulture crops

| Overview of the Opportunity  |   |
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| <b>Key features</b><br>               | <p>For sustainability of this undertaking, investors should not only build irrigation infrastructure and provide water to producers on the area but also engage in farming, value addition and look on the possibility of entering into contract farming with small-holder farmers.</p>   |
|                                       | <b>Arusha District Council</b> <ul style="list-style-type: none"><li>Investing in building irrigation infrastructure at Marurani, Nduruma, Mlangarini, Timbolo, Ilkiding'a, Kimnyak, Olturoto, Bwawani, and Sambasha and other areas</li></ul>  |
|                                      | <b>Karatu District Council</b> <ul style="list-style-type: none"><li>Construction of irrigation infrastructure for paddy and horticulture farming, mainly vegetables at Mang'ola, Baray and Endamaghan wards</li><li>About 3,000 hectares of land are available at Mang'ola, Baray and Endamaghan wards for this investment</li><li>Source of water for irrigation is rain-water harvesting whose availability is easy.</li></ul>   |
| <b>Key investment rationale</b><br> | <b>Meru District Council</b> <ul style="list-style-type: none"><li>Interested parties are welcome to invest in paddy and horticulture cultivation under irrigation schemes for which 865.6 hectares of land are available for such investment</li><li>Irrigation infrastructure has been constructed and investors are needed to renovate and improve this infrastructure.</li></ul> <ul style="list-style-type: none"><li>Irrigation can improve incomes and food security if farmers</li><li>Food pricing systems reflect real costs of production, and farmers can diversify beyond staple cereals</li><li>Crop management practices emphasise yield increase, but more attention is required to adapting irrigation to both climatic variability and climate change through optimising water use efficiency</li></ul> |


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|                          | <ul style="list-style-type: none"> <li>Increasing the number of farming seasons will increase the supply of agricultural produce for both direct consumption and for processing</li> <li>Water harvest technologies are available, thus making it easier to collect and distribute water for irrigation purposes.</li> </ul>   |
| <b>Available support</b> | <ul style="list-style-type: none"> <li>Agriculture Sector Development Strategy II</li> <li>Through the National Irrigation Policy of 2009, the Government recognises that irrigation development in Tanzania is critically important in ensuring that the nation attains reliable and sustainable crop production and productivity as a move towards food security and poverty reduction</li> <li>Land is available for irrigation schemes</li> <li>Government has set up a District Irrigation Development Fund (DIDF) and a National Irrigation Development Fund (NIDF) through which irrigation financing of needed services is done</li> <li>Markets for rice and horticulture crops are available within the region and in neighbouring regions.</li> </ul> |

## 2. Bulb onion farming


| Overview of the Opportunity   |   |
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| <p><b>Key features</b></p>   | <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>Interested parties are invited to invest in onion farming</li> <li>Karatu District Council has made available 120 hectares of land at Baray ward for this investment.</li> </ul> <p><b>Monduli District Council</b></p> <ul style="list-style-type: none"> <li>Interested parties are invited to venture into farming of onions</li> <li>Investment can be done through joint venture with local investors.</li> </ul> <p><b>Meru District Council</b></p> <ul style="list-style-type: none"> <li>Interested parties are invited to invest in modern farming of onions</li> <li>Joint ventures with local investors are expected.</li> </ul> |
| <b>Key investment rationale</b>   | <ul style="list-style-type: none"> <li>Production of onions will supply raw materials to the proposed processing plant</li> <li>There is a ready market for onions.</li> </ul>  |

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| <b>Available support</b> | <ul style="list-style-type: none"> <li>▪ National Agriculture Policy, 2013 encourages production of onions</li> <li>▪ Land for expansion of area under onion production is available.</li> </ul> |
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### 3. Commercial cereals farming (maize, wheat, barley, millet and sorghum)

| Overview of the Opportunity  |  |
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| <b>Key features</b><br> | <ul style="list-style-type: none"> <li>▪ Interested parties are invited to invest in modern farming of cereals especially maize, wheat, barley, millet and sorghum</li> <li>▪ Karatu District Council has allocated 120 hectares of land at Baray Ward in Karatu District for this investment</li> <li>▪ Investors also may enter into joint ventures with existing local farmers.</li> </ul>  |
| <b>Key investment rationale</b>  | <ul style="list-style-type: none"> <li>▪ Arusha Region is rich in arable land and easily harvested rainwater to favour irrigation farming</li> <li>▪ There is land set aside suitable for crop production</li> <li>▪ This will support agro-processing industries prioritised by the region</li> <li>▪ Benefits to districts include not only creation of jobs but also provision of market for small producers engaged in farming</li> <li>▪ These activities will also generate national and regional revenues.</li> </ul> |
| <b>Available support</b>   | <ul style="list-style-type: none"> <li>▪ The Third Five-Year Development Plan (FYDP III)</li> <li>▪ Agriculture Sector Development Programme Phase Two (ASDP II).</li> </ul>   |

### 4. Modern coffee farming

| Overview of the Opportunity  |   |
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| <b>Key features</b><br> | <b>Karatu and Meru District Councils</b> <ul style="list-style-type: none"> <li>▪ Interested parties are invited to invest in modern coffee farming</li> <li>▪ About 2 hectares of land at Oldeani and Ganako wards in Karatu Council, and 2,151 hectares of land in Meru District Council have been allocated for this investment</li> <li>▪ There is also a possibility of entering into joint ventures with existing local farmers.</li> </ul> |



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| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>▪ Suitable land for crop production has been set aside</li> <li>▪ This will support agro-processing industries prioritised by the region</li> <li>▪ These activities will also generate national and regional revenues</li> <li>▪ The region is rich in arable land and easily harvested rainwater to favour irrigation farming.</li> </ul> |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>▪ The Third Five-Year Development Plan (FYDP III)</li> <li>▪ Agriculture Sector Development Programme Phase Two (ASDP II)</li> <li>▪ Tanzania Coffee Research Institute (TACRI) and Tanzania Coffee Board committed to facilitating a profitable coffee sector.</li> </ul>  |

## 5. Floriculture

| <b>Overview of the Opportunity</b>   |   |
|--|---|
| <b>Key features</b><br> | <b>All districts</b> <ul style="list-style-type: none"> <li>▪ Interested parties are invited to invest in flowers farming and cut-flowers in all districts</li> <li>▪ Investments are expected to be done in joint ventures with local investors.</li> </ul>  |
| <b>Key investment rationale</b>  | <ul style="list-style-type: none"> <li>▪ There is a huge export market for flowers to EU and other countries</li> <li>▪ Land in Arusha Region is fertile and supports production of flowers</li> <li>▪ This will generate employment in the region and enhance revenue collections for the Government.</li> </ul> |
| <b>Available support</b>   | <ul style="list-style-type: none"> <li>▪ National Agriculture Policy, 2013 encourages floriculture</li> <li>▪ Land for flower production is available to local investors</li> <li>▪ Laws allow joint ventures.</li> </ul>   |

