

**THE UNITED REPUBLIC OF TANZANIA
PRIME MINISTERS OFFICE**

REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT



SONGEA MUNICIPAL COUNCIL



INVESTMENT PROFILE

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LIST OF ABBREVIATIONS.

SME	- Small and Medium Enterprise
TANESCO	- Tanzania Electric Supplies Company
TTCL	- Tanzania Telecommunication Company Limited
KM	- Kilometer.
NMB	- National Microfinance Bank
CRDB	- Cooperative and Rural Development Bank.
TPB	- Tanzania Postal Bank

EXECUTIVE SUMMARY

This document identifies investment opportunities available to local and foreign investors in the priority sectors in various areas of Songea Municipality. The Songea Municipal Council aims at alleviating poverty and improving the quality of life of the people of Songea Municipality and its mission is to provide timely quality services to the community.

The profile is divided into six chapters: the first chapter introduces the Municipality. The second and third chapter outlines the economic infrastructure of Songea Municipality. Specific investment opportunities in the various parts of the Municipality are identified and discussed in chapter four. The fifth chapter provides an outline of management and facilitation policies and procedures for investors. Concluding remarks are in chapter six.

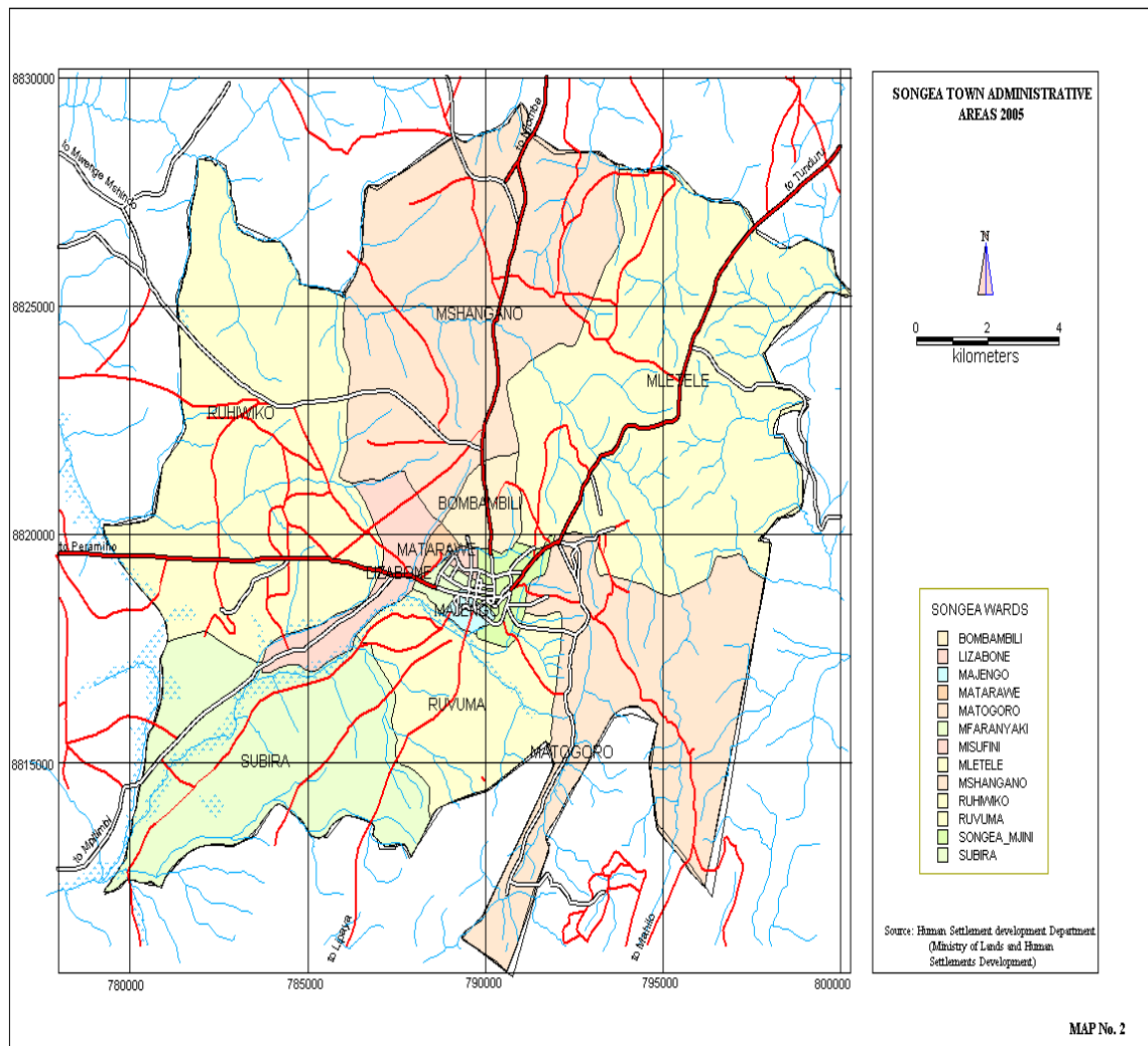
The main types and areas of investment opportunities available include the following.;

- Fertilizer producing industry
- Tourism
- Dairying
- Honey production and processing
- Fruit processing
- Meat processing
- Lumbering industry
- Tourist hotel development
- Tobacco processing industry
- Bamboo wine processing plant
- Vegetables cooking oil processing

The Municipality is committed to expedite the process involved in investment, including the acquisition of land and other related matters as the need arises. The position of Songea Municipality as a regional and district headquarters favours the establishment of processing economic activities.

