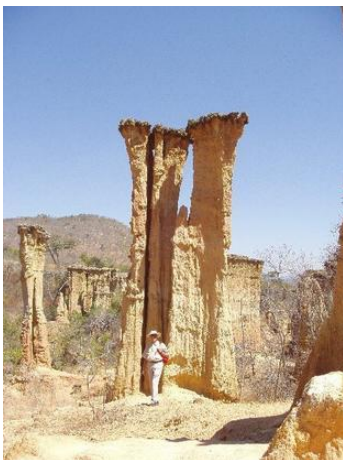


# IRINGA DISTRICT COUNCIL



## Investment Profile of Iringa District Council



## **PREFACE**

Iringa District Council aspires to have a community that enjoys high and sustainable living standards. And its mission, in collaboration with stakeholders aspires to provide high quality and sustainable services to its community through participatory and democratic approaches, good governance and rule of law and proper use of available resources. To achieve this aspiration, the council is aiming at facilitating the utilization of resources so as to be able to generate revenues to finance some of the services. In essence, the investments will create employment opportunities and income for the communities around invested areas as well as improving social services.

Therefore, the investment profile document was prepared in order to inform all investors on direct investment opportunities, joint venture investment and investment for support.

Despite the fact that, the district has many potential opportunities for investments, but its main focus is on Agriculture, Livestock, Tourism industry, Development of Road Infrastructures and Minor Settlements Development.

Potential areas for investment include: food and cash crops production, Livestock Development, tourism development, road infrastructures development and Small Town Settlement. There is a reliable market for these products locally in Iringa and other corners of Tanzania and abroad. The Council has developed an incentive system which will enable the investors to obtain all necessary information regarding investment, facilitation in land acquisition as well as procedures for obtaining license.

## GENERAL INFORMATION

Iringa District Council extends between 7°00<sup>0</sup> and 8.30<sup>0</sup> latitude south of the equator and 34<sup>0</sup> and 37<sup>0</sup> longitudes East of the Greenwich. The district borders Mpwapwa district (Dodoma Region) to the North, Kilolo District to the North East, Mufindi District to the South, Chunya District (Mbeya Region) to the West and Manyoni District (Singida Region) to the North West. The Council has an area of 20,413.9 square kilometres of which only 9857.5 square kilometres are habitable and the rest are occupied by National Parks, Forests, Rock Mountain or water bodies. Administratively, the Council comprises of 6 divisions namely Kalenga, Idodi, Pawaga, Ismani, Mlolo and Kiponzelo, with 25 wards, 123 villages, 718 sub villages and 60,484 households (families).

The major ethnic groups residing in Iringa District Council include Wahehe, Wabena and Wakinga. The Hehe are predominant tribe in the area and are well known for their bravery in fighting the enemies. They fought and defeated the Germans at Lugalo on 17<sup>th</sup> August 1891 and maintained their resistance for seven years until their Chief known as Mkwawa shot himself. His grave is found at Mlambalasi and while his skull is kept at Kalenga Museum.

According to 2012 National Population and Housing Census, the District Council has a total population of 254,032 people comprising of 123,243 male and 130,789 female. The annual population growth is projected at 1.3%. The current population estimates show that Iringa district had a total of 266,444 people by Dec. 2008 with a GDP of Tshs. 273.8 bil. The per capita income is estimated to be Tshs. 1,031,508 (from the income approach).

The District has a good road network of about 1,580.4 kilometres which are accessible throughout a year. There is a high way which connects the district and other regions such as Morogoro, Dar es Salaam, Mbeya, Rukwa and the capital city of Dodoma. Also there is one airport namely Nduli and 1 airstrip at Msembe in Ruaha National Park.