## B. Industrial Sector

### 6. Coffee value addition

| Overview of the Opportunity  |   |
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| <b>Key features</b><br> | <b>Karatu and Meru District Councils</b> <ul style="list-style-type: none"><li>Interested parties are invited to invest in coffee value addition in Karatu and Meru District Councils of Arusha Region</li><li>Value-adding industries will produce raw materials for the large coffee processing industry proposed earlier</li><li>About 2,474.7 tonnes of coffee are produced in the region per year</li><li>Investors may take advantages of 2 hectares set aside at Oldeani and Ganako wards in Karatu District or enter into joint ventures with local investors in Meru District Council.</li></ul>   |
| <b>Key investment rationale</b>  | <ul style="list-style-type: none"><li>Coffee is also important to the national economy, providing 18 percent of Tanzania's merchandise export earnings</li><li>Coffee is well suited to Arusha Region, given its ability to grow on poor soils and can be intercropped with food crops, which makes it an ideal product for small-scale farmers</li><li>Coffee production is among the main cash crops in all districts of Arusha Region, therefore investors will get adequate raw materials</li><li>The industry will generate employment and become a source of markets for farmers.</li></ul>  |
| <b>Available support</b>   | <ul style="list-style-type: none"><li>Government has clearly shown interest in developing the coffee crop both in value addition and in production, and in enhancing earnings at all levels of the sector. Policy moves have been consistent with these objectives</li><li>ASDP II (2017/2018 – 2027/2028), which has identified coffee processing as one of the main sub-sectors in Tanzania agriculture</li><li>Supported by Third Five-Year Development Plan (FYDP III)</li><li>National Public-Private Partnership (PPP) Policy, 2009.</li></ul>  |

## 7. Bulb onion processing

| Overview of the Opportunity  |   |
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| <p><b>Key features</b></p>   | <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>Investors are invited to establish a processing plant for bulb onions in Karatu District</li> <li>Karatu District produces 79,296.84 tonnes of onions per year, most of which is marketed</li> <li>Karatu District Council has allocated about 36.18 hectares of land at Karatu District for establishing the proposed processing plant</li> </ul> <p><b>Monduli District Council</b></p> <ul style="list-style-type: none"> <li>There is an opportunity for establishing a processing plant for bulb onions in Monduli District</li> <li>Investors are expected to enter into joint ventures with local investors.</li> </ul> <p><b>Meru District Council</b></p> <ul style="list-style-type: none"> <li>Interested parties are invited to invest in establishing an onion processing plant</li> <li>Investors are expected to enter into joint ventures with local investors.</li> </ul> |
| <p><b>Key investment rationale</b></p>   | <ul style="list-style-type: none"> <li>Karatu, Monduli and Meru district councils produce substantial amounts of onions which are enough to meet the demand of the proposed processing plants</li> <li>Supply gap can be exported to neighbouring districts</li> <li>This will promote expansion of onion production and boost farmers' income.</li> </ul>  |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>National Agriculture Policy, 2013 encourages production and processing of onions</li> <li>Good infrastructure, which includes roads networks, communication services, electricity supply and markets</li> <li>The Third Five-Year Development Plan (FYDP III) focuses on industrial development in the country.</li> </ul>   |

## 8. Soda ash processing

| Overview of the Opportunity  |   |
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| <p><b>Key features</b></p>  | <p>Interested parties are invited to invest in soda ash extraction and processing. PPP is envisaged.</p> <p><b>Ngorongoro District Council</b></p> <ul style="list-style-type: none"> <li>Soda ash processing plant, especially at <i>Pinyinyi and Engaresero</i> wards, where there are huge stocks of soda ash.</li> </ul> <p><b>Longido District Council</b></p> <ul style="list-style-type: none"> <li>Investing in soda ash processing at Magadini Village – Lake Natron</li> <li>This lake is well known for having huge soda ash deposits in the country, thus offering investment potentials in the extraction and processing of soda ash.</li> </ul> <p><b>Monduli District Council</b></p> <ul style="list-style-type: none"> <li>Investing in soda ash processing at Engaruka Lake.</li> </ul> |
| <p><b>Key investment rationale</b></p>   | <ul style="list-style-type: none"> <li>There is a substantial amount of soda ash, enough to meet a bigger portion of the supply of raw materials to process soda ash</li> <li>Extraction of soda ash will open employment opportunities to the surrounding communities</li> <li>The Government will earn more revenues through tax collection.</li> </ul>   |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>Good infrastructure, which includes roads networks, communication services, electricity supply and markets</li> <li>The Third Five-Year Development Plan (FYDP III) focuses on industrial development in the country.</li> </ul>   |

## C. Fisheries Sector

### 9. Fish farming, hatcheries and related technologies

#### Overview of the Opportunity

##### Key features



##### Arusha District Council

- Investment opportunities in this district include fish hatcheries and supply of technologies for fish farming at household level
- Investors can also improve the existing dams for fish farming.



##### Karatu District Council

- Investing in aquaculture
- Karatu District Council has set aside about 5 hectares of land for the establishment of a dam

##### Ngorongoro District Council

- Investors are invited to engage in aquaculture (dam/pond) in this district.

##### Meru District Council

- Investing in fish farming in Meru
- Meru District Council has set aside 163 hectares of land h for the establishment of a dam/pond for fish farming.

##### Key investment rationale



- Aquaculture plays a vital role as an alternative source of income for fishery communities, as it contributes towards reducing pressure on marine natural resources. In addition, it has recently been considered as an important sector for supporting rural economic development
- It will also increase employment opportunities
- Tanzania would earn more foreign exchange from exports of processed fish.

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| <b>Available support</b> | <ul style="list-style-type: none"> <li>▪ National Fish Policy, 2015</li> <li>▪ Government has strongly supported investment in aquaculture training, with degree programmes at Sokoine University of Agriculture and the University of Dar es Salaam, and skills training at Mbegani Fisheries Development Centre and by Fisheries Education and Training Agency (FETA)</li> <li>▪ Tanzania Fisheries Research Institute (TAFIRI).</li> </ul> |
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## D. Livestock Sector

### 10. Ranches and cattle fattening

| Overview of the Opportunity |   |
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| <b>Key features</b>         | <p><b>Longido District Council</b></p> <ul style="list-style-type: none"> <li>▪ Interested parties are encouraged to invest in cattle fattening</li> <li>▪ Longido District has free range lands, but no land allocated for cattle ranch</li> <li>▪ Livestock keepers who are currently rearing cattle using traditional methods are encouraged to invest in cattle fattening individually or in partnership with potential investors.</li> </ul> <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>▪ An opportunity exists for investing in cattle fattening in this district</li> <li>▪ Karatu District Council has set aside 20 hectares of land at Baray for the establishment of a cattle ranch</li> </ul>  <p><b>Ngorongoro District Council</b></p> <ul style="list-style-type: none"> <li>▪ This district offers opportunity for investing in cattle fattening.</li> </ul> <p><b>Meru District Council</b></p> <ul style="list-style-type: none"> <li>▪ Meru has opportunity for investing in cattle ranch and cattle fattening</li> <li>▪ Meru District Council has set aside about 3,520 hectares of land in Ngarenanyuki, Ngabobo and Uwiro wards in the district for the establishment of cattle ranches.</li> </ul> |