The availability of good roads, airport, telecommunication links, reliable water supply and electrical power make Songea Municipality a favourable and strategic location for investment.

Map No. 1: Songea Municipality



Source: Songea Municipal Planning Department.

CHAPTER ONE

1.0 INTRODUCTION

Songea Municipal Council is one of the six Councils in Ruvuma Region. Songea Municipality is also the District and Regional headquarters. Other Councils are Songea Rural, Namtumbo, Mbinga and Tunduru.

The four corners of the Municipal boundaries border with Songea Rural District. It has historically been a location where people of the Ngoni tribe came from South Africa and fought indigenous people particularly Ndendeule tribe and settled in Songea because of the fertile land, favourable climatic conditions and continuously being a productive area.

The Ngoni and other surrounding tribes fought the Germans in resisting foreign rule. There are historical sites and pictures which are associated with the Majimaji war. For example, there is a monument having been left behind depicting the clashes that happened in the Region, such as the first prison (Gereza), police post, the German court (Boma), the place where the Ngoni warriors were hanged (Mashujaa) and the mass-grave of the Ngoni.

Songea Municipality enjoys passable roads, has adequate land, reliable water and electricity supply, airport and communication network. Apart from that, the Municipality has abundant labour supply, health services, good governance as there is peace and tranquility prevailing which creates a favourable environment for both local and foreign investors. Therefore some of the important areas for investments are identified in this profile.

The preparation of this profile involved reviewing data for each economic sector in the Municipality and other documents including policies, legislations and by-Laws, relating to investment. The preparation of the profile has been guided by the vision and Mission statements of the Municipal Council and the purposes and objectives that are summarized below:

1.1 VISION STATEMENT:

Songea Municipal Council aspires to have a community that enjoys high and sustainable living standards.

1.1. MISSION STATEMENT

Songea Municipal Council in collaboration with all the stakeholders intends to offer quality and sustainable services to its community through proper use of available resources and those that will come, through adherence to the transparent and democratic principles so that in the long run they raise the standard of living of the community by the year 2025.

1.2. THE PURPOSE OF THE PROFILE:

The purpose of the profile is to identify the Investment opportunities available to both local and foreign investors in the Municipality and provide information as a guide to investors. It also describes the role of the Council in supporting investors and it outlines investment procedures in the Municipality.

1.3. MAJOR OBJECTIVES OF THE PROFILE:

The main objectives of the profile are as follows:

- To provide a clear indication of areas and sectors available for investment.
- To create awareness and provide stimulus to communities and entrepreneurs to take advantages of opportunities created through envisaged investment.
- To facilitate transfer of technology between foreign investors and local enterprises.
- To build capacity of communities to take advantage of opportunities provided by investors.
- To create market opportunities, this can be established through joint ventures.
- To ensure adherence to internationally acceptable standards of production and service provision.
- To conform to generally acceptable principles of trade and good governance.
- To promote local investments related to National Strategy for Growth and Reduction of Poverty (MKUKUTA).

1.4 LOCATION:

Songea Municipality lies between Longitudes 35°30' and 35°45' East of Greenwich and Latitude 10°30' to 10°35' South of Equator.

It is well linked to other parts of the country:-

- Songea-Tunduru road links Ruvuma Region to Lindi and Mtwara Regions.
- Songea-Njombe-Makambako road links Ruvuma Region to Iringa Region.
- Songea -Mbambabay road links Ruvuma Region to Mbeya Region via Lake Nyasa.

The Municipality is the major centre for administrative and commercial activities in the Region. Also it has various employment opportunities which act as a magnet for the Rural-Urban migration.

1.4. TOPOGRAPHY

The topography of the Municipality is characterized by hills with altitudes ranging between 980-1100 meters above sea level. The undulating nature is predominant around the Matogoro Mountain while other parts are gently sloping especially Mletele, Subira, Ruhuwiko and Mshangano wards. Valleys and streams flowing from the hills and terminating into several rivers including Ruvuma, Luwawasi and Ruhila river tributaries provide well drained land for growing vegetables.

The valleys are also planted with bamboo trees which are used to produce bamboo wine which is an important local drink, particularly during the rainy season.

1.5. CLIMATIC CONDITIONS:

Songea Municipality has warm to high temperatures throughout the months of September, October to February. During this time the maximum temperatures are about 31.4°C. The minimum temperature is in June and July of about 25.6°C. The Municipality enjoys a long rainy season called “KIFUKU” starting from November to May. The average annual rainfall is about **1263.7mm** and most of the rains fall between December and March.

1.6. LAND AND LAND USE:

The land is covered with three types of soils; sandy soils, clay loamy and red soil. The sand soil has low water retention capacity, and this type of soil is suitable for the cultivation of cassava and sweet potatoes. While other types of soils are suitable for cultivation of maize, beans, tobacco and coffee.

The Municipality covers an area of 616.36km² of which 557.36km² is arable land, 12.9 km² is surveyed land occupied by residential and industrial buildings and 46.1km² of the land is occupied by natural resources.