Services available in the district include electricity power supply in Ifunda, Nzihi, Kidamali, Tanangozi, Mseke, Tosamaganga, Kalenga and Migoli villages. Telephone services are provided by four major companies namely Tanzania Telecommunication

Company Limited (TTCL), Celtel, Tigo and Vodacom. Water supply serves a population of about 173,504 people out of 254,032 which is equivalent to 68.3 percent

Iringa District Council has 1 hospital, 8 Health centres, 68 Dispensaries and 35 pharmacies. The average coverage of health facilities per population is (i) 1 hospital for a total 254,032 people, (ii) 1 health centre for 31,754 people, (iii) 1 dispensary for 3,736 people. About 85 % of the total population covered by health services are within 5 kilometres walking distance from nearby health facility.

Education facilities found in the district council comprise of 104 day care centres, 135 pre schools, 145 primary schools, 32 secondary schools and 4 university colleges located in Iringa municipality which is a headquarters of the council. The District Council enjoys the benefits of the four University Colleges located in Iringa Municipality which is a headquarters of the Council. These include: Mkwawa University College of Education, Ruaha University College, Tumaini University and The Open University of Tanzania.

Financial institutions which provide services in the district include: the National Microfinance Bank (NMB), Co-operative and Rural Development Bank (CRDB), National Bank of Commerce (NBC), Postal Bank and BACLAYS Bank. A 24 hours Automatic Teller Service is also provided by all mentioned Banks.

## **MAJOR ECONOMIC INVESTMENT SECTORS**

### **AGRICULTURE**

Agriculture is the mainstay of the economy of Iringa District Council with an approximately over 95% of the rural population practicing mixed farming at subsistence level. The district has 480,158 hectares of arable land out of which, the cultivated area is about 163,887 hectares. Most of agricultural activities in highland and midland zones depend on rainfall. However, in the lowland areas irrigation is practiced at small scale, therefore there is a need to invest in irrigation agriculture especially in drip irrigation system due climatic condition of a large area of the district with medium rainfall.

Maize is the main staple food crop as well as cash crop, but its production level is very low following the land fertility exhaustion and high cost of agricultural inputs for the common farmer. Other food crops cultivated include Beans, Cowpeas, Irish potatoes, Sweet potatoes, Paddy and Sorghum. Cash crops grown in the District include Artemisia, Coffee, Cotton, Flowers, Pyrethrum, Paprika Sun flowers and Tobacco.

### **INVESTMENT OPPORTUNITIES IN AGRICULTURE SECTOR**

Potentially, the district has 43,700 hectares of land suitable for Irrigation. About 15,860 hectares is currently used for irrigation, while the remaining land of 29,840 hectares remains unexploited. About 5,000 to 10,000 hectares of unsurveyed land is available for investment in surface Irrigation Agriculture in Mlowa, Idodi, Mahuninga and Itunundu Wards. Yet, the council has about 16 surveyed private farms with title deeds having a total of 9, 833 acres suitable for agriculture and livestock keeping. Among them 6 farm owners with 4,241 acres are ready to lent their farms, while the remaining 10 farm owners are ready to invest in partnership. The farms are found in highland and midland ecological zones. On the other hand, the council is looking for support to improve traditional Mkombozi irrigation infrastructures (construction of intake and irrigation carnal) with a total of 3,000 hectres.

Suitable crops under irrigated area include Paddy, Pepper, Paprika, Passion, Grapes, Bananas, Orange, Mango fruits and Vegetables.



Paddy Irrigation Farming at Mapogoro Village in Idodi Ward

## **LIVESTOCK SECTOR**

Livestock keeping is another major economic activity, which employs a good number of people for their livelihood. Livestock keeping is practiced mainly in the lowland zone, which has plenty of grass for animal feed as well as water since Ruaha River and several streams passing from the highlands across it. Vegetation cover and soils in lowland zone is suitable for ranching. Livestock population includes 150,880 cattle, 106,330 goats, 45,625 sheep, 2,743 donkeys, 36,179 pigs and 317,915 poultry. Main livestock kept in Iringa District are local breeds which produce little milk, low quality and small amount of meat and its products, therefore there is need for improvement of these local breeds so as to increase quantity and quality of livestock products.