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| <p><b>Key investment rationale</b></p> | <ul style="list-style-type: none"> <li>▪ These 4 district councils (Longido, Karatu, Ngorongoro and Meru) have outstanding natural resources for livestock development, including resilient livestock breeds, extensive rangelands and diverse natural vegetation</li> <li>▪ Transforming the traditional livestock sub-sector into a modern, responsive, sustainable and environmentally friendly is an engine for rural development and improved national health and nutritional standards</li> <li>▪ Enhancing livestock productivity.</li> </ul> |
| <p><b>Available support</b></p>        | <ul style="list-style-type: none"> <li>▪ Tanzania Livestock Modernisation Initiative of 2015</li> <li>▪ Responsive veterinary services are available</li> <li>▪ Availability of livestock research and extension services through modern information systems.</li> </ul>   |

**11. Artificial insemination and veterinary related services**

**Overview of the Opportunity**

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| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>▪ Investing in accredited laboratories for quality control of animal products to meet international standards</li> <li>▪ Investing in mobile veterinary services (MVS) (vaccination and dipping) for outreach to roaming pastoralists</li> <li>▪ Investing in artificial insemination (AI) centres in collaboration with LGAs (under PPP model)</li> <li>▪ LGAs that have allocated land for these investments include: <ul style="list-style-type: none"> <li>✓ Karatu District Council: 2 hectares at Ayalabe and Mang'ola</li> <li>✓ Arusha District Council: 1.0 hectare at Lengijave for investment in artificial insemination and veterinary related services</li> <li>✓ Monduli District Council: 2.5 hectares at Makuyuni Sepeko in Makuyuni Alkatani Village.</li> </ul> </li> </ul> |
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| <p><b>Key investment rationale</b></p>  | <ul style="list-style-type: none"> <li>▪ The investment is in line with the establishment of feeding lots</li> <li>▪ This will ensure quality products for exportation to regional and international markets</li> <li>▪ Transforming the traditional livestock sub-sector into a modern, responsive, sustainable and environmentally friendly one is an engine for rural development and improved national health and nutritional standards</li> <li>▪ Enhancing livestock productivity.</li> </ul> |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>▪ National Livestock Policy (2006) supports this type of investment</li> <li>▪ Medicines and veterinary accessories are tax exempt.</li> </ul>   |

**E. Mining Sector**

**12. Mineral processing**

| <p><b>Overview of the Opportunity</b></p>  |   |
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| <p><b>Key features</b></p>                | <p><b>Karatu, Monduli and Ngorongoro District Councils</b></p> <ul style="list-style-type: none"> <li>▪ Investors are invited to invest in mining and mineral processing</li> <li>▪ These 3 districts are rich in mineral resources such as gold, ruby and green and red aventurine</li> <li>▪ Investors may also venture into providing technologies for small-scale miners who use crude technology.</li> </ul> |
| <p><b>Key investment rationale</b></p>  | <ul style="list-style-type: none"> <li>▪ Mineral processing will increase efficiency and value addition activities to minerals and thus increase incomes</li> <li>▪ Mining will create employment opportunities</li> <li>▪ Improved processing and marketing of minerals will enable the region to earn a substantial amount of revenue.</li> </ul>   |
| <p><b>Available support</b></p>  | <ul style="list-style-type: none"> <li>▪ Arusha Region offers incentives, including easy access to land</li> <li>▪ LGAs will ensure a smooth process for land acquisition, coordination of Government departments, private sector actors and other relevant institutions in order to facilitate investment implementation</li> </ul>  |


- Good infrastructure, which includes roads networks, communication services, electricity supply and markets
- This investment is in line with Government industrialisation policy which, among other things, promotes value addition
- Political support at national, regional and local government levels.

### 13. Aggregates production

| Overview of the Opportunity  |  |
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| <b>Key features</b><br> | <b>Longido, Meru, and Monduli District Councils</b> <ul style="list-style-type: none"> <li>▪ Investing in aggregate production to provide needed raw materials in construction of houses and other buildings</li> <li>▪ Longido District Council has set aside 20.1525 hectares of land at Longido Town for this purpose.</li> </ul> |
| <b>Key investment rationale</b>  | <ul style="list-style-type: none"> <li>▪ There is a high demand for construction materials, including aggregates</li> <li>▪ Some constructors are currently forced to get such building materials from neighbouring regions</li> <li>▪ High availability of rocks in the region.</li> </ul>  |
| <b>Available support</b>   | <ul style="list-style-type: none"> <li>▪ The country's industrial policy and strategy support establishment of new industries for development</li> <li>▪ LGAs will facilitate land acquisition for establishing industries.</li> </ul>   |

## F. Construction Sector

### 14. Establishment of Meru Dry Port, Distribution and Logistics Centre

| Overview of the Opportunity  |   |
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| <b>Key features</b><br> | <b>Meru District Council</b> <ul style="list-style-type: none"> <li>▪ There is an opportunity to invest in the establishment of Meru Dry Port under PPP arrangements</li> <li>▪ Meru District Council is strategically located near the neighbouring regions of Kilimanjaro, Tanga, Manyara, Singida, Tabora, and Simiyu and it is connected to Kenya, Somalia and South Sudan</li> <li>▪ Recognising this potential, Arusha Region, through Meru District Council, has surveyed and allocated 1,960 hectares at Malula Ward for establishing industries, dry port and logistics centre.</li> </ul> |



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| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>▪ Meru Dry Port will facilitate smooth and efficient movements of goods within Tanzania as well as between Tanzania and neighbouring countries</li> <li>▪ Building this port will reduce costs and improve distribution activities</li> <li>▪ This hub will also generate national and regional revenues</li> <li>▪ Moreover, they will create employment opportunities.</li> </ul> |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>▪ Regional authorities and Meru District Council strongly support this investment</li> <li>▪ Established supportive infrastructure, including water and electricity infrastructure.</li> </ul>  |

## 15. Construction of modern markets, business and trade services centres

| <b>Overview of the Opportunity</b>   |  |
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| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>▪ Interested parties are invited to invest in modern market centres, commercial business and trade services centres, which will include shopping malls catering for wholesale and retail shops, saloons, banks and automatic teller machines (ATM), car parking space, shops, conference hall, restaurants and offices</li> <li>▪ LGAs that have allocated land for these investments include: <ul style="list-style-type: none"> <li>✓ <b>Karatu District Council:</b> 2.97 hectares at Njiapanda for construction of a modern market</li> <li>✓ <b>Arusha City Council:</b> 2.67 hectares at Engutoto Ward for construction of a modern market</li> <li>✓ <b>Arusha District Council:</b> 0.8858 hectares at Kiutu for construction of a modern market</li> <li>✓ <b>Meru District Council:</b> 2,646.3 hectares at Usa River, Malula, Seela Sing'is and Makiba wards for construction of shopping malls, bus stand, market, lorry and tax parking lots</li> <li>✓ <b>Longido District Council:</b> 25 hectares at Kimokouwa Ward in Eworendeke Village</li> <li>✓ <b>Ngorongoro District Council:</b> 48.56 hectares at Lopolun Village for construction of a slaughter house</li> <li>✓ <b>Monduli District Council:</b> 6 hectares at Mto wa Mbu for construction of a modern market.</li> </ul> </li> </ul> |