1.7. ADMINISTRATION:

Songea Municipality is the Headquarters of Ruvuma Region and Songea District. The Municipality is divided into 2 Divisions consisting of 21 administrative wards of which 14 are urban and 7 wards of Mletele, Mshangano, Matogoro, Ruhuwiko, Tanga, Lilambo and Subira are peri-urban.

Table 1.1: Administrative Divisions and Wards

Division	Urban Wards	Peri-Urban wards	Total
East	1. Mjini	1. Mshangano	6
	2. Misufini	2. Matogoro	
	3. Bombambili	3. Mletele	
		4. Tanga	
West	1.Mfaranyaki	1. Ruhuwiko	7
	2. Majengo	2. Subira	
	3. Matarawe	3. lilambo	
	4. Lizaboni		
	5.Ruvuma		13

Source: **Songea Municipal Planning Department.**

1.8. POPULATION

The population of Songea Municipality was 203,309 people in year 2012 according to the Population and Housing census, (2012). The population in 2002 consisted of 96,097 males (47.2%) and 107,212 females (52.7%).

Therefore the annual average population growth rate between year 2002 and 2012 is 2.5%

CHAPTER TWO.

2.0 INTRODUCTION:

The Municipality economy and livelihood are based on agriculture, livestock keeping, trade and small scale industries. Enterprises are being established because of improved infrastructure and greater support from all levels of government to investment.

2.1. AGRICULTURE

Agriculture is among the economic sectors of Songea Municipality contributing about 75% of the Municipal Gross Domestic Product (GDP). Farming is concentrated in peri urban wards of Subira, Mletele, Mshangano, Matogoro, Ruhuwiko, Tanga and Lilambo.



The crops grown include maize, beans, cassava, millet, sunflower, mangoes, bananas and vegetables. Some of these crops are sold in the markets in Songea and Dar es Salaam.

Picture No.1: Agriculture Activities at Ruhuwiko

2.2. LIVESTOCK:

Livestock keeping is also a substantial activity in Songea Municipality and the major classes of live stock are sheep, goats, pigs and dairy cattle. The climate is very favourable for livestock husbandry.



Picture No.2: Livestock keeping in Municipality.

Livestock keeping is the second most important economic activity in the municipality with a total of 2630 cattle, among them dairy cattle 2,225 and beef cattle 405, 3226 goats among them dairy goats 221 while chickens 363,192, pigs 2947 and 380 sheep. The main animal keeping system adopted by the people in the municipality is zero grazing.

About 1,050,000 litres of milk, 159,760 eggs and 601,537Kg of meat are produced annually.

2.3. FOREST

The Municipality is rich in forest which covers about 4062.6 ha (5.4%) whereby 3751ha (5%) are reserved as water catchments areas particularly Chandamali hill and Matogoro mountain.



Moreover 311.6ha are natural reserve in Luhira game reserve while 171.8 ha are a productive area of Matogoro whereby timber (hard wood and soft wood) is being harvested.

Picture No.3: Forest Reserve at Matogoro.

2.4. MINING.

The Municipality has mineral resources, like building sand, which is obtained from Mwembechai, Subira, Londoni and Lizaboni sand sources. Therefore, the expanding and more diversified economic base offers growing opportunities for both local and foreign investment. The diversification, integration and restructuring of the economic activities will contribute to greater efficiencies and socio economic benefits.

2.5. INDUSTRIAL DEVELOPMENT

There are no major manufacturing industries. There are small scale industries like, Mpangwa Furniture, Heri- partners, Tobacco processing and milling machines.



Picture No.4: Small Scale Industry at Manzese

The potential for industrial investments in Songea Municipality is high due to the existence of good infrastructure which includes roads, telephone, and airport, water and power supplies.

2.6. SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (SMEs) in SONGEA MUNICIPALITY.

This is an important economic sector and many residents derive their livelihood through self employment in small and medium size enterprises. More than 50% of the Municipality's population work in the informal sector that includes small scale farming and selling of agricultural products, metal works and tinsmiths, dairying and raising poultry, furniture making, handcrafts, selling second hand clothes and food in the markets. Most of school leavers and retrenched employees from parastatal organizations and government have taken up micro or petty trading activities.

2.7. IMPORTANCE OF SMALL AND MEDIUM ENTERPRISES (SMEs) TO AN INVESTOR

- Since small and medium enterprises tend to be labour intensive, they create employment
- SMEs tend to be more effective in the utilization of local resources using simple and affordable technology.
- Through business linkages and relationships, SMEs have great potentiality to complement large industrial requirements. A strong and productive industrial structure can be achieved where SMEs and large enterprises co-exist and function.

2.8. STRATEGIES

The measures undertaken by the Municipality to facilitate investors are;

- Improvement of service delivery of Songea Municipal television station in order to facilitate and promote SMEs, investors and business development.
- Establish and consolidate data for SMEs and a directory of services providers.

CHAPTER THREE

INFRASTRUCTURE

3.0 INTRODUCTION

Most of the economic infrastructure in the Municipality is being developed to improve the quality of urban life as well as support the envisaged investment. Moreover, a favourable economic potential has favoured the establishment of economic and social infrastructure.

