

THE UNITED REPUBLIC OF TANZANIA



PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT



MBEYA REGION INVESTMENT OPPORTUNITIES

September 2017

SEPTEMBER 2017

TABLE OF CONTENTS

ABBREVIATIONS	4
THE MESSAGE FROM THE REGIONAL COMMISSIONER	5
CHAPTER 1	8
1.0 Mbeya Regional Profile	8
1.1 Vision	8
1.2 Mission	8
1.3 Administrative Framework	8
1.4 Geographical Location and Land	8
1.5 Topography	8
1.6 1.6 Climate	9
1.7 Population	10
1.8 Ethnic Groups	10
1.9 The Regional Economy	10
CHAPTER 2	11
2.0 Agriculture and Livestock: The Existing Situation	11
2.1 Types of agriculture practiced in Mbeya region	11
2.2 Investment Opportunities in Agriculture	12
2.2.1 Livestock Keeping	14
2.2.2 Investment Opportunities in Livestock	16
2.2.3 Agricultural and Livestock Research and Development	16
CHAPTER 3	17
3.0 Tourism: The Situation	17
3.1 3.1 Tourist attractions in Mbeya Region	17
3.2 3.2 Investment Opportunities in Tourism	19
CHAPTER 4	20
4.0 Natural Resources: The Situation	20
4.1 Forestry	20
4.2 Investment Opportunities in Natural	21

Resources

	CHAPTER 5	23
5.0	Mining: The situation	23
5.1	5.1 Investment Opportunities in Mining	24
	CHAPTER 6	25
6.0	6.0 Energy: The situation	25
6.1	6.1 Electricity Transmission and Distribution	25
6.2	6.2 Alternate Energy Solutions	25
	CHAPTER 7	27
7.0	Industries and Manufacturing	27
7.1	Investment Opportunities in Industries and Manufacturing	29
	CHAPTER 8	30
8.0	Economic Infrastructure: The situation	30
8.1	Road and Transport	30
8.2	Railway and Railway Transport	31
8.3	Civil Aviation and Air Transport	31
8.4	Marine Transport	32
8.5	Road and Roads transport	34
8.6	Civil Aviation and Air Transport	34
8.7	Lake Transport	34
	CHAPTER 9	36
9.0	Social Infrastructure: The Situation	36
9.1	Education	36
9.2	Health	36
9.3	Water Supply and Sanitation	37
9.4	Solid Waste Management	37
9.5	Security	37
9.6	Social Security	38
9.7	Investment Opportunities in Social Infrastructure	38
9.7.1	Education	38
9.7.2	Health	38
9.7.3	Water Supply and Sanitation	38
9.7.4	Solid Waste Management	38

9.7.5	Security Services	39
10.0	Concluding Remarks	39
11.0	Annexes	40

ABBREVIATIONS

BoT	Bank of Tanzania
BBC	British Broadcasting Cooperation
BOA	Bank of Africa
BIC	Business Information Centre
CBA	Commercial Bank of Africa
CHF	Community Health Fund
ECGS	Export Credit Guarantee Scheme
EWURA Authority	Energy and Water Utilization Regulatory Authority
EPZ	Export Processing Zone
GDP	Gross Domestic Product
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ICT	Information Communication Technology
LAPF	Local Authorities Pension Fund
LGA	Local Government Authority
MRIF	Mbeya Region Investment Forum
MU	Mzumbe University
NBS	National Bureau of Statistics
NHIF	National Health Insurance Fund
NEMC Commissioner	National Environment Management Commissioner
NSSF	National Social Security Fund
OUT	The Open University of Tanzania
PCCB Bureau	Prevention and Combating Corruption Bureau
PPF	Parastatal Pensions Fund
PPP	Public Private Partnership
PSPF	Public Service Pension Fund
SEZ	Special Economic Zones
SIDO	Small Industries Development Organization
SMEs	Small and Medium Enterprises
TANESCO	Tanzania Electrical Supply Company Limited

TANROADS	Tanzania Road Agency
TAZARA	Tanzania Zambia Railway Authority
TCCIA	Tanzania Chamber of Commerce, Industries and Agriculture
TCRA	Tanzania Communication Regulatory Authority
TOL	Tanzania Oxygen Limited
TEKU	Teofilo Kisanji University
TIC	Tanzania Investment Centre
TIB	Tanzania Investment Bank
TRA	Tanzania Revenue Authority
TTCL	Tanzania Telecommunication Company Limited
TBC	Tanzania Broadcasting Cooperation

THE MESSAGE FROM THE REGIONAL COMMISSIONER



Hon. Amos G. Makalla

Mbeya region has a total surface area of 35,954sq. kms out of which 461.7 sq.kms is covered by water bodies of Lake Nyasa and several rivers while the remaining 34,144.3 sq.km is land area. Administratively, the Region is divided into 5 districts with 7 Local Government Authorities (LGAs). The Administrative Districts include Mbeya, Chunya, Mbarali, Kyela, Rungwe, 15 divisions, 178 wards, 533 villages and 181 Mitaa. According to the 2012 census the undivided Mbeya region had a population of 2,707,410 people out of whom 1,297,738 are male and 1,409,672 are female. The new Mbeya Region population projection of 2016 was 1,883,024, out of whom 902,479 are male and 980,545 are female.

Mbeya has a good road transport connection to Dar es Salaam (the main harbour and commercial city of Tanzania) and to other neighbouring regions. There is also a railway line which links Mbeya to Dar es Salaam and Kapirimposhi in Zambia. The existence of Mbeya – Malawi Cargo Dry port is an added

advantage. All key economic areas within the region can be reached with ease. There is a new international airport Songwe as started operating linking Mbeya with Dar es Salaam and link to other cities of Southern African countries such as Malawi, Zambia, Democratic Republic of Congo, Mozambique, and South Africa.

Water supply system is also adequately developed for domestic and industrial use. The region is also connected to the National electricity grid system which is continually being upgraded and expanded to meet the present and future requirements. There is a good number of modern communication and media companies operating in the region, serving both local and international needs.

Topographically, Mbeya Region consists of 3 ecological zones: lowlands (within the Rift valley), plains (including Usangu wetlands) and highlands (Uporoto highlands and Livingstone mountain ranges). These ecological zones are favourable for the development of agriculture, forestry, industry, tourist services and mining. Apart from rain fed agriculture, the Region has about 110,721 hectares that are suitable for irrigation, out of which 25,626 hectares need to be developed.