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| <p><b>Key investment rationale</b></p> | <ul style="list-style-type: none"> <li>Population is expanding and its purchasing power is increasing and so are requirements for shopping malls and entertainment areas</li> <li>An increasing number of tourists</li> <li>An avenue for promoting production of quality goods that meet required standards: in the case of agriculture produce, farmers (crops and livestock keepers) will most likely add value needed in modern markets and earn higher returns</li> <li>This hub will also generate national and regional revenues</li> <li>Furthermore, they will create employment opportunities.</li> </ul> |
| <p><b>Available support</b></p>        | <ul style="list-style-type: none"> <li>Public-private partnership (PPP) allows collaboration between the private sector and Government</li> <li>National Trade policy 2003</li> <li>The Third Five-Year Development Plan emphasises importance of domestic markets and their linkage to regional and international markets</li> <li>Good road infrastructure and electricity.</li> </ul>  |


## 16. Construction of modern agriculture and livestock markets

| <p><b>Overview of the Opportunity</b></p>  |  |
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| <p><b>Key features</b></p>   | <p><b>Ngorongoro District Council</b></p> <ul style="list-style-type: none"> <li>Investing in the construction of modern agriculture markets such as modern livestock auction and agriculture crop markets</li> <li>Ngorongoro District Council has allocated land in 2 villages in the district for this investment: 4.9 hectares at Njoroi Village and 4.45 hectares at Wasso Village.</li> </ul> <p><b>Longido District Council</b></p> <ul style="list-style-type: none"> <li>Investors are invited to establish agricultural market centres to service the increasing population and interaction at Namanga Border with Kenya</li> <li>Longido District Council has set aside 24.5 hectares of land at Eworendeke Village for this investment.</li> </ul> <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>Investing in construction of modern livestock auction market for servicing travellers</li> <li>Karatu District Council has allocated 16.65 hectares of land at Karatu Auction Market and 0.7669 hectares at Njiapanda area for this investment.</li> </ul> |

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|---------------------------------|--|
|                                 | <p><b>Monduli District Council</b></p> <ul style="list-style-type: none"> <li>Investing in construction of modern agriculture markets</li> <li>Monduli District Council has reserved about 6 hectares of land at Losirwa-Mto wa Mbu for this investment.</li> </ul>  |
| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>The market for crops produced and other related products will improve people's livelihoods in the area</li> <li>The proposed investment will allow for intensification of land use as well as crop diversification and productivity, thereby enhancing food security, increasing income and creating employment opportunities for the local population</li> <li>Farmers need access to markets to earn their fair share of profits. Good markets, in turn, provide food security for the population and facilitate agricultural self-sufficiency. Markets are at the centre of agriculture ecosystem that forms the basis of sector development</li> <li>Making markets work is a supply-chain infrastructure and information issue.</li> </ul> |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>Land for construction of these markets is available</li> <li>Agriculture policies and Agriculture Sector Development Programme Phase Two (ASDP II) has prioritised marketing development for agriculture, including the promotion of agriculture value chains.</li> </ul>   |

## 17. Construction of modern bus stand and lorry parking lots

### Overview of the Opportunity

|                     |   |  |
|---------------------|---|--|
| <b>Key features</b> | <p><b>Meru District Council</b></p> <ul style="list-style-type: none"> <li>Investing in modern bus stand and lorry parking lots under PPP to provide needed services for passengers and travellers in the northern circuit</li> <li>Meru District Council has set aside 1,960 hectares of land at Malula Ward for this investment.</li> </ul>                     |  |
|                     | <p><b>Longido District Council</b></p> <ul style="list-style-type: none"> <li>Investors are invited to construct parking lots for lorries and modern bus stand</li> <li>Many lorries and buses cross Longido Town daily to and from Kenya</li> <li>Longido District Council has set aside 3.6891 hectares of land at Longido Town for this investment.</li> </ul> |  |

|  |   |
|--|---|
|  | <p><b>Arusha District Council</b></p> <ul style="list-style-type: none"> <li>Construction of a modern bus stand at Kisongo Ward</li> <li>Arusha District Council has set aside 8 hectares of land at Kisongo Ward for construction of a modern bus stand and lorry parking lots.</li> </ul> <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>Investors are welcome to construct a modern bus stand</li> <li>Karatu District Council has set aside 1.4553 hectare of land at Njiapanda for this investment.</li> </ul>       |
| <p><b>Key investment rationale</b></p> | <ul style="list-style-type: none"> <li>Bus stations are a significant element in the operation of bus services. Bus stations provide complimentary facilities for the benefit of passengers, such as food kiosk, public car parks, taxi bays as well as parking bays for bus operators to pick up and ferry passengers to their destinations. Where space allows, shopping malls may also be constructed</li> <li>A modern bus station with good management and environment will spur economic activities in and around the bus station.</li> </ul>     |
| <p><b>Available support</b></p>        | <ul style="list-style-type: none"> <li>The four district councils (Meru, Longido, Arusha and Karatu) have allocated land for the construction of these facilities</li> <li>Bus stand facilities development is aligned with the Government's Third Five-Year Development Plan (FYDP III), whose aim is to enhance human development and provision of quality services</li> <li>Seventy-five percent (75%) import duty relief on project deemed capital goods, including equipment, utility vehicles and some building materials through TIC.</li> </ul> |

## 18. Rain-water harvesting, desalination and purification for domestic consumption, irrigation and livestock use

| <p><b>Overview of the Opportunity</b></p>  |  |
|--|--|
| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>Investors may venture into harvesting rain-water, desalinating and purifying harvested water for domestic consumption, irrigation purposes as well as for livestock use</li> <li>Investors may invest privately or enter into PPP arrangements with respective LGAs.</li> </ul> |

|  |   |
|--|---|
| <p><b>Key investment rationale</b></p> | <ul style="list-style-type: none"> <li>Harvested water will enhance irrigation farming, especially in cereal and horticulture farming, which are common activities in many areas of Arusha Region</li> <li>Rain-water harvesting technologies are available, making it easier to collect and distribute water for domestic consumption, as well as for livestock and irrigation purposes</li> <li>It will address the challenge of unreliable rainfall pattern that limits agriculture production of various commodities.</li> </ul>          |
| <p><b>Available support</b></p>        | <ul style="list-style-type: none"> <li>Through the National Irrigation Policy of 2009, the Government recognises that irrigation development in Tanzania is critically important in ensuring that the nation attains reliable and sustainable crop production and productivity as a move towards food security and poverty reduction</li> <li>Government has set up a District Irrigation Development Fund (DIDF) and a National Irrigation Development Fund (NIDF) through which irrigation financing of needed services is done.</li> </ul> |