Therefore this chapter briefly notes the situation on road services, supply of electricity, airport, postal, banking and telecommunications services

3.1. ROADS SERVICES:

The Municipality is interconnected through a good road network of 292 kms whereby 42kms is tarmac roads; 32kms is trunk roads and 219km gravel roads thus giving easy access within and to areas outside.

=A large part of the urban road system consists of 36.3kms of tarmac roads and 241.3 km earth roads. Most of Municipal roads are accessible throughout the year

Some of the Municipal roads are of variable quality and have limited accessibility during the rainy season.

The highway to the neighboring District of Njombe is all tarmac. The main road connecting Tunduru and Mbinga though not of tarmac, is well maintained to make it passable throughout the year.



Moreover, the Municipality is well linked with other parts of the country through road network:

Picture No.5: Municipal Tarmac Road

- Songea – Njombe – Makambako road linking the Municipality with Tanzania – Zambia Highway.
- Songea – Tunduru road, linking the Municipality with South Eastern

- Regions of Mtwara and Lindi
- Songea – Mbambabay road, linking the Municipality with settlements along the lake shore and Mbeya Region through Lake Nyasa

3.2. AIRPORT.

The Municipality has airport facilities which are capable of handling passenger planes such as Fokker Friendship and Cessna 206. It is situated 7 kilometers from the Municipal centre. The asphalt runway is 1268 meters long and 31 meters wide.



There are regular charter flights which use small aircraft to ferry passengers between here and other parts of the country.

Future plans include the expansion of the runway to accommodate larger planes.

Picture No.6: Airport

3.3. TELECOMMUNICATION:

The Songea Municipality is well served with a Telecommunications network to the rest of the world.



Tanzania Telecommunications Company Limited (TTCL) offers landlines. There are four cellular phone systems operated by Celtel, Vodacom, Tigo, and Zantel. Internet, fax, cable TV are also available.

Picture No.7: Telecommunication Tower

3.4. POSTAL SERVICES:

Postal services are available at the post offices. Fax and internet services are also available at private and Government offices.

3.5. FINANCIAL SERVICES.

There are four commercial banks and several Savings and Credit Cooperative Societies which offer financial services. The commercial banks are: National Bank of Commerce Limited (NBC LTD), National Microfinance Bank (NMB), Cooperative and Rural Development Bank (CRDB), and Tanzania Postal Bank (TPB).

Automated Teller machines are also available at TPB,NBC and CRDB commercial banks. More than that, there is also a Bureau de change.



Picture No.8: Bank

3.6. POWER SUPPLY

The Municipality is served with thermo electricity. TANESCO is the principal supplier of electricity as it is in all mainland Regions of Tanzania. In the Municipality the demand for electrical power is 4000 Kwhs while the supply is 3580 Kwhs.

However, According to the five year rolling plan/strategic plan.(2005-2010)the Municipality will be connected to the national electricity grid.

3.7. WATER SUPPLY.

Songea Municipality has abundant water sources. Most parts of Municipality is supplied with piped water based on gravity from the natural streams originating in Matogoro Mountains.



Small parts of the Municipality get their water from shallow wells which have been constructed in different open spaces as well as from boreholes, particularly in Msamala area.

Picture No.9: Source of Natural Stream at Matogoro Mountain

3.8. WASTE DISPOSAL SYSTEM:

Songea Municipal Council has managed to develop an effective and sustainable waste disposal system. The sewerage system has been developed to handle waste sewerage from households and markets. About 30% of the Municipal Central business areas have been linked to the main sewerage system

The remaining parts have a variety of disposal systems including septic tanks, soak away and pit latrines. Waste from these systems is collected by cesspit empties and deposited in the main sewerage system for final disposal.



Most of the solid waste produced in the Municipality consists of organic materials from domestic and agricultural activities. Most of it is buried or burnt and the collected solid waste, about 560 tons per annual is

Picture No.10 : Dump Area at Subira

dumped at a site located about 8 kilometers from the centre of the municipality.

The strategy for waste management is to mobilize and educate the society that the responsibility for cleanliness is bestowed to every

resident in the Municipality and to promote further construction of refuse bays in highly populated areas.

CHAPTER FOUR

SPECIFIC AREAS FOR INVESTMENT

4.0 INTRODUCTION

Songea Municipality has a good number of specific types and areas for investment. There are about 52 hectares of land which are suitable for investments based on the study conducted by a consultant and other researchers.

These are in dairying, honey production and processing, historical tourism, lumbering industry, meat processing industry, tourism hotel development, and tobacco processing industry.

This chapter discusses the categories of investment opportunities identified and then presents more details on specific types and locations for investment.

4.1.1. THE MAIN CATEGORIES OF INVESTMENTS

The identification of the investment opportunities is divided into two categories, namely direct investment and market linkages related investments.

4.1.2. DIRECT INVESTMENTS:

Involves attracting investors, both local and foreign, to bring in capital to invest in the Municipality by setting up facilities either to process raw materials into finished goods or to produce raw materials for sale and processing before sale.

4.1.3. MARKET LINKAGES RELATED INVESTMENTS:

They involve connecting raw material producers with companies that have access to markets and so are willing to buy the products from them. In the market linkage approach it is expected that the market dealer/facilitator will be in a position to support the producers with skills on crop husbandry, post harvest processing and quality control.

The emphasis is that the producers will be able to work more efficiently when organised in groups rather than acting individually. The abundance of resources in the Municipality provides plenty of opportunities for investment.