The Region is also rich in a variety of mineral deposits including coal, gold and industrial minerals such as limestone, marble, iron ore and phosphates. Mbeya Region has a large tourist potential with famous sites such as Lake Ngosi, Ihefu wetland plains, Matema Beach, etc.

The economy of Mbeya is based on agriculture, livestock and bee keeping, fishing, commerce and manufacturing. Other economic activities and potentials include mining and tourism. On the basis of current prices, Mbeya Regional Gross Domestic Product was Tshs 5.831 trillion and per capital income was Tshs. 3,097,049 in year 2016. The Region contributed 5.62 % in the national income (GDP) holding a third position national-wide after Dar-es-Salaam and Mwanza

To maintain and improve this growth target, the Region has planned to concentrate on the following activities: **First**, further development of agriculture, livestock farming, forestry, fisheries and beekeeping sub-sectors for large volume and high quality production to meet domestic and export markets. **Second**, expansion of important road networks to key economic areas including industrial zones in urban areas. **Third**, taking measures aimed at expanding and developing the tourist sector. The **fourth** step is to gradually transform and update utilities infrastructure including electricity, water supply and sewerage systems.

Apart from our own efforts, the region wishes to attract investments from domestic and foreign investors as well as economic organizations for the purpose of exploiting the regions opportunities on the basis of mutual benefits in various areas.

Therefore, I am looking forward to cooperate with you in making Mbeya Region a vibrant investment location in Tanzania.

Welcome to Mbeya Region!

Karibuni Mkoani Mbeya!

Hon. Amos G. Makalla
REGIONAL COMMISSIONER, MBEYA

MBEYA REGION MAP SHOWING ITS DISTRICT COUNCILS



Chapter 1

1.0 Mbeya Regional Profile

1.1 Vision

To be a highly competent and dedicated institution adheres to good governance in supporting development initiatives.

1.2 Mission

To facilitate and build the capacity of LGAs for sustainable socio-economic development of the community by providing multi-skilled technical support while interlinking with central government, LGAs and other stakeholders with the view of reducing poverty.

1.3 Administrative Framework

The Region is divided into 5 districts with 7 Local Government Authorities (LGAs) namely: Chunya, Mbeya, Kyela, Rungwe, Mbarali, Busokelo and Mbeya City. It is further sub divided into 15 divisions, 178 wards, 533 villages and 181 Hamlets (Mitaa).

1.4 Geographical Location and Land

The Region borders the Republic of Malawi to the South, Songwe Region to the West, Singida and Tabora Regions to the North and Iringa and Njombe Regions to the East with Kasumulu in Kyela district being the main entrie and exit into the neighbouring country of Malawi.

Mbeya Region covers a total area of 35,954 sq. kms, which is 4.1% of the total area of the United Republic of Tanzania excluding sea area of 883,343 sq. km. Out of the Region's total surface area, 35,201 sq. kms is dry land and 753 sq. kms is covered with water bodies of Lake Nyasa and rivers Kimani, Chimala, Igurusi, Kiwira, Lufilyo, Mmbaka and Zira.

1.5 Topography

Mbeya region can be classified under the low elevation of the western encompassing Songwe Region and southern Lake Nyasa, the Eastern Rift Valley where the Usangu plains are dominant and areas between these zones there is Rungwe – Uporoto highlands. Generally, the altitude ranges between 475m at Lake Nyasa to above 2,000m around Rungwe Peak (2,981m).

The region is divided into three drainage basins namely Rufiji and Lake Nyasa. Mbarali and a small part of Mbeya district are in the Rufiji basin, Rungwe and Kyela districts are in Lake Nyasa basin while Chunya and a big area of Mbeya District are in the Lake Rukwa basin.

1.6 Climate

The climate of Mbeya region is greatly influenced by physiology and altitude. It is generally tropical with marked seasonal and

altitudinal temperature variations and sharply defined dry and rainy seasons. Temperature averages range between 16°C in the highlands and 25°C in the lowland areas.

The Region enjoys abundant and reliable rainfall. Annual rainfall varies from 650 mm in Usangu plains and Chunya to 2600 mm on the Northern shores of Lake Nyasa and in the highlands. The rains normally start in October and go through to May followed by a dry and cold spell between June and September. There are three main Agro-economic Zones, as shown below:

- (i) **High Potential Zones:** Include areas with high rainfall and fertile soils, with a lot of agricultural production; these are South Usangu Plains (Mbarali District), Central Mbeya Plain, Uporoto and Ilembo Highlands (Mbeya District), West Rungwe Plain, East and Central Rungwe, South Rungwe, North Kyela and the South Kyela.

The High Potential Zones lie at an altitude of 1,500 to 2,400 metres above sea level. It has cool temperatures and receives rainfall exceeding 2,500 millimetres per year. Crops cultivated at these areas include, maize, groundnuts, beans, wheat, potatoes, coffee, bananas, tea cocoa. Dairy farming is highly practised.

(ii) **Medium Potential Zones:** These lie at an altitude of 800 to 1500 metres above sea level and rainfall is highly variable and increases with increasing altitude, ranging from less than 700 mm. per year at North Usangu Plain to 1,700 mm per year. Crops cultivated are maize, sorghum, finger millet, cotton, cowpeas, groundnuts, cassava, beans and some paddy. Animal husbandry is as well practised.

(iii) **Low Potential Zones:** Lies at an altitude of 500 metres to 1000 metres above sea level occupying mainly the areas of North Chunya Plain, Central Chunya and Msangaji Plateau and Kyela Lowlands. Usually rainfall is unreliable and soils are less fertile. Temperatures are warm with annual rainfall of less than 1000 mm. However, the Kyela Lowlands sometimes get rainfall as high as 2500 mm. per year. Several crops thrive well in the Lowlands zone, like tobacco, maize, sorghum, finger millet, cassava, groundnuts, cocoa, cashew nuts, palm oil, paddy and bananas. Livestock keeping and fishing are also major activities in the low zone.