## G. Tourism Sector

### 19. Tourism and tourist activities

| <p><b>Overview of the Opportunity</b></p>   |   |
|---|---|
| <p><b>Key features</b></p>  | <ul style="list-style-type: none"> <li>Tourism-related investments outlined under each district council should be considered as tourism facilities that enhance the tourist circuit in the whole region</li> <li>Interested parties are encouraged to invest into numerous opportunities such as game viewing and hunting; mountain biking; excursion tours for site seeing and observation points; historical sites (Olduvai Gorge); cultural tourism of tribes of Arusha Region, including Maasai and Hadzabe; and building hotels and camp sites</li> <li>Tourists will be able to visit multiple tourist attractions in the region, including man-made tourist attractions such as cultural tourism (dances, carvings etc.). Thus, each investment is a building block to support tourism infrastructure</li> </ul>  |

- All LGAs offer opportunities in the aforementioned facilities
- LGAs that have allocated land for these investments include:
  - ✓ Karatu District Council: 76 hectares for hotels and recreations; 2659.9 hectares at Endamaghan, Mikocheni, Qangdend and Mbuganyekundu for Hadzabe cultural tourism; and construction of Run Sport Centre at Qurus Ward where 8.82 hectares have been set aside for that purpose
  - ✓ Arusha City Council: 4 hectares at Themí Garden for establishing a recreation facility and at Suye Hill for construction of tourist hotels, recreational parks and animal zoo; 1 hectares for affordable hotels and recreational centres; 4 hectares in for cultural tourism; 1 hectares for development and renovation of historical sites; 200 hectares in for construction of facilities for game viewing, mountain climbing and hiking
  - ✓ Arusha District Council: 400 hectares at Laroi
  - ✓ Meru District Council: 4500 hectares at Uwiro and Ngabobo villages in Kisimiri Juu
  - ✓ Longido District Council: some land in all villages at Ketumbeine, Enduimet and Longido divisions
  - ✓ Ngorongoro District Council: 972,463.92 hectares at Ngorongoro Conservation Area (NCAA), Oloosokwan, Oloipiri, Arash, Piyaya, Maalon, O/Magaiduru, Malambo, Soitsambu, Pinyinyi and Engaresero wards for game viewing, hunting, mountain biking, historical sites, cultural tourism, building hotels and camp sites
  - ✓ Monduli District Council: 3,340 hectares at Esiloslei, Oldonyo, Lemoot, Engaruka, Losimingori, Makuyuni and Mfereji.

### Key investment rationale



- Hotels at the airport will facilitate airport and airlines operations by accommodating passengers
- Continued increase in the number of tourists
- Some districts with tourist attractions lack good tourist hotels, forcing tourists to travel fairly long distances from the attractions



### Available support

- Renovating these facilities will unlock potentials in tourism and improve contribution to GDP
- These facilities will also generate national and regional revenues
- Karatu District Council is lacking sports centres for recreation
- Further, they will create employment opportunities.
- The industry is supported by an Integrated Tourism Master Plan, which outlines strategies and programmes for the sector
- Existence of Tourism Confederation of Tanzania (TCT), a private sector body that represents interests of private sector tourism
- The 1999 National Tourism Policy emphasizes the need to improve, among other things, communication services and accommodation facilities as a means of attracting tourists
- Land will be made available for hotels and camping sites
- Tanzania's sports policy allows and encourages private sector investments in the sport sector
- Good infrastructure, which includes roads networks, communication services, electricity supply and markets.

## H. Education Sector

### 20. Construction of private schools and colleges

#### Overview of the Opportunity

##### Key features



##### Ngorongoro District Council

- Investing in private schools that will cater for nursery, primary and secondary and tertiary levels education needs
- Investors are expected to partner with local investors or acquire land from private individuals for construction of schools and colleges.

##### Monduli District Council

- Investors are invited to establish private schools for pre-primary, primary and secondary education
- Investors may also venture into establishing affordable technical colleges/vocational training centres
- Monduli District Council has set aside 29.4 hectares of land at Kiguki Ward for establishing a vocational training centre.

|                                 |   |
|---------------------------------|---|
|                                 | <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>Investing in private secondary school education and vocational training</li> <li>Karatu District Council has allocated 29.4 hectares of land at Eyasi Division for this investment.</li> </ul> <p><b>Meru District Council</b></p> <ul style="list-style-type: none"> <li>Investing in private secondary school education and vocational training</li> <li>Meru District Council has set aside 17.24 hectares of land at Valleska Village in Makiba Ward for this investment.</li> </ul> |
| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>There is a high demand for basic, primary and secondary education</li> <li>Some parents are currently sending their children to other areas to get such education</li> <li>Demand for affordable vocational training is huge in the region, to enable youth to participate effectively in tapping opportunities, for instance tourism.</li> </ul>  |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>The education policy in Tanzania allows and encourages private sector participation in providing education at all levels.</li> </ul>   |

## I. Health Sector

### 21. Construction of modern health care facilities

| Overview of the Opportunity  |  |
|--|--|
| <p><b>Key features</b></p>  | <p><b>Ngorongoro District Council</b></p> <ul style="list-style-type: none"> <li>Investors are invited to construct and run private health care facilities in the district</li> <li>The Council has set aside 68.79 hectares of land at O/Magaiduru, Arash, Kakesio and Samunge wards for this investment.</li> </ul>  <p><b>Longido District Council</b></p> <ul style="list-style-type: none"> <li>Investors are invited to construct and run private health care facilities in the district</li> <li>Longido District Council has set aside land at Orbamba Ward in Ranchi Village for this investment.</li> </ul> |


|                                 |  |
|---------------------------------|--|
|                                 | <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>An investor is invited to construct and run a modern hospital</li> <li>There are only 10 health care facilities in the district with limited facilities</li> <li>Karatu District Council has set aside 6 hectares of land at Eyasi Division for this investment.</li> </ul> <p><b>Meru District Council</b></p> <ul style="list-style-type: none"> <li>An investor is invited to construct and run a modern hospital</li> <li>Meru District Council has set aside 2.6 hectares of land at Valleska Village in Makiba Ward for this investment.</li> </ul> <p><b>Arusha District Council</b></p> <ul style="list-style-type: none"> <li>An investor is invited to construct and run a modern hospital</li> <li>Arusha District Council has set aside 1.28 hectares of land at Gomba in Mlangarini Ward for this investment.</li> </ul> |
| <b>Key investment rationale</b> | <ul style="list-style-type: none"> <li>There is a shortage of health care facilities in the districts.</li> </ul>  |
| <b>Available support</b>        | <ul style="list-style-type: none"> <li>Tanzania's health policy allows and encourages private sector investments in the health sector.</li> </ul>  |