The Municipality also has an advantage of getting raw materials from other Districts of Mbinga, Songea, Namtumbo and Tunduru because the Municipality is the Regional trade centre. For example a maize milling plant could be established in the municipality in order to process maize coming from the other districts.


The MAIN TYPES AND AREAS OF INVESTMENT OPPORTUNITIES

4.1.4. Fertilizer Producing Industry

Product	Reasonably priced high quality fertilizer for regional consumption and transporting to other regions.
Target location	Songea Municipality
The market situation	There is no reliable supplier of fertilizer to satisfy the demand of fertilizers for both food crops and commercial crops in the region and nearby regions like Iringa, Mbeya, Rukwa, Mtwara and Lindi.
Future Expectations	The introduction of the fertilizer producing plant in the Municipality will increase production of crops in Ruvuma Region and other regions in Tanzania
Market Imperfection/distortion	Several areas in Tanzania are involved in production of both food and commercial crops, but there is no fertilizer producing plant in the Southern zone and Southern highland zone where the Big Four crop producing Regions (Ruvuma, Iringa, Mbeya and Rukwa) are found.
Quality demands	The produced fertilizer should be of acceptable quality and reasonable price so that the farmers can afford to buy it.
Type of Investor recommended	An investor with capital to establish high quality fertilizer producing plant.

4.1.5. Tourism

Product	- Historical, game and eco -tourism at Mashujaa area in Songea Municipality. It is attractive for viewing
Target Areas	<div data-bbox="711 411 1346 936"></div> <p>Picture No.11: Majimaji war Museum at Mashujaa</p> <p>Majimaji war museum at Mashujaa is one of the interesting centres containing information on Majimaji war heroes who were hanged by colonial rulers in 1905.</p> <p>-Matogoro forest reserve is the attractive reserve for scientific study and viewing .It is located in Matogoro Ward.</p> <p>-Ruhira Game reserve is another interesting game reserve for game watching and research.</p>

The market situation	The majimaji war museum, Matogoro forest reserve and Ruhira Game reserve attract many visitors .But need much greater publicity and investors who can modernise their status or sites in order to attract more Tourists.
Customers	Tourists from overseas, researchers, schools, local visitors.
Future expectations	<p>To encourage investors who can modernise the touring sites in order to attract more visitors,to advertise for more touring sites for more tourists to come and enjoy their visit at majimaji war museum, Matogoro forest reserve and Ruhira game reserve.</p>  <p>Picture No.12: Majimaji war Heroes Monuments in the Museum</p>



Picture No.13: Majimaji War Heroes Mass Grave


Market imperfection\Distortion.	Tourist facilities have to be established that are attractive, competitive in services and price, well publicized and ecologically friendly.
Quality demands	Clean, comfortable camps, good transport facilities, excellent standards of service and knowledgeable tour guides
Type of investors recommended	Tourist operators who can access capital to provide tourist facilities such as transport, camps, marketing.

4.1.6. Dairying

Proposed product	Milk and Milk products such as butter, ghee and cheese.
Potential Target area	Subira, Ruhuwiko, Mshangano, Ruvuma, and Luwawasi a total of 415 hectares are available for dairy farming. Water is available and the condition is favourable for dairy farming, Also more land can be obtained from nearby Districts of Songea and Namtumbo.
The market situation.	There is low milk production in Songea Municipality and most is consumed locally. A few improved dairy cattle for milk are kept .According to records there are about 2,225 improved cattle available in the Municipality.
Target Market	Supermarkets and groceries in urban centres like Dar es salaam, Mbeya, Iringa, Morogoro, mining areas and Songea Municipality dwellers. Exporting to nearby countries like Malawi, Mozambique and Zambia.
Future market expectation	Demand for pasteurized milk with low fat content is growing and children are being encouraged in national campaigns to drink milk for good health. With increased population and campaigns on promoting more milk consumption, the demand for good quality milk will increase.
Processing chain	Dairy animals can be milked either manually or by milking machines. Milk collected can be processed, packed and transported for sale. The cream obtained by separation from whole milk can be processed into milk by-products to include butter, ghee and cheese for sale locally.
Market imperfection/distortion	Currently farmers who keep dairy cattle sell unpasteurized milk directly to individual customers. There is limited local supply of good quality milk. There is a lot of relatively expensive imported milk and milk products in the market.
Quality demands	Dairy farming from improved breeds gives good quantities of milk. The best dairy cattle that is recommended for this area is Friesian, Ayrshire or crosses with the local breeds.
Type of investor	A medium and large scale dairy farmer with capital and expertise to invest in intensive dairy farming could also encourage surrounding villagers to keep improved dairy cattle and buy fresh milk from them for processing and distribution.


4.1.7. Honey production and processing

Proposed Product:	Honey as jam, for brewing beer, ceremonial functions and traditional medicine. Bees-wax is used to manufacture candles, shoe making, taxidermy and cosmetic manufacture.
The market situation	The market for honey both domestic and export is high. The small amount of honey produced is consumed locally.
Target source	To be supplied from beekeepers in Songea Municipality and some could come from neighbouring districts such as Songea, Namtumbo, Mbinga and Tunduru Districts. Currently it is estimated that there are about 57960 traditional and 436 modern beehives in the region. 39% of the region's beehives are in Songea Municipality.
Target market/buyers	The honey and wax to be produced will be sold to people within the Municipality and some will be exported to other countries such as Malawi, Zambia, and Mozambique. Honey could be certified as organic by International Organic Product Certifiers to increase demand.
Future expectations	The Municipal Council has reserved an area for beekeeping particularly at Mshangano ward. To encourage beekeepers to form associations to address together their production and marketing problems. Modernization of beehives will increase the production and quality of honey and wax. It is possible to get honey from other beekeeping areas to process at the plant.