1.7 Population

According to 2012 census, the total population of Mbeya Region was 2,707,410 of which 1,409,672 were women (52.1%) and

1,297,738 were men (47.9%) while population growth rate of 2.7%. The new Mbeya Region population projection of 2016 was 1,883,024, out of whom 902,479 are male and 980,545 are female.

Table 1: Administration, Population and Households per Council, 2012

Councils	Area Sq. Kms.	Population 2012	Population per Sq. km	Mitaa/Hamlets	Villages	Population per Village/Mitaa
Mbeya CC	214	385,279	1,972	181	0	2,129
Chunya	13,143	156,786	11	-	43	3,646
Kyela	1,322	221,490	183	-	92	2,408
Mbarali	16,632	300,517	20	-	102	2,946
Mbeya DC	2,432	305,319	137	-	141	2,165
Rungwe	1,242	242,809	168	-	99	2,453
Busokelo	969	96,348	9.9	-	56	1,721
Total	35,954	1,708,548	47	181	533	2,393

Source: Mbeya Regional Commissioner's Office, 2017

Table 2: Land Area and Administrative Units by Councils – Mbeya Region, 2016

Councils	Area Sq. Kms.	Divisions	Wards	Mitaa	Villages
Mbeya CC	214	2	36	181	0
Chunya	13,143	2	19	-	43
Kyela	1,322	2	33	-	92
Mbarali	16,632	2	20	-	102
Mbeya DC	2,432	3	28	-	141
Rungwe	1,242	3	29	-	99
Busokelo	969	1	13	-	56
Total	35,954	15	178	181	533

Source: Mbeya Regional Commissioner's Office, 2017

1.8 Ethnic Groups

The ethnic groups in Mbeya region are Nyakyusa in Kyela and Rungwe Districts, Safwa and Malila in Mbeya District, Bungu and Kimbu in Chunya and Sangu in Mbarali District.

1.9 The Regional Economy

The economy of Mbeya is based on agriculture, livestock and bee keeping, fishing, commerce and manufacturing. Other economic activities and potentials include mining and tourism. On the basis of current prices, Mbeya Regional Gross Domestic Product was Tshs 6.76 trillion and per capital income was Tshs. 2,301,974 in year 2016. The Region contributed 7.44% in the national income (GDP) holding a third position national-wide after Dar-es-Salaam and Mwanza.

Chapter 2

2.0 Agriculture and Livestock: The Existing Situation

Agriculture dominates the livelihood and economic performance of Mbeya Region. The sector contributes about 40 percent to the regional economy and employs about 80 percent of the working population in the Region. Agriculture is dominantly peasantry farming and a small number of commercial scales farming of tea in Rungwe and rice in Mbarali Districts.



Some Crops Cultivated in Mbeya Region

Mbeya is one of the six regions earmarked nationally to produce surplus food for internal consumption and for export. The arable land has high potential in the production of paddy, coffee, tea, pyrethrum, cocoa, pineapples, tobacco, bananas, tomatoes, onions, Irish potatoes, wheat, sunflower, groundnuts, millet, beans, sorghum, cassava, vegetables and non-traditional agricultural crops such as fresh fruits, vegetables, flowers and herbal plants.

2.1 There are two types of agriculture practised in Mbeya region:

- **Rain Fed Crop Agriculture**

Traditionally, the farmers in Mbeya Region have been dependent on rain for their agricultural activities. However the region is taking initiative measures to improve production by increasing the use of fertilizers, irrigation and mechanization.

- **Irrigation Agriculture**

Mbeya region is estimated to have 110,721 hectares suitable for irrigation. Out of that, 25,420 hectares are under irrigation, 25,626 hectares are developed schemes and 85,096 hectares are

under traditionally irrigated schemes. Rice is the pre dominant crop grown through irrigation. Water for irrigation is taped from various perennial rivers by gravity.



Irrigation Activities in Mbarali Districts

2.2 Investment Opportunities in Agriculture

(i) Traditional crops:

CROP	DISTRICT	AREAS OF INVESTMENT
Coffee	Rungwe, Busokelo and Mbeya	<ul style="list-style-type: none"> -Contract farming management -Investment in factories for value addition. -Development of improved coffee storage, drying, washing and handling facilities, including pallets, folk lifts, automation of hullers and conveyors -Modernization of coffee washing and washed beans.
Tea	Rungwe, Busokelo and Mbeya	<ul style="list-style-type: none"> -Agro processing Production and market diversification -Organic tea, single origin tea and tea branding represent enormous potential for value addition. -Packaging and Export industries
Cocoa	Rungwe, Busokelo and Mbeya	<ul style="list-style-type: none"> -Agro processing industries for value

	Kyela	addition -Small scale farming of cocoa -Expansion of cocoa farming in other districts
Palm Oil	Kyela and Busokelo	Oil processing facilities
Sunflower	Mbeya, Chunya, Mbarali and Busokelo	-Oil processing facilities -Plantations and contract farming -Large scale production -Processing animal feed.
Simsim	Chunya	-Plantations and contract farming -Oil processing industries
Tobacco	Chunya	Warehousing
Soya beans	Mbeya	Oil extraction factories
Cereal crops (wheat, oats, barley, rice, maize & millet)	Mbeya, Chunya, Mbarali, Rungwe, Busokelo and Kyela	-Agro processing industries -Large plantations and Contract farming -Irrigation infrastructure
Bananas, cassava and other root crops	Mbeya, Chunya, Mbarali, Rungwe, Busokelo and Kyela	Banana-wine industries, plantations, processing, and packaging.