## J. Financial and ICT Services

### 22. Establishment of Financial institutions

| Overview of the Opportunity  |   |
|--|---|
| <p><b>Key features</b></p>  | <p><b>Karatu District Council</b></p> <ul style="list-style-type: none"> <li>Investors are invited to establish micro finances due to ready market and growing need for taking micro loans for business.</li> </ul> |
| <b>Key investment rationale</b>  | <ul style="list-style-type: none"> <li>Karatu District Council has inadequate financial institutions to facilitate the growing population.</li> </ul>   |
| <b>Available support</b>   | <ul style="list-style-type: none"> <li>Tanzania's financial policy allows and encourages private sector investments in the finance sector.</li> </ul>   |

## 23. Establishment of Information, Communication and Technology Facilities

| Overview of the Opportunity  |   |
|--|---|
| <b>Key features</b><br> | <b>Karatu District Council</b> <ul style="list-style-type: none"><li>Investors are invited to establish Information, Communication and Technology centres at Karatu District Council</li><li>The Council has set aside 18 hectares at Qurus ward.</li></ul> |
| <b>Key investment rationale</b>  | <ul style="list-style-type: none"><li>Karatu District Council has inadequate ICT facilities</li><li>Globalization and ICT is essential youth need coupled with the availability of tourists.</li></ul>  |
| <b>Available support</b>   | <ul style="list-style-type: none"><li>Karatu District Council has inadequate ICT facilities</li><li>Globalization and ICT is essential youth need coupled with the availability of tourists.</li></ul>  |

## **FACILITATION, PROCESSES, REQUIREMENTS AND INCENTIVES**

Most of the policies and laws, unless specified, are applicable nationally for specific sectors. Local government authorities, through the blessings of city, town or district full councils, are mandated to enact by-laws and notices that must also be endorsed by the Minister responsible for Regional Administration and Local Government (RALG).

Below is a summary of issues related to facilitation, processes, requirements, and incentives for investment in Tanzania in general including Arusha Region.

### **4.1 Supportive Policies and Legal Environment**

Key investment policies, laws, strategies, plans and programmes that are promoting investment in the region are presented below.

#### **4.1.1 Policies, Legal, Institutional and Regulatory Considerations**

##### **a) Key policies**

Policies to guide investment promotion and interventions in Arusha Region's relevant areas are: National Investment Promotion Policy (1996); National Agriculture Policy (2013); National Livestock Policy (2006); Sustainable Industrial Development Policy (SIDP) (1996-2020); National Trade Policy for Competitive Economy and Export-led Growth (2003); National Microfinance Policy (2000); National Forest Policy (1998); Bee Keeping Policy (1998); Small and Medium Enterprises Development Policy (2003); National Land Policy (1995); National Environment Policy (1997); The Mineral Policy of Tanzania (2009); Tanzania Mining Industry Investor's Guide (2015); and Arusha Region Authority Development Plans, as well as the region's political will to attract investors.

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## b) Key laws

Major laws and regulations that guide investment promotion and activities in Arusha Region are: Tanzania Investment Act (1997); Tax Legislations; 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); the Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations of 2018; and other sector Acts and relevant Arusha Region by-laws.

### 4.1.2 Strategies, Plans and Programmes

Key strategies, plans and programmes include Regional Annual Plans and Annual Reports; PO-RALG Reports; District Development Plans; Five-Year Development Plan (FYDP III); Agriculture Sector Development Strategy and Programme (ASDP II) 2017-2022; Livestock Sector Development Programme (2011); Ministry of Industry, Trade and Investment's Reports; and Integrated Industrial Development Strategy (IIDS 2025). Others are the National Rice Development Strategy; Tanzania Agriculture and Food Security Investment Plan; and the Southern Agricultural Growth Corridor in Tanzania (SAGCOT).

The above policies, regulatory frameworks, strategies and plans support the investment climate in Arusha Region by sound frameworks that offer an appropriate environment that encourages investments in the region. The key issue is for the regional leadership to make sure that the processes and requirements outlined below are interpreted and adapted earnestly at the regional and local levels. The leadership of Arusha Region is determined to doing that and to ensuring speedy implementation of prioritised investment opportunities, as well as putting in place a climate that is conducive to investing in the region.

### 4.1.3 Investment Options: Private, PPP, PPCP and Joint Venture

Investment options available in Tanzania include individual private sector investments, public-private partnerships, public-private community partnerships and joint ventures.

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## a) **Public-Private Partnerships (PPPs)**

The Government recognises the role of private sector in bringing about socio-economic development through investments. Public-private partnership (PPP) frameworks provide an important instrument for attracting investments. Indeed, public-private partnerships (PPPs) have been identified as viable means to effectively address constraints of financing, management and maintenance of public goods and services.

The public sector, through public-private partnerships, is encouraged to maximise synergies between the public and private sectors in mobilising and deploying resources. The PPP approach has been widely used in other countries to finance infrastructure and other long-term investment projects. The approach is a way to merging public and private capital and expertise for public projects in which the private sector has interest in sharing ownership.

The Public Private Partnership (Amendment) Act (2018) and PPP Regulations (2020) give areas of collaboration, which comprise investment capital, managerial skills and technology. Additionally, PPPs can enable the Government to fulfil its responsibilities in delivery of socio-economic goods and services by ensuring efficiency, effectiveness, accountability, quality and outreach of service.

The concept of PPP entails an arrangement between public and private sector entities whereby the private entity renovates, constructs, operates, maintains, and/or manages a facility in whole or in part, in accordance with output specifications. The private entity assumes associated risks for a significant period of time and, in return, receives benefits and financial remuneration according to agreed terms. PPPs constitute a cooperative venture built on the synergy of expertise of each partner that best meets clearly defined public needs through the most appropriate allocation of resources, risks and rewards.

Most PPPs implemented in Tanzania are concession arrangements for running existing enterprises with limited provisions for rehabilitation and new investments. It is worth noting that in the case of services, PPPs have been implemented successfully by faith-based organisations (FBOs) in education, health and water sectors for many years. Private sector participation in areas

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previously treated as the monopoly of the public sector has made major contributions to increasing the pace of growth and development in many countries.

### **b) Public-Private Community Partnerships (PPCPs)**

This is a variant of PPP in that it includes communities/villages where the nature of a project requires that community resources (such as land) become part of a project in which both the public sector (particularly local government authorities) and the private sector are interested to invest.

### **c) Joint Ventures**

The Tanzanian Government encourages joint ventures between domestic firms or individuals and foreign investors. Many foreign firms have recently partnered with the Government; these include telecommunication services providers such as Airtel, Vodacom and Tigo, which have registered some notable successes. Others are National Development Corporation (energy), Tanzania Petroleum Development Corporation (bio-fuels), and the National Housing Corporation (real estate development).

## **4.2 Facilitation: Processes and Requirements**

Arusha Region and Central Government have set and are striving to improve the investment climate to entice and facilitate investment in the region and ensure speedy decision making. The region has the obligation of interpreting and adapting these processes, requirements and incentives for investment to fit the region's investment profile and priorities. These processes and requirements are subject to changes from time to time towards improvements.