Processing chain	<p>Songea honey is processed by using traditional methods. Honey processing capacity in the country is low. Modern honey processing industry is necessary, thus there is a need for new investment to meet the quality and market requirements and absorb the expected increase in production as a result of use of modern beehives.</p> 
Processing Facility	<p>Investment into processing facility should be a joint venture between a strategic investor (perhaps holding 80% of shares) and the Beekeepers Associations (holding 20% of shares). The strategic investor would inject capital, technology and market contacts.</p>
Market imperfection/distortion	<p>Beekeepers are often located in remote and inaccessible areas. The small scale production and absence of producer groups and associations limits market opportunities and depresses incomes.</p>
Quality demands	<p>Organic honey and bee wax have a growing demand in the world market and have good prices. Production has to be improved to meet the quality requirements for organic honey. There is a need for clean, uncontaminated, smoke and chemical free products in good packaging with a trademark and certified organic or quality approval by Tanzania Bureau of Standards.</p>
Type of Investor recommended	<p>A strategic investor with capital and market contacts. He /She should be willing to go into a joint venture with beekeepers associations for reliable supply of honey for processing.</p>

Picture No.14: Morden Beehive

4.1.8. Meat Processing Plant

Proposed product	Canned meat
Potential Target area	<p>Mshangano and Ruhuwiko land banks. 50400 square metres of unused land is available for meat processing plant.</p>  <p>Picture No.15:</p>
The market situation	There is no meat processing industry in Ruvuma region and Southern zone of Tanzania as a whole. The meat processing industries in Tanzania are located in Tabora.
Target market	Supermarkets, local and tourist hotels, mining areas including those in Tunduru and Mpepo/Mbinga.
Future market	Demand for good quality canned meat is going to increase following the growth in population and the economy.
Processing chain	The animals could be slaughtered at the farm or at the processing plant. This may require investment in slaughter facilities, cold storage and preparation of beef products for processing, packaging, labelling, transportation and marketing.
Market Imperfection/distortion	There is limited supply of canned meat and a high demand results in high meat prices. Thus imports from overseas become necessary.
Quality demands	The product sold should come from quality cattle breed.
Type of Investor recommended	An investor with capital to establish high quality meat processing plant.

Mshangano land Bank

4.1.9. Fruit Processing Plant.

Proposed Product	Fruit juice
Potential Target Area	In Songea Municipality
The market situation	There is no fruit processing plant in the Southern zone of Tanzania. The fruits such as mangoes, tomatoes, oranges and passion are consumed locally in its raw product.
Target market	Supermarkets, to sell to local customers and to export the juice.
Future market	Demand for good quality processed fruits is going to increase following the growth in population and economy.
Processing chain	The fruits could be harvested from farms or bought from farmers, cold storage and preparation of fruit products for processing, packaging, labelling, transportation and marketing.
Market imperfection/distortion:	There is limited supply of processed fruits and a high demand of it. Thus imports from other countries become necessary.
Quality demands	The product sold should come from quality fruits.
Type of investor recommended	An investor with capital to expand production of fruits plantations, a processing plant and contacts for the market.

4.1.10. Tourist Hotel Development


Product:	Hotel accommodation for tourists visiting Majimaji war museum at Mashujaa; Ruhira game reserve; Chandamali, Linole and Matogoro caves used for spiritual ceremonies and worshipping; Selous National Park
Target location	Mshangano , Ruhuwiko and Matogoro Wards.
The market situation	Songea Municipality has no adequate hotel accommodation to offer to tourists wishing to visit its attractions and other interesting areas in the region.
Customers	Foreign and local tourists, hunters, researchers
Market imperfection/distortion	No tourist facilities have been established and the attractions have not been adequately publicized.
Quality demands	Tourist facilities have to be established that are attractive and competitive in price, ecologically friendly and with excellent services. Improvement in transportation and accessibility into and within the municipality are required.
Future expectations	Tanzania is becoming a leading tourist destination as efforts to promote it are being intensified. The improvement of Majimaji war museum at Mashujaa will attract more visitors and appropriate hotel accommodation facilities must be in place. Such facilities could also be venues for conferences, workshops and meetings. The growth of tourism will improve income, provide employment and diversify the economy.
Type of investor recommended	Both local and foreign investors with capital to establish reasonably priced high quality hotels and camps, hospitality and marketing skills.