Legumes	Mbeya, Chunya, Mbarali, Rungwe, and Kyela	Plantations, agro processing industries
Spices: ginger, cardamom, garlic, onions.	Mbeya, Chunya, Mbarali, Rungwe, Busokelo and Kyela	Plantations, agro processing industries

Source: Mbeya Regional Secretariat 2017

(ii) Non-traditional crops:

Horticulture- Pineapples, Avocados, Peaches, Apples, Mangoes and vegetables	Rungwe, Busokelo Mbeya, Kyela, Chunya, Mbarali.	-Processing and Packaging Industries -Plantations -Drying of fruits and vegetables -Investment in vegetable seeds -Production of vegetable seeds to meet increased demand -Developing irrigation systems for high value fruits like bananas, avocados
Floriculture- Flowers	Mbeya and Rungwe	-Packaging and Processing Industries -Plantations

		floriculture products -Provision of services to the floriculture industry, i.e. <ul style="list-style-type: none"> • Audit and certification • Supply and maintenance of equipment and machinery • Organic farming certifications • Provision of technical services • Upgrading the value chain using ICT
Herbs -peppermint, cardamom, lemon grass	Mbeya, Rungwe, Busokelo, Kyela, Chunya and Mbarali.	Packaging and Plantations

Source: Mbeya Regional Secretariat 2017

(iii) Agro based processing and marketing infrastructure:

- a) Processing of coffee, tea, cocoa, cashew-nuts, cereal, fruits and vegetables.
- b) Extracting of oil seeds.
- c) Production and Supply of packaging materials, agricultural inputs,
- d) Production and supply of packaging equipment and materials
- e) Application of e-commerce and greater use of the Internet

- f) Installation of roasting and packing facilities in partnership with the local entrepreneurs
- g) Supply of production inputs.

2.2.1 Livestock Keeping

Livestock keeping is the second most predominant economic activity in the region. The sector plays a significant role in the rural economy of Mbeya region and has great potential for increased production. The region has favourable climatic conditions for livestock keeping, particularly, cattle, goats and sheep. Dairy cattle's rearing is highly practised in Rungwe District with 56 percent of the total cattle population in the region. Other livestock kept include pigs, chicken, ducks and pigeons.

There are 16 privately owned ranches under Usangu Ranch Association in Mbarali District which have many opportunities for joint venture developments.



Common Livestock in Mbeya Region

Distribution of Livestock by Type and District

District	Cattle	Goat	Sheep	Pig	Chicken
Chunya	202,195	33,913	10,251	1,646	142,087
Kyela	28,880	2,087	487	17,251	662,796
Mbarali	171,104	83,373	38,491	11,889	250,053
Mbeya	72,152	65,416	9,388	20,942	291,894
Mbeya Jiji	8,708	6,689	1,069	8,926	310,382
Rungwe	56,277	2,319	1,914	17,127	305,299
Busokelo	34,068	1,907	991	12,812	261,172
Total	573,384	195,704	62,591	90,593	2,223,683

Source: Mbeya Regional Secretariat 2017

2.2.2 Investment Opportunities in Livestock

- a) Commercial Ranching
- b) Livestock marketing infrastructure (modern abattoir to cater for the demand for Tanzania and east, central and southern Africa)
- c) Dairy production and processing: milk cooling and transport facilities; milk processing plants
- d) Meat production, processing and canning
- e) Poultry farming: hatchery and breeding farms
- f) Animal feeds production
- g) Supply of drugs and chemicals for livestock
- h) Livestock multiplication farms
- i) Investments in production, processing and marketing of hides and skins from cattle, goats, sheep, ostrich and crocodile for production of various types of leather and leather goods.
- j) Investing in tanneries using joint ventures approach with local partners in order to introduce modern technology and increase capacity utilization.
- k) Footwear production for domestic and export markets.

2.2.3 Agricultural and Livestock Research and Development

- a) Investment in research and training institutions and facilities.

b) Supply of equipment for training agricultural and livestock development and production.

Chapter 3

3.0 Tourism: The Situation

The country's tourist market is divided into three major tourists' circuits: the Northern circuit, Southern circuit and Western circuit. Mbeya region belongs to the Southern circuit which commands several tourist attractions including extension of Ruaha National Park, Usangu and Lukwati Game reserves, mountains, Sandy beaches on Lake Nyasa shores, the Rift Valley Plains, unique ecological features of rain forests, historical features as well as cultural tourism.

There are several game animals like buffaloes, elands, elephants, lions, reedbuck, roan antelope, hartebeest, crocodiles, leopard, zebras, waterbucks, greater kudu, jackals, impalas, hippos and various types of birds.

3.1 Tourist attractions in Mbeya Region

There are both natural and manmade tourist attractions; they include national parks, game reserves, mountains, sandy beaches on the shores of Lake Nyasa, the Rift Valley Plains, unique ecological features, historical features as well as cultural tourism.

- i. Ruaha-Usangu National Park within Mbeya and Iringa, with a large number of flora and fauna.
- ii. The unique ecological features of the tropical rain forest.

- iii. The wildlife in the Lukwati Game Reserves in Chunya district.
- iv. Mpanga - Kipengele Game Reserve in Mbarali district.
- v. Protected variety of Game stock and wild animals such as rare monkey species known as *Rungwecebus kipunji*.
- vi. The Rift Valley – Usangu plains.
- vii. The warmth and Sandy beaches of lake Nyasa.
- viii. A unique Ngosi Crater Lake, located on top of Rungwe rainforests and other crater lakes of Masoko and Kisiba in the Rungwe District.
- ix. Ihefu wetland systems in Ruaha river basin which can be toured by flying boats.
- x. Natural bridge formed on Kiwira river in Rungwe District
- xi. Museums, Monuments and Heritage.
- xii.



“The Kipunji (*Rungwecebus kipunji*)” found in Rungwe - Livingstone Mountain Ranges, Rungwe District.



The Ngosi Crater Natural Lake on top of Uporoto range of Mountain in Rungwe District

3.2 Investment Opportunities in Tourism

- i. Tourists supporting services and facilities such as camping sites, hotels and restaurants, holiday resorts, permanent tented camps, lodges, guest houses, textile fashion, mountain climbing.
- ii. Tour operators, tour services, travel and tour management, car hire activities, Hunting safaris, Tour guide.
- iii. Tourism Marketing and Promotion.
- iv. Boat safaris in Lake Nyasa.
- v. Conference tourism.
- vi. Geo-tourism, community and eco-based tourism (Ngozi and Masoko crater lakes, Kaporogwe waterfalls)
- vii. Cultural Tourism.
- viii. Hunting and photographic safaris at Ruaha-Usangu National Park;
- ix. Bird and primate watching safaris (Ngozi Crater Lake).
- x. Water sporting service, e.g. snorkelling, diving, watching ornamental fish (Lake Nyasa).
- xi. Mountain climbing, skying and hiking safaris (Mbeya range, Mount Rungwe, Livingstone Mountains, Poroto Mountains)
- xii. Tourist camp sites at the shores of Lake Nyasa, e.g. Matema and Ngonga beach.