### **4.2.1 Lead Institution**

Tanzania Investment Centre (TIC) is a one-stop agency of the Government of Tanzania established under the Tanzania Investment Act No. 26 of 1997. It is mandated to promote, co-ordinate and facilitate investment in Tanzania. The Centre is a focal point for all investors and performs all liaison work for the investor from enquires right up to project start-up and project operation

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and after-care services. The minimum investment capital threshold for an enterprise to qualify for registration under the Centre is not less than US\$ 500,000 if foreign or joint venture owned, and US\$ 100,000 for domestic investors.

This one-stop facilitation agency assists all investors to obtain permits, licences, approvals, and authorisation etc., required by other laws to set up and operate investment ventures in Tanzania.

***TIC contacts are:***

Headquarters: Executive Director, Tanzania Investment Centre, Plot no; 9A&B, Shaaban Robert Street, PO Box 938, Dar es Salaam, Tanzania, Tel: 255 22 2113365/116328-32; Fax: 255 22 2118253, Email: [information@tic.go.tz](mailto:information@tic.go.tz)

## **4.2.2 Main Institutions Dealing with Investment in Tanzania and Arusha Region**

The main institutions dealing with investment issues in Arusha Region and Tanzania at large are: Tanzania Investment Centre; Business Registration and Licensing Agency (BRELA); Tanzania Revenue Authority (TRA); Tanzania Electric Supply Company (TANESCO); Tanzania Bureau of Standards (TBS); Ministry of Industry and Trade (MIT); Tanzania Medicines and Medical Devices Authority (TMDA); Prime Minister's Office (Investment), water supply companies in respective regions, local authorities in respective districts (on land issues), Ministry of Water and Irrigation (MWI), Ministry of Agriculture (MoA) and Ministry of Livestock and Fisheries (MLF).

## **4.2.3 Registration**

Registration of an investment can be undertaken at district, regional or national BRELA and TIC offices, 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 Enquiry Forms; (viii) IT 21 forms for companies and IT 20 forms for individuals; and (viii) Company and Operators' Certification of Registration for Tax Payer Identification Number (TIN).

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## 4.2.4 Central Government Taxes

Taxes involved in investment projects in Arusha Region are various, and include the following:

### a) Corporate Tax

Corporate tax is charged at the rate of 30 percent for both resident and non-residents. In case of newly listed corporates to the Dar es Salaam Stock Exchange, with at least 30 percent of its equity ownership issued to the public for three consecutive years from the date of listing, corporate tax is 25 percent for both resident and non-resident entities. Furthermore, corporates with perpetual unrelieved losses for three consecutive years (excluding corporates conducting agriculture business and those providing health care or education services), corporate tax is 0.3 percent of annual turnover for resident corporates.

Other incentives under corporate tax include a reduced rate from the normal 30 percent to 20 percent for a new entity dealing in manufacturing of pharmaceuticals and leather products, and 10 percent rate for corporations investing in plants for assembling motor vehicles, tractors and fishing auto boats.

### b) Personal Income Taxes

Residents are subjected to personal income tax where total annual income exceeds Tsh. 2,040,000. The income of a non-resident employee of a resident employer is subject to withholding tax of 15 percent. The total income of a non-resident individual is chargeable at the rate of 20 percent (the monthly income includes basic salary, overtime, bonus commission and other allowances).

The skills and development levy is payable by any employer who has four or more employees; the rate is 4.5 percent of the gross wage. Exempted employers from this levy include diplomatic missions, registered education institutions, charitable organisations, farm employment, and foreign institutions dealing with technical assistance and the United Nation Organisation and its agencies.

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### **c) Withholding Taxes**

Withholding taxes on dividends from corporations listed at the Dar es Salaam Stock Exchange are 5 percent for both resident and non-resident persons. The rate of dividend from other corporations is 10 percent. The rate withheld on interest is 10 percent, and on royalties is 15 percent for resident and non-resident persons. Furthermore, the rates withheld on management and technical services fees [mining, oil and gas] are 5 percent for residents and 15 percent for non-residents.

### **d) Value Added Tax (VAT)**

Value-added tax (VAT) is a consumption tax charged at a single rate of 18 percent. Registration is compulsory for any business that has a turnover of more than TZS 100 million per annum. However, there is an exception to registration for businesses entities dealing with professional services, as they are required to be registered for value-added tax regardless of their turnover. Applicants for VAT registration should complete form Number VAT ITX245.02. E. A registered taxpayer is required to file a VAT return monthly.

Under VAT, incentives include zero rates for all exports, VAT deferment on plant and machinery, VAT exemption of imported plant and machinery by local manufacturers and processors of vegetable oils, textiles, pharmaceuticals and skins and leather products in Tanzania Mainland. VAT returns are supposed to be filed on the 20<sup>th</sup> day of the month after a tax period. However, where the 20<sup>th</sup> day falls on Saturday, Sunday or public holiday, VAT return shall be lodged on the first working day following a Saturday, Sunday or public holiday. For imports, VAT is payable at the time the import duty is due and payable in accordance with the East African Community Customs Management Act, 2004. Exports are zero-rated under the VAT Act, 2014, which also provides for VAT exemption. Exempt supplies and imports are provided in the schedule to the VAT Act, Cap 148 r/w Finance Act 2017.

## **4.3 General Investment Incentives**

Investors registered by Tanzania Investment Centre pursuant to Tanzania Investment Act, 1997 (TIA, 1997) are accorded various investment fiscal and non-fiscal incentives as stipulated in various applicable tax and other laws.

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Investment projects registered by TIC, pursuant to the Tanzania Investment Act, 1997 (TIA, 1997), are accorded various fiscal and non-fiscal incentives as stipulated in various applicable laws.

Fiscal incentives under TIC include 100 percent import duty exemption on capital goods and 75 percent on deemed capital goods (regarding deemed capital goods, the investor shall pay 25 percent of import duty due). Deemed capital goods that are eligible for exemption are specified according to the project sector. Additional fiscal incentives may be granted to investments that meet strategic investor status provided for under Section 20 of TIA, 1997. Non-fiscal incentives include five automatic immigrant quotas granted to the project during its implementation period, whereby additional quota may be granted based on project size, technology or any other agreements with the Government. EPZA also provides incentive packages according to Export Processing Zones Act No. 11 of 2002. Investments in Tanzania are guaranteed against nationalisation and expropriation. Tanzania is a member of both the International Centre for Settlement of Investment Disputes (ICSID) and Multilateral Investment Guarantee Agency (MIGA).

***Please Note:** Information on taxes and investment incentives explained above are subject to periodic reviews as the Government keeps on improving the investment climate in the country. Please contact Tanzania Revenue Authority ([www.tra.go.tz](http://www.tra.go.tz)) and Tanzania Investment Centre ([www.tic.go.tz](http://www.tic.go.tz)) for updates.*

## **4.4 Access to Resources**

### **4.4.1 Land for Investment in Tanzania**

The Ministry of Lands, Housing and Human Settlements is mandated with land management in Tanzania. Land in Tanzania is under three categories, namely village land, general land and reserve land. According to the Land Act, the whole land of the United Republic of Tanzania is owned by the public and the President as a Trustee. This means that land in Tanzania is vested unto the public, and citizens own land under leasehold tenure. Section 20 of the Land Act No. 4 of 1999 specifically provides for a procedure to allocate/grant land to non-citizens for investment purpose under the Tanzania Investment Act, 1997.