## **INVESTMENT OPPORTUNITY IN LIVESTOCK SECTOR**

Production of beef in the district is still underdeveloped, although there is potential for expansion. The council has about 16 surveyed private farms with title deeds having a total of 9, 833 acres suitable for agriculture and livestock keeping. Among them 6 farm owners with 4,241 acres are ready to rent their farms, while the remaining 10 farm owners are ready to invest in partnership. Since, the council has an area for livestock keeping as well as a good number of livestock there is an opportunity to invest in fattening of animals, construction of modern abattoir, cold chain and leather industry.

The market for beef cattle is reliable due to big demand of meat locally and neighboring countries of East Africa and SADC countries

### **TOURISM DEVELOPMENT**

Iringa District is rich in natural and cultural resources which are spread across areas of different status ranging from National Parks, Game Controlled Areas, Wildlife Management Area and open areas. Although there is richness in natural and cultural resources in Iringa District council which attracts tourists but they lack developed recreational areas and standard accommodation facilities.

### **INVESTMENT OPPORTUNITY IN TOURISM DEVELOPMENT**

The district have plots which are strategically located for investment in accommodation facilities, conference halls and recreational sites which when developed can enable the council to increase its local revenue collection, to promote tourism and create employment to its people. Such areas are found in Kalenga ward where the fort of late famous chief Mkwawa is located; Isimila area close to the natural pillars and where middle age stone tools are found; Tungamalenga close to Ruaha National Park which is the first largest national park in Tanzania having square kilometer 20,226 which receives an average of 25,000 tourists per annum.

The Park is famous for its Elephant herds and animals that are rarely seen in the Northern Parks like Greater Kudu and the Roan Antelope. Other animals that are common include: Sable Antelope, Lesser Kudu, Lions, Leopard, wild Dogs, Buffalo, Impala, Water Buck, Warthog, Giraffe and Bushbuck.



Greater Kudu, the Ruaha Ecosystem Emblem, this animal is rarely seen in the Northern National Parks

### **DEVELOPMENT OF MINOR SETTLEMENTS**

Development of minor settlement is another area where there is in need of investment. In Iringa district there are minor settlements which have been declared as planning areas which need to be provided with necessary services and infrastructures including water services, roads networks, electricity, health facilities, play grounds and communication services. The development of these minor settlements will help to reduce migration of people particularly youths from rural areas to urban areas. Such areas include: Kalenga, Ifunda, Migoli and Tungamalenga.

### **INVESTMENT IN ROAD INFRASTRUCTURES**

Investment in road infrastructure is important in Iringa District Council because most of the Iringa People are peasants who live in rural areas where they need passable roads throughout the year for transportation of crops and tourism development. Therefore, there is a need of constructing new roads and upgrading the available roads from earth road to tarmac road. The areas which needs improvement include: Kalenga – Mgera road - 12km, Ibumila- Ihemi – 18km, Mkurula – Luhomelo road – 11 km, Pawaga – Mlowa – 78 km, Ifunda – Kiponzero – Wasa – Mahuninga – 75 km, Izazi – Pawaga – Mlowa – 78 km.



## **SISTER TOWNS PARTNERSHIP**

Iringa District council would like to have Sister Towns from China cities so as to exchange experiences, promoting cultural and commercial ties and fostering friendship and understanding between different cultures through study visits and exchange of ideas. Therefore through forming town sisters will form strategic international business link.

## **INVESTMENT POLICY AND INCENTIVES**

Tanzania has adopted and is implementing several policies and incentives to attract and facilitate investment in economic and social development.

### **Investment Benefits and incentives**

Tanzania offers a well-balanced package of financial and non-financial incentives to investors who have chosen Tanzania as their investment destinations. This is in accordance to Tanzania Investment Act of 1997.

### **Fiscal Incentives**

- Import duty and VAT exemption on project/capital/deemed capital goods
- Import duty Draw Back Scheme – Refund of duty charged on imported inputs used for producing goods for export and goods sold to foreign institutions like UN and its agencies operating in Tanzania.
- The business license shall be issued once (non-renewable) at the beginning of such business and shall remain valid until the business is closed or run bankrupt.
- The fees payable for a business license shall be nil. It takes one to two days to get the business license after filling the application forms.

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