- xiii. Expedition support services: Mbeya lies on the Johannesburg-Cairo Expedition Route.
- xiv. Tour safari services: Mbeya is the transit point to Kitulo National Park and Katavi National Park in Rukwa region.
- xv. Sport fishing in lakes Nyasa and Kiwira, Songwe, Lufilyo and Mbaka rivers.

Chapter 4

4.0 Natural Resources: The Situation

Mbeya region is well endowed with the renewable and non-renewable natural resources such as forestry, wildlife, honey bees, minerals, etc. In view of that, the region has made major efforts in developing these natural resources.

4.1 Forestry

Mbeya region has an area of forestry covered mostly with Miombo and woodland. There are also some plantations of pine trees in various areas including Kawetere in Mbeya District. Forest resources serve a variety of functions including timber, fuel-wood, honey production and environment conservation.



A portion of Natural forest and compartment of Pine trees in Kawetere in Mbeya District

- **Wildlife**

Wildlife resources found in Mbeya region are extensive. They include wild animals such as leopards, lions, cheater, elephants, buffalos, crocodiles, snakes, tortoises, and a variety of birds like ostrich and water ducks.

- **Fisheries**

There is one lake in Mbeya where fishing activities are carried in deep water. This is Lake Nyasa, with fresh water. Lake Nyasa is known for ornamental fish and delicious “**Mbasa**” fish.

- **Beekeeping**

Miombo woodlands forest mentioned above are characterized of rich *millineries* species that make suitable sites for nursing bee colonies. Beekeeping activities are carried in the region on commercial basis by small scale entrepreneurs.



Common flowers and bee hive in the region

4.2 Investment Opportunities in Natural Resources

Given the abundance of natural resources in Mbeya Region there are many investment opportunities which can be exploited by investors. The following are potential investment opportunities in the region:

i. Forestry

- a) Forest plantation.
- b) Processing of forestry products (forestry industries) such as treated poles for both local and export purposes.
- c) Forest extracts (herbs).

ii. Wildlife

- a) Establishment of animal Zoo
- b) Establishment of private animal parks
- c) Wild animal farming e.g. crocodile , snake, ostrich farming

iii. Fisheries

- a) Commercial fishing in Lakes Nyasa.
- b) Fish and fish products industries.
- c) Fisheries supporting facilities and services such as refrigeration, boat building, transport and cold storage.

- d) Fish farming especially in Rungwe, Mbarali and Mbeya districts.
- e) Supply and maintenance of fishing gears and equipment
- f) Research and development in the fishing industry.

iv. Beekeeping

- a) Production of Beekeeping gears
- b) Honey processing and wax production

Chapter 5

5.0 Mining: The situation

Geologically, Mbeya region is within Proterozoic aged rock with a diversity of minerals. The minerals include: marble, granite, limestone, pozzolana, sandstone, aggregates, salt, coal, carbon dioxide gas, gold, sand, pumice, clay, niobium, phosphate, and carbonate.



Mineral Rocks and Mining Pits in Sintenga-Mlima Njiwa in Chunya

The region has 6 large and medium mining companies namely Shanta Gold Mining Ltd, Autrad Mining limited, Garland (T) Ltd in Chunya district, Marmo E. Granito Mines (T) Ltd), Mbeya Cement company Ltd in Mbeya district, TAZARA Kongolo Quarry in Mbarali district and Tanzania Oxygen Ltd (TOL) in Rungwe district.



Cutting Granite for floor tiles production in Mbeya Region



Marmo Marble Mining in Mbeya

Generally, most of the mining operations are undertaken by small-scale operators using rudimentary tools with little capital, skills and technology to utilize fully the available opportunities. The few large scale operating mining have not been able to utilise the available mining opportunities in the region.

5.1 Investment Opportunities in Mining

- a) Mineral recognisance and exploration.
- b) Coal mining in Rungwe, Kyela and Chunya Districts.
- c) Gold mining in Chunya District.
- d) Mining technology and equipment.
- e) Mining support services such as catering, mining equipment supply and maintenance, provision of medical services, transport services, e.g. air charter services
- f) Mineral value-addition, especially in gold.
- g) Research and development, e.g. geo-information services
- h) Mining development for other minerals as shown in the appendix.

Chapter 6

6.0 Energy: The situation

Mbeya like most of other regions in Tanzania is connected to the National power grid. The energy sources of national power grid include; hydroelectric power, generators, natural gas, thermo power and coal.

6.1 Electricity Transmission and Distribution

Tanzania Electric Supply Company (TANESCO) is the main transmitter and distributor of electricity in Mbeya. Every district in the region is well served by electricity from TANESCO. According to TANESCO regional report, Mbeya region is receiving a capacity of 120 Megawatts from national grid while only 49 Megawatts has been utilized. Therefore the region has an extra capacity of 71 Megawatts of electricity which could be utilised by prospective investors.



TANESCO Mwakibete Sub-station 220/33KV in Mbeya City

Future plan is to construct 400KV line from Iringa to Mbeya whereby the power sub-station will be constructed at Uyole

6.2 Alternate Energy Solutions

Alternate energy solutions are being encouraged as the most reliable, cost-effective and efficient way for bringing basic electricity to communities far from the transmission lines. Possible off-grid power solutions are; solar energy, wind energy, hybrid systems, biogases plants, and conventional diesel generators.



Power Distributor in Wakulima Tea Company

6.3 Investment Opportunities in Energy

- i. Electricity generation, transmission and distribution
- ii. Electricity generation from coal (Kyela, Rungwe and Chunya).
- iii. Electricity generation from husks of coffee and rice.
- iv. Development of alternative Energy Solutions: solar energy, wind energy, hybrid systems and biogases plants.
- v. Provision of support services to the energy sector: maintenance of machinery and supply of spares.
- vi. Generation of electricity from small water falls (mini-hydro electric power stations at Kiwira river, Kaporogwe Falls and Mbaka falls)

Chapter 7

7.0 Industries and Manufacturing

Industrial sector is very important in the economy. It is a foreign exchange earner and could also be the main source of employment especially in the urban areas. Mbeya Region is like Dar es Salaam, Arusha and Mwanza where industrial development is improving drastically. Most of the industries are based on agro and forests product processing, manufacturing and livestock products processing.

Due to reliable markets and availability of raw materials, significant numbers of large scale industries have been established in the region, these include Cement Industry, Breweries, tea processing, soft drinks industries and granite and marble industries.



Mbeya Cement Company Ltd. at Songwe Area in Mbeya District.

A large long lived agro processing industry in Tanzania is Wakulima Tea Company which produces tea leafs in collaboration with small holders at Rungwe District. It process quality tea and park for export market.



Tea processing at Wakulima Tea Company in Rungwe District.

Considering value addition in products, Small and Medium Industries operating under SIDO provide a good support to the manufacturing industry in the region. Based on agro, livestock and forest products processing, they provide a leading role in industrial sector. The medium industries include coffee processing, gas extraction, drinking water processing and packaging, soap processing and poultry (hatchery) industries.



Carbon Dioxide extraction and tapping at Kyejo Gas Industry in Rungwe District.

The industry is under Tanzania Oxygen Company Limited. It is the sole manufacturer and distributor of industrial and medical gases in Tanzania.

7.1 Investment Opportunities in Industries and Manufacturing

Given the abundance of resources and supporting services in Mbeya, there are ample opportunities in industries investment. The raw materials from agriculture, mining and natural resources make Mbeya Region an optimal location for variety of manufacturing industries. The current operating transport systems, telecommunication industry networks and the available financial services could effectively be used to support industrialization in the region.

Several investment opportunities are available for industries and manufacturing in Mbeya Region. They include:

- a) Mineral water production in Rufiji Basins.
- b) Initiation of Industrial and Technology Parks
- c) Agro - processing industries
- d) Agricultural equipment and supplies
- e) Industrial support services facilities
- f) Organic fertilizer production industries
- g) Animal products processing such as meat canning, leather products processing
- h) Handcrafts production from bamboo tree, banana leaves
- i) Ceramics and lime products.
- j) Bio-gas processing
- k) Hides and skin tanning
- l) Production of quality furniture
- m) Small and medium scale dairy products processing
- n) Wood poles manufacturing
- o) Textile mills

8.2 Railway and Railway Transport

There is a Railway line that runs from Dar es Salaam to Kapirimposhi Zambia via Mbeya under the Tanzania Zambia Railway Authority (TAZARA). The railway operates both passengers and goods transportation.



TAZARA Station Mbeya and TAZARA Train Wagons to Kapirimposhi Zambia

8.3 Civil Aviation and Air Transport

There is a newly established Songwe International Airport which is operating to cater for large planes for both passengers and cargo to the rest of the world. There are also small airports for non-scheduled air transport services are operating in Chunya, Mbarali and Rungwe.



Songwe International Airport – Mbeya

8.4 Marine Transport

Marine transport in Mbeya region is done through Lake Nyasa. There are ships travelling to the southern part of Tanzania (Ruvuma region) and neighbouring country of Malawi. Itungi port is the only port in Lake Nyasa which belongs to Mbeya region, currently the port is invaded by sands hence cannot be usefully for transporting cargo.



- **Telecommunication and Media Coverage**

Telecommunication is one of the fastest growing industries in Tanzania. Initially Tanzania Telecommunication Company Limited (TTCL) was the only company offering telecommunication facilities within and outside the country but

the introduction of cellular telephony has created a big competition followed by innovative services.

Mbeya region enjoys a wide coverage of cellular telephone services up to most remote areas. These include TIGO, VODACOM, AIRTEL and ZANTEL. New mobile users are attracted to subscribe to available companies in the region to facilitate their business communications and this has reduced the number of movement of people with goods.

Mbeya region also enjoys media diversity including print media in Kiswahili and English such as Daily News, Habari Leo, Sunday News; The Guardian, Nipashe, just to mention a few. Radio (both local, national and international coverage – Mbeya Fm, Radio Free Africa, Radio One, Clouds FM, Radio Maria, Generation FM, Bomba FM, TBC Taifa, TBC FM, BBC). There are Television stations such TBC, Star TV, ITV, Channel Ten, etc. The media is able to cover most districts and offers up-to-date information about Mbeya Region.

- **Financial Institutions**

Mbeya has a Bank of Tanzania (BoT) branch, which has effectively contributed to the overall development of the region as well as other parts of the Southern Highlands Zone through provision of different monetary, economic and financial services

to stakeholders in the area. The Bank of Tanzania ensures the existence of a financial system that provides smooth, efficient and effective financial services to the economy. The Bank guarantees Small and Medium Enterprises (SMMEs) performance through Export Credit Guarantee Scheme (ECGS).

Besides, Mbeya Region has reputable commercial banks and financial institutions which assure the availability of financial resources. The commercial banks include CRDB, NBC, NMB, Barclays, Stanbic, Exim, Postal Bank, Akiba, BOA, CBA, TIB and Diamond Trust. These banks are operating internationally with much reputation and experience to handle all financial operations worldwide.



Financial Institution in Mbeya Region

- **Exhibition and Conference Services**

Mbeya Region is among the Zonal exhibition centre for agricultural fairs in the country. It has a big exhibition ground which is used zonal agricultural shows. The ground can be used for other events such as trade fair and business fora. The Region also has conference services for different audiences.



Mkapa Conference Centre in Mbeya City



Hill View Hotel in Mbeya City

- **Investment Opportunities in Economic Infrastructure**

8.5 Road and Roads transport

- a) Public Private Partnership in road construction and maintenance.
- b) Provision of road construction and maintenance support services, such as supply of heavy machinery and service parts.
- c) Long - distance transport for passengers and specific purposes, such as tours and safaris.
- d) Freight transport

8.6 Civil Aviation and Air Transport

- a) Airport support services (catering, forwarding and clearing, cleaning, Fuel servicing)
- b) Air charter services
- c) Cargo handling
- d) Aeroplane maintenance and repair

- e) Provision of passenger and freight transport services
- f) Construction of container depots and container freight stations.
- g) Warehousing

8.7 Lake Transport

- a) Port construction and maintenance at Itungi Port and Matema.
- b) Provision of passenger and freight transport services
- c) Ship/boat building and maintenance
- d) Lake transport and ports support services



Matema Beach Offshore Activities in Lake Nyasa, Kyela District

- **Financial Services**
 - a) Operating financial services with international reputation (banking services)
 - b) Insurance services
 - c) Electronic Banking Products and Services
 - d) Micro-financing

- e) Higher purchase
 - f) Stock exchange markets
 - g) Bureau de-change
- **Real Estate Development**
 - a) Land management and Surveying
 - b) Technology Parks, especially near industrial and institutions.
 - c) Export Processing Zones (EPZ) and Special Economic Zones (SEZ).
 - d) Business and Industrial Parks
 - e) Construction of modern markets
 - **Information Communication and Technology (ICT)**
 - a) ICT parks, another “Silicon Valley”
 - b) Software development
 - c) Hardware supply and manufacturing
 - d) Training and Development in ICT
 - **Exhibition and Conference Services**
 - a) Construction and management of international exhibition and conference facilities/centres.
 - b) Investment in Mwakangale (NaneNane) Exhibition Grounds
 - c) Marketing of exhibition and conference facilities/centres

Chapter 9

9.0 Social Infrastructure: The Situation

9.1 Education

Mbeya Region is well equipped with all levels of education from primary to university. The Region has universities and colleges: the universities include Teofilo Kisanji University (TEKU), the Open University of Tanzania, Mbeya University of Science and Technology, Mzumbe University Mbeya campus (MU), Tumaini - Makumira University, Tumaini – Iringa University and St. Augustine University. Other colleges include Tanzania Institute of Accountancy, College of Business Education, Moshi University College of Cooperatives and Business Studies and Uyole Agricultural Research and Training Institute. These institutions are capable of offering services in training, research and consultancy for various clients.

9.2 Health

The region provides quality services using the existing health facilities. Meanwhile there is one (1) Zonal Referral Hospital with a blood bank facility and Centre for Excellence, 1 Regional Referral Hospital, (25) health centres and 270 dispensaries over the region. There are several private pharmacies offering wide range of essential and non essential drugs.

Apart from the above services, the health sector is supported by health insurance services from government and private sectors such as National Health Insurance Fund (NHIF), Community Health Fund (CHF) – currently being promoted in all Districts and Support from Development Partners.

The region is promoting Public Private Partnership (PPP) whereby the private health sector facilities account for 31% of the total facilities in the region. Most of these facilities are located in remote areas of the region. There are organized mobile health services for some specialized services like eye services care, treatment of HIV/AIDS services, surgery and mental health services.



Mbeya Zonal Referral Hospital, Mbeya City

9.3 Water Supply and Sanitation

Water supply and sanitation in Mbeya Region is the role of the District Council and Water Supply and Sanitation Authorities supply water within region. The supply does not meet the demand of region population. Rural water supply is at 61.74%; in other urban towns water supply is at 60% and in Mbeya City water supply is 96%.

9.4 Solid Waste Management

The rapid growth of Mbeya city and other growing urban towns calls for an alternative urban strategic management. There are key facilities and services which call for immediate change among others is solid waste management.

Solid waste management in Mbeya City is undertaken by City authority. Due to increasing urban human activities, the City Council has been not able to cope with the generation of solid wastes.

9.5 Security

Mbeya region is secure place for both business community and investors. Security for its people and their properties has become an agenda of high priority in the regional government at all levels. As part of the effort, the region is proud to have competent police force, tight immigration control, private security companies and positive community participatory on

security management. All these have made Mbeya region an attractive place to live and invest.

The region is the zonal centre for the Prevention and Combating Corruption Bureau (PCCB). The Bureau aims at strengthening the mechanisms and processes of preventing and combating corruption in Zone, thus creating conducive environment for investment

9.6 Social Security

There are several security organizations that are represented in Mbeya; they include NSSF, PSPF, LAPF, PPF and GEPF.

9.7 Investment Opportunities in Social Infrastructure

9.7.1 Education

- a) Construction and running of pre-primary schools, primary & secondary schools, universities and poly-techniques schools.
- b) Investment in research and development institutions.
- c) Education support services like hostels, libraries, laboratories.
- d) Transfer of technology and management know-how
- e) Partnership in research and development
- f) Partnership in University construction

S9.7.2 Health

- a) Construction of modern specialized hospitals and health supporting services
- b) Hospital equipment and supplies
- c) Drugs production
- d) Specialized patient transport services, e.g. charter planes and motor vehicles
- e) Partnership in the construction and expansion of hospitals through Private-Public Partnership
- f) Partnerships in Research and Development in Medical and Health issues
- g) Investment in medical insurance

9.7.3 Water Supply and Sanitation

- a) Private management of water supply and sanitation
- b) Provision of water supply and sanitation support services, such as billing
- c) Supply of equipment
- d) Transfer of technology and management know-how

9.7.4 Solid Waste Management

- a) Private solid waste management operations
- b) Use of modern technology of solid waste management – collection , transport and disposal/reuse by products
- c) Build of solid waste management facilities

- d) Supply of equipment and machinery
- e) Transfer of technology and management know-how

9.7.5 Security Services

- a) Private specialized security services
- b) Installation of security services in specific areas, such as banks
- c) Supply of security equipment
- d) Social security services
- e) Insurance companies and services of all categories
- f) Research and Development of social security services

10.0 Concluding Remarks

Mbeya Region is one of the fast growing economies in Tanzania. It has plenty of opportunities for investment ranging from agriculture, mining, manufacturing, transport, tourism, social services, infrastructure just to mention a few. It has good developed infrastructure that links it with the East, Central and Southern African Countries. The regional population of 1,883,024 provides ready markets, hard working labour, trainable human resources that could be easily employed to various economic activities.

The region is proud to have well developed information and communication facilities that provide easy access of information world wide. Security to its people and property is ensured through a well organized police network. Medical and its support services are easily obtained all over the region which assures strong and health population. The region has endeavoured to

provide the best investment environment to enable the private sector to thrive competitively. The region has committed leadership to drive the process to achieve the goal of making the region the best investment destination in the country.

Mbeya region wishes to take this opportunity to invite all investors and business community at large to come and invest in the region.

Karibuni sana!!!!

11.0 Annexes

Mineral Occurrence in Mbeya Region, 2017

DISTRICT	TYPE OF MINERAL	OCCURRENCE	DISTRICT	TYPE OF MINERAL	OCCURRENCE		
CHUNYA	<i>Amethyst</i>	Lupa	BUSOKELO	<i>Travertine</i>	Mbambo, Lufilyo		
	<i>Coal</i>	Galula					
	<i>Green tourmaline</i>	Lupa					
	<i>Gold</i>	Mlima njiwa, Kiwanja, Nyatura, Ifumbo, Mbugani, Chalangwa, Sang`ambi, Shoga, Itewe, Makongolosi, Matundasi, Mawelo, Kasanga, Kasisi, Soweto, Itumbi, Makatang`ombe, Ikamasi, Isaula, Mnyolima, Mwamkonyonto, Isoko, Mawoga Patamela, Kanoka, Saza, Mbangala, Malambang`ombe, Mkwajuni, Karungu, Mapogoro, Ujerumani, Gap, Godima.	KYELA	<i>Amethyst</i>	Kilambo		
				<i>Coal</i>	Kabulo		
				<i>Gold</i>	Mwalisi and Luvalisi Rivers		
			MBEYA			<i>Amethyst</i>	Iziwa, Kawetere.
						<i>Aquarmarine</i>	Mapogoro
						<i>Calcite</i>	Panda Hill
						<i>Carbonatites</i>	Panda Hill, Musensi, Iwambi, Iyunga
						<i>Green Garnet</i>	Mapogoro
						<i>Gypsum</i>	Ilota,
<i>Niobium</i>						Panda Hill, Iwambi, Iyunga	
<i>Iron</i>	Itewe <i>hills</i> and Charangwa <i>hills</i>		<i>Uranium</i>	Panda Hill, Iwambi, Iyunga			
			<i>Opal</i>	Ilongo, Ipinda, Kawetere, Mapogoro			
<i>Pumice</i>	Widespread						
MBARALI	<i>Quartz</i>	Lupa	MBEYA	<i>Phosphate</i>	Pandahill, Iwambi and Iyunga		
	<i>Rhodolite</i>	Lupa		<i>Soap Stone</i>	Umalila		
	<i>Calcite</i>	Mabadaga		<i>Limestone</i>	Songwe		
	<i>Marble/Lime</i>	Igawa					
	<i>Magnetite</i>	Mabadaga					
<i>Gold</i>	Mabadaga						
<i>Opal</i>	Mabadaga, Ilongo,						

RUNGWE	<i>Carbon Dioxide (CO₂)</i>	Kyejo
	<i>Coal</i>	Ilima
	<i>Mineral Water</i>	Mbaka, Ikama
	<i>Marble</i>	Kipangameza
	<i>Pumice</i>	Widespread

Source: Zonal Mining Office, Mbeya 2017

Business Investment Services

For conducive and favourable investment business environment, the following are available services at Mbeya Region:

- a) Availability of Tanzania Investment Centre (TIC) www.tic.go.tz. *Tanzania's Investment Promotion Agency* in Mbeya City.
- b) Business Information Centre (BIC) under TCCIA (www.tccia.com).
- c) Research, Training and Development Institutions at Uyole (ARRI and MATI).
- d) Immigration services at Regional Immigration Office and Kasumulu in Kyela District.
- e) Tanzania Revenue Authority (TRA) offices.
- f) Presence of National Environment Management Commissioner (NEMC) (www.nemc.go.tz)
- g) Tanzania Communication Regulatory Authority (TCRA) for Communication and ICT initiatives (www.tcra.go.tz).
- h) Energy and Water Utilization Regulatory Authority (EWURA).

All these institutions are in a position to offer services to investors based on client service charter available at www.mbeya.go.tz

Contacts

MBEYA REGION

Regional Commissioner's Office
P. O. Box 754, MBEYA
Tel.: +255 – 25 2504045/2502035
Fax: +255 – 35 2504243/2504020
E-mail: ras@mbeya.go.tz
Website: www.mbeya.go.tz

Southern Highlands Zonal Office
Tanzania Investment Centre (TIC)
P. O. Box 1316, Mbeya
Tel: +255-25 2504231
Fax: +255-25 2504231
E-mail: southernzone@tic.co.tz
Website: www.tic.co.tz

Tanzania Chamber of Commerce,
Industries and Agriculture (TCCIA)
P. O. Box 1951, Mbeya
Tel.: +255 25 2503007
Fax: +255 25 2503007
E-mail: mbeya@tccia.com
Website: www.tccia.com

Zonal Mines office
Airport Street
P. O. Box 760, Mbeya
Tel: + 255 – 25 2502921
Email: madinimbeya@yahoo.com

Mbeya District Commissioner
P. O. Box 255,
Mbeya, Tanzania
Tel: +255 25 2502309
Fax: +255 25 2500128

Regional Manager
Tanzania Road Agency (TANROAD)
Ujenzi Area

Zonal Manager
Tanzania Telecommunication
Regulatory Authority (TCRA)

Regional Manager
Small Industries Development (SIDO)
P.O. Box 652, Mbeya,
Tel: +255 25 2504013
Mob: +255 713 298835,
Email: mbeya@sido.go.tz
Website: www.sido.go.tz

Regional Hospital Mbeya
P. O. Box 259,
Mbeya, Tanzania
Tel: +255 25 2502985
Fax: (+255 25) 2504172/2504206
E-mail: rmo_mbeya@yahoo.com

Mbeya Cement Company Limited
Songwe Industrial Area,
P.O. 46452
Mbeya, Tanzania
Tel: (+255-22) 2866697
Fax: (+255-22) 2866697

Regional Immigration Officer
P. O. Box
Tel: 255-25-502869/255-25-503486
Mbeya, Tanzania

Bank of Tanzania (Branch)
P. O. Box 1203
Mbeya
Tel: 255 - 25 – 503321
Website: www.bot-tz.org

Chunya District Commissioner
P.O.Box 5
Chunya, Mbeya
Tel: +255 25 2520110
Fax: +255 25 252 0111

Mbarali District Commissioner,
P. O. Box 20,
Rujewa Mbeya
Tel: +255 25 2590040
Fax: +255 25 2590040

Kyela District Commissioner,
P. O. Box 44,
Kyela Mbeya,
Tel: +255 25 2540484
Fax: +255 25 2540054

Rungwe District Commissioner
P. O. Box 34
Tukuyu Mbeya
Tel: +255 25 2552036



Mbeya, TANZANIA