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Land for investment purpose shall be identified, gazetted and allocated to Tanzania Investment Centre, which will issue a Derivative Right of Occupancy to the investor. More information on the acquisition of land for investment is available on [www.ardhi.go.tz](http://www.ardhi.go.tz)

#### **4.4.2 Land for Investment in Arusha Region**

Arusha Region has reserved land for investment in every district and it is ready to facilitate its acquisition to suit special requirements of investors when needed. Additionally, several parcels of land of various sizes have been earmarked and set aside for specific targeted investment. Such land parcels have been listed in detail under Part Three of this Investment Guide.

#### **4.4.3 Banking and Financial Services**

The banking sector in Tanzania has been booming, growing in assets and in profits. Because of this, new merchant banks, commercial banks, bureaux de change, insurance companies, stock exchange and related financial units have entered the market. There are four categories of banks, oriented towards different markets and clientèle operating in Tanzania: local private banks, regional banks, international banks and multi-national banks. Overall, the outlook for the banking industry in Tanzania is very positive and there are appealing opportunities for newcomers to the sector as investors and borrowers. Banks are found in all districts of Tanzania.

Tanzania's higher-than-average economic growth rate is fuelling the emergence of an educated middle class that aspires to achieve a more affluent lifestyle in which traditional depository, credit, insurance, and investment products play an important role. The development of this middle class is expanding national demand for financial services from established providers and could represent a new opportunity for financial services companies looking for growth.

There is a positive trend in lending to SMEs that is producing greater confidence in their growth potential among financial institutions and, more generally, in the economy as well, which is generating a positive spiral. In addition, the Government is also introducing new laws that are expected to enhance lending activities.

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#### **4.4.4 Labour**

Arusha Region has surplus labour due to low employment. While some of the labour is unskilled, there are efforts to build a skilled labour force, especially through vocational training. The region has 78 vocational training institutions, and investors are invited to build skills development institutions in the region.

### **4.5 Inclusion and Participation of the Private Sector**

The region plans to stimulate its industrial and economic development base through attracting additional private and public-private partnership investments in order to increase its value addition in key sectors like agriculture and manufacturing to strengthen competitiveness and to raise its GDP. The regional government and district authorities are ready and committed to providing a series of further support services and incentives to drive industrial development and growth in short, medium and long-term plans.

According to national policies, it is the role of the public sector to provide basic enablers such as land, utilities, and infrastructure. These are normally supported and constructed using district, regional and national public budgets in addition to other resources or development partners' support. It is the private sector that is mainly supposed to play a major role in investing in the region in the production, transportation, storage, processing, and development of value chains, as well as in marketing of products.

For the private sector to play its role effectively, Arusha Region authorities will create an enabling environment through the provision of pre-requisite infrastructure, incentives, formulation/review and enforcement of investment-friendly policies, regulations, and procedures. Regional authorities will promote public-private partnerships (PPPs) and public-private community partnerships (PPCPs), as well as facilitate joint ventures between potential investors and local private investors. Such partnerships are critical to achieving objectives of the implementation of capital and technology-intensive investments, including the build-operate-and-transfer approach. In addition, the private sector will be assisted to improve delivery and be enabled to thrive and be competitive by easing access to affordable input and output factors nationally and internationally.

## PART FIVE

# KEY CONTACTS IN ARUSHA REGION

This part provides important contacts in Arusha Region that will help potential investors in making follow up on opportunities in which they want to invest.

## 5.1 Key Websites

| Office                      | Website  |
|-----------------------------|--|
| Arusha Regional Secretariat | <a href="http://www.arusha.go.tz">www.arusha.go.tz</a>             |
| Arusha City Council         | <a href="http://www.arushacc.go.tz">www.arushacc.go.tz</a>         |
| Arusha District Council     | <a href="http://www.arushadc.go.tz">www.arushadc.go.tz</a>         |
| Longido District Council    | <a href="http://www.longidodc.go.tz">www.longidodc.go.tz</a>       |
| Karatu District Council     | <a href="http://www.karatudc.go.tz">www.karatudc.go.tz</a>         |
| Meru District Council       | <a href="http://www.merudc.go.tz">www.merudc.go.tz</a>             |
| Ngorongoro District Council | <a href="http://www.ngorongorodc.go.tz">www.ngorongorodc.go.tz</a> |
| Monduli District Council    | <a href="http://www.mondulidc.go.tz">www.mondulidc.go.tz</a>       |

## 5.2 Key Contacts

### 5.2.1 Regional Commissioner's Office

| Office                                  | Post Office Box | Telephone/<br>Mobile Phone | E-mail   |
|---|-----------------|----------------------------|--|
| Regional Commissioner (RC)              | 3050 Arusha     | +255 27 254 5608           | <a href="mailto:rc@arusha.go.tz">rc@arusha.go.tz</a>   |
| Regional Administrative Secretary (RAS) | 3050 Arusha     | +255 27 254 4950           | <a href="mailto:ras@arusha.go.tz">ras@arusha.go.tz</a> |

### 5.2.2 Arusha City Council

| Office        | City Director   |                            | E-mail   |
|---------------|-----------------|----------------------------|--|
|               | Post Office Box | Telephone/<br>Mobile Phone |  |
| Mayor         | 3013 Arusha     | +255 27 2548072            | <a href="mailto:cd@arushacc.go.tz">cd@arushacc.go.tz</a> |
| City Director | 3013 Arusha     | +255 27 2548072            | <a href="mailto:cd@arushacc.go.tz">cd@arushacc.go.tz</a> |

## 5.2.4 District Councils

| LGA                         | District Executive Director |                            | E-mail                 |
|-----------------------------|-----------------------------|----------------------------|------------------------|
|                             | Post Office Box             | Telephone/<br>Mobile Phone |                        |
| Arusha District Council     | 2330 Arusha                 | +255 27 2502737            | ded@arushadc.go.tz     |
| Monduli District Council    | 1 Monduli                   | +255 27 2538006            | ded@mondulidc.go.tz    |
| Meru District Council       | 462 Usa River               | + 255 27 297-482           | ded@merudc.go.tz       |
| Karatu District Council     | 190 Karatu                  | +255 27 2970650            | ded@karatudc.go.tz     |
| Longido District Council    | 84 Longido                  | +255 27 2539603            | ded@longidodc.go.tz    |
| Ngorongoro District Council | 113 Arusha                  | +255 28 2762259            | ded@ngorongorodc.go.tz |





**The United Republic of Tanzania**  
**President's Office**  
**Regional Administration and Local Government**  
Arusha Regional Commissioner's Office  
P.O. Box 3050, Arusha.  
[www.arusha.go.tz](http://www.arusha.go.tz)