

SAGCOT Investment Partnership Program

Opportunities for Investors in the
Rice Sector



Update: October 2012

- The Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
 - A joint public-private initiative to boost agricultural output in one of the prime agricultural zones in Africa

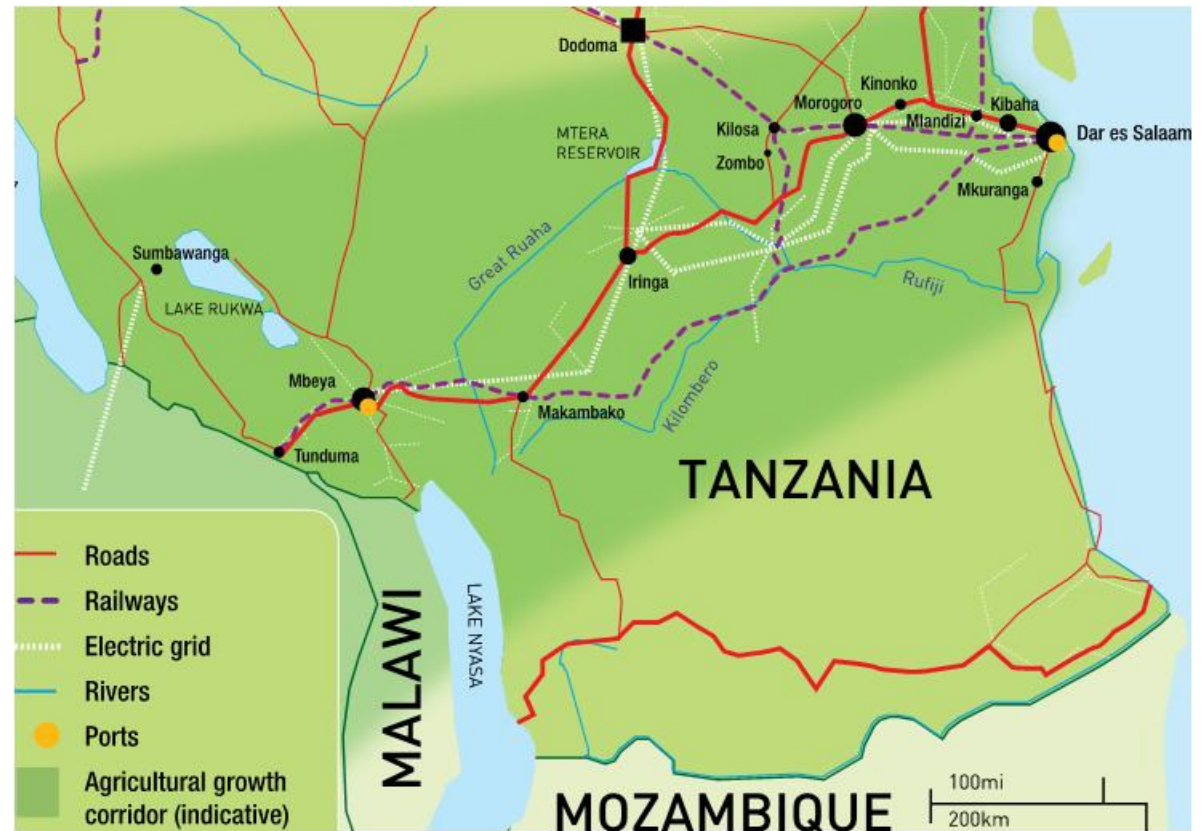
- Specific opportunities for investors in the rice sector
 - Several earmarked sites with ideal agroclimate, infrastructure and market access
 - Large and growing local, regional and global demand-supply gap
 - Competitive yields, cost factors and skill supply
 - Conducive business environment and full support for investors

- Next steps and contact information

- *Appendices:*
 1. *Full profiles of 3 priority earmarked sites: Ngalimila, Kihansi, Mkulazi*
 2. *Additional market information*
 3. *Additional information on relevant activities by donors and the private sector in the rice sector and SAGCOT*
 4. *Additional information on Tanzania's business environment and support for investors*

Southern Agricultural Growth Corridor of Tanzania (SAGCOT)

- Joint initiative led by the Government of Tanzania, private companies and international donors
- Personal priority of the President of Tanzania, heads of the World Bank, USAID and other major donors, and CEOs of several Fortune 100 firms
- Aim is to coordinate government, donor & corporate investments in agribusiness value-chains and supporting infrastructure (transport, power, irrigation, etc.), so bottlenecks are removed and the entire system works for investors, smallholders and consumers



- 3 ultimate goals: 1) Improve food security; 2) Reduce rural poverty; 3) Sustain the environment

Commercial investors in the corridor stand to gain from complementary investments by the government, donors and other private investors in infrastructure, input-supplies, outgrower training, finance and so on

The corridor was chosen because it offers ideal agroclimate plus superior infrastructure and market connectivity



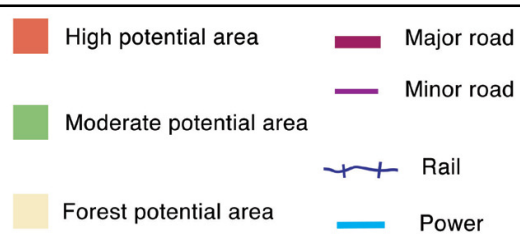
Ideal agroclimate for range of crops & livestock

- Major river systems
- Ample rainfall and sunshine hours
- Rich alluvial valleys for rice, sugar
- Rolling plains for maize, sisal, oilseeds, ranching
- Cool highlands for tea, coffee, horticulture
- Lush tropics for tree crops – cocoa, palm, timber



Superior infrastructure and connectivity to local & global markets

- International highways connect all major agri-zones in corridor to main consumer markets in Dar, Arusha, Nairobi & Lusaka
- International port & airport at Dar with direct connections to Middle East, Asia & Europe; 2nd international airport to open in Mbeya
- Main national grid runs through corridor, with major hydro supply already available and potential for agri-based cogen power producers to supply directly to grid



Infrastructure investments

- Government and donors are prioritising investments which will enable agricultural producers in the corridor to get their product to market:
 - Upgrade of feeder roads and transmission lines to and from all major agricultural clusters in the corridor
 - Attracting private investors to increase the capacity and efficiency of the TAZARA Railway, the dry bulk terminal at Dar port, and cold storage and cargo-handling at Dar and Mbeya airports
 - Attracting private investors to develop additional power generation capacity

Outgrower training & financing

- Government, donors, NGOs and private companies (e.g. seed and fertilizer suppliers) have already earmarked funds to assist outgrowers linked to commercial agro-processors (in rice, sugar, maize, sorghum, barley, tea, coffee, cocoa, livestock, etc.) – to help provide access to improved seeds and fertilizers, training, microfinance, irrigation and machinery

Start-up & Operational support

- The dedicated SAGCOT Centre and a series of Sector Working Groups have been established to assist investors with all aspects of start-up: site identification and leasing, social and environmental safeguards, company registration, incentives, etc.
- The government has also established special taskforces to address specific investor issues regarding land-leasing, export regulations, taxation and imports of seeds and other inputs

Private sector coordination

- A range of private-sector organisations, including the SAGCOT Centre, the Tanzania Private Sector Foundation, the Agricultural Council of Tanzania, bring together local and international investors to ensure that priority issues are addressed at the highest levels

Development Partners



Agricultural Suppliers & Financiers



Technical & Operational Supporters



Agricultural Producers & Buyers