Picture No.16: Heritage cottage Hotel at Msamala

4.1.11. Tobacco Processing Industry

Proposed Product	Processed tobacco
Potential Target area	<p>Modernizing the Songea Tobacco Processing plant for maximum efficiency</p>  <p>Picture No.17: Tobacco Processing Industry</p>
The market situation	Although the plant is working there is need for it to be improved in order to satisfy the demand of produced tobacco from Songea rural and Namtumbo Districts and within the Municipality.
Target beneficiaries	Tobacco growers, investors, and other citizens
Target market/buyers	The processed tobacco will be sold within the country and some to be exported..
Future expectations	<p>To encourage tobacco growers to form associations to address together their production and marketing problems.</p> <p>To encourage farmers to produce more tobacco.</p>
Quality demands	<p>Tobacco has a growing demand in the world market and has good prices.</p> <p>There is need for producing tobacco of good quality which can compete in the world market.</p>
Type of investor	A strategic investor with capital and market contacts.

recommended	
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4.1.12. Bamboo Wine Processing Plant

Proposed Product	 <p>Improved bamboo wine</p> <p>Picture No.18: Bamboo Trees Field</p>
Potential area	Target Songea Municipality
The market situation	Most farmers harvest and consume it locally. There is high spoilage of bamboo juice harvested because of the lack of bamboo wine processing plant.
Target market	To export bamboo wine to obtain good prices and to sell to local customers.
Future expectation	Improvement in processing, handling, transportation will improve quality of the wine for internal and external market. An investor can also contract bamboo trees growers to grow the trees for the plant by providing them with improved bamboo trees varieties
Processing chain	The availability of cheap labour for manual harvesting and packaging will reduce cost of operation
Market imperfection	Currently bamboo wine is consumed in its crude raw form. It can't compete with refined/processed beers and wines.
Quality demands	Well processed, graded and labeled bamboo drink
Type of investor recommended	A strategic investor with capital, technology and market contacts.

4.1.13. Vegetable cooking oil processing plant

Proposed product	Vegetable cooking oil
Potential Target area	In Songea Municipality
The market situation	There is no cooking oil processing plant in Southern zone of

	Tanzania. The crops for producing cooking oil such as groundnuts simsim and sunflower are consumed locally.
Target market	Supermarkets, selling to local customers and exporting the processed vegetable cooking oil.
Future market	Demand for good quality vegetable cooking oil is increasing due to the growth in population and economy.
Processing chain	The groundnuts simsim and sunflower could be harvested from farms, storage and processing at the plant, packaging, labeling, transportation and marketing.
Market imperfection/distortion	There is high demand of vegetable coking oil. Thus imports from other countries become necessary.
Quality demands	The product sold should come from quality crops
Type of Investor recommended	A strategic investor with capital and market contacts

4.1.14. Maize processing plant

Proposed crops	Maize
Potential target areas for farming	Mletele, Mshangano, Ruvuma, Ruhuwiko and nearby Districts of Mbinga, Songea rural, namtumbo and Tunduru.
Storage and handling facilities	Crop is durable, In many Wards there are warehouse facilities that can be of much use to investors
The market situation	The proposed crop is currently grown in the Municipality and other Districts but there is a so th enough supply.
Target market	Both internal market (within the region) and external market (outside the region)
Client	community at large and businessmen all over the country
Processing	Sorting, cleaning, milling and packaging in bags.

chain	
Market imperfection/ distortion	Prices of maize are uncertain because there is no reliable market.
Quality demands	Well graded and packed in bags.
Type of Investors recommended	A large scale farmer who can invest in grading, processing, packing ,transportation, storage marketing

CHAPTER FIVE

MANAGEMENT AND FACILITATION OF INVESTMENT

5.0 INTRODUCTION:

The efficient management and facilitation of investment is an important factor affecting economic activities and business opportunities in the Municipality. Good governance and additional support from regional authorities are also significant in evolving a conducive business and investments environment.

The Municipal Council has the responsibility of facilitating activities to investment and the necessary coordination at the Municipal level is through the Municipal Planning Department.

This chapter outlines the specific efforts and incentives to attract and facilitate investments in the Municipality. The most important are establishment of a land bank and some changes in the Municipal by-laws in keeping with the Central Government policies and economic programmes.

5.1.1. AREAS EAMARKED FOR LAND BANK

The Municipal Council has 52 hectares of land planned for various investments such as food processing industries, and manufacturing industries. Also there are good areas for construction of super markets, hotels entertainment centers and institutions.

These areas which are earmarked for investment were surveyed and are located in Mshangano, and Ruvuma wards and Unangwa village. Social services, like water, electricity, roads and telecommunications are available.

5.1.2. PROCEDURES FOR OBTAINING LAND FOR INVESTMENT PURPOSES FROM THE MUNICIPAL COUNCIL

Land for investment can be obtained through following procedures as provided by the Land Act NO.4 Of 1999 and Regulations of 2001.

Summarized hereunder are the procedures for land allocation in Tanzania.

The application for the right of occupancy shall be:

- a. Submitted on a prescribed form and accompanied by a photograph
- b. Accompanied by the prescribed fee.
- c. Signed by the applicant or a dully authorized representative or an agent of the applicant.
- d. Sent or delivered to the Commissioner for Lands or an Authorized officer.
- e. Where the applicant is a non-citizen or foreign company, the application shall be accompanied by a certificate of approval granted by the Tanzania Investment Centre, under the Tanzania Investment Act, 1997. If application for a right of occupancy or a

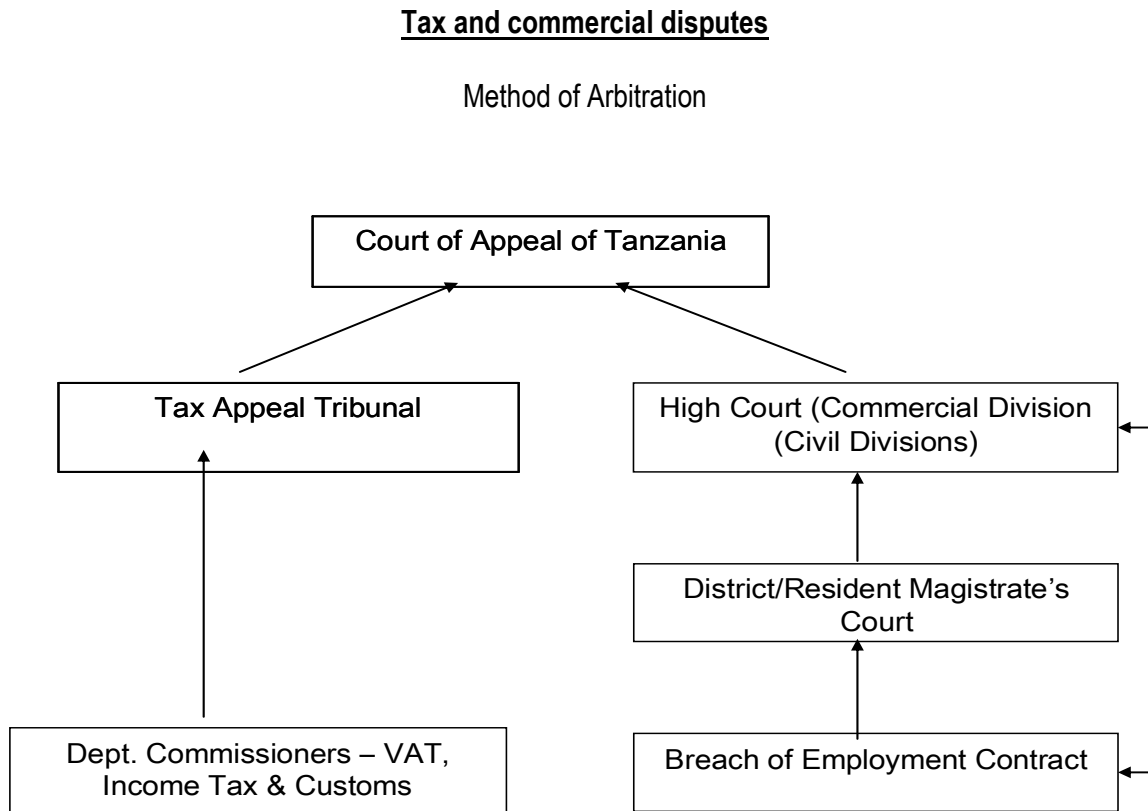
derivative right, which is made by non-citizen or a foreign company is for residential purposes, the use of such land shall be secondary or ancillary to the investment approved under the Tanzania investment Act.

- The successful applicant shall be granted a letter of offer which shall be in the prescribed form.
- Acceptance of Letter of offer is by paying the necessary fee described in the offer.

Also the land in prime areas can be obtained through public auction or open tendering (Land Regulation 2001).

5.1.3. SETTLEMENT OF DISPUTES

Figure No. 1: Method of Arbitration



Source; Tanzania Investment Centre

The following issues are important in settlement,

- (1) High court has unlimited pecuniary jurisdiction
- (2) Commercial disputes exceeding T.shs 10m. in pecuniary value shall be handled by the High Court, by passing the District /Resident Magistrates Court.
- (3) Dispute settlements may commence in either Court.

Land disputes according to Land Act no. 4/ 5 of 1999

The land act NO.4 and village Land Act 5.of 1999 in sections 167 and 62 respectively provide for mode and procedure of dispute settlement as follows:

Depending on the nature and time when the dispute arises the court will decide in which court the matter can be tabled. The general principle in the case of surveyed land is for the matter to be heard by the District Land and Housing Tribunal and other higher courts while matters of acquisition, especially of village land, are tabled at the village land council.

5.1.4. GOOD GOVERNANCE

The Municipal Council as part of good governance practices and, following recommendations of the Local Government Reform Program, has put suggestion boxes in all Wards and at Municipal headquarters, where the public can express their views or opinions on investments. Timely of decision making to investment applications is given special attention by the Municipal council in order to hasten the investment process.

CHAPTER SIX

6.0 CONCLUSION

Songea Municipality is well populated. This profile indicates and identifies the diverse opportunities available for investment in the Songea Municipality. The priority is in agriculture related investments.

They include investment in fertilizer production, tobacco processing, milk and meat processing, fruit processing, vegetable cooking oil processing and bamboo wine processing. Other areas of investment include tourism and tourist hotel development. The Municipality offers the advantages of some of the best infrastructure in power and water supplies for industrial and other economic uses.

Availability of raw materials and labour force offer opportunities for diversifying as well as integrating the economic base of the Municipality, into the regional and national economies.

The Municipality invites investors and has established several programmes, projects and procedures to create a conducive environment for investments. It also promotes the cultural and biological values of the historical sites and environment and the need for conservation and protection measures.

Therefore, the Songea Municipal Council most warmly welcomes every interested investor who has the aim of promoting economic growth and poverty reduction.

Hence this profile will be a useful source of information on areas of potential investment to our potential investor.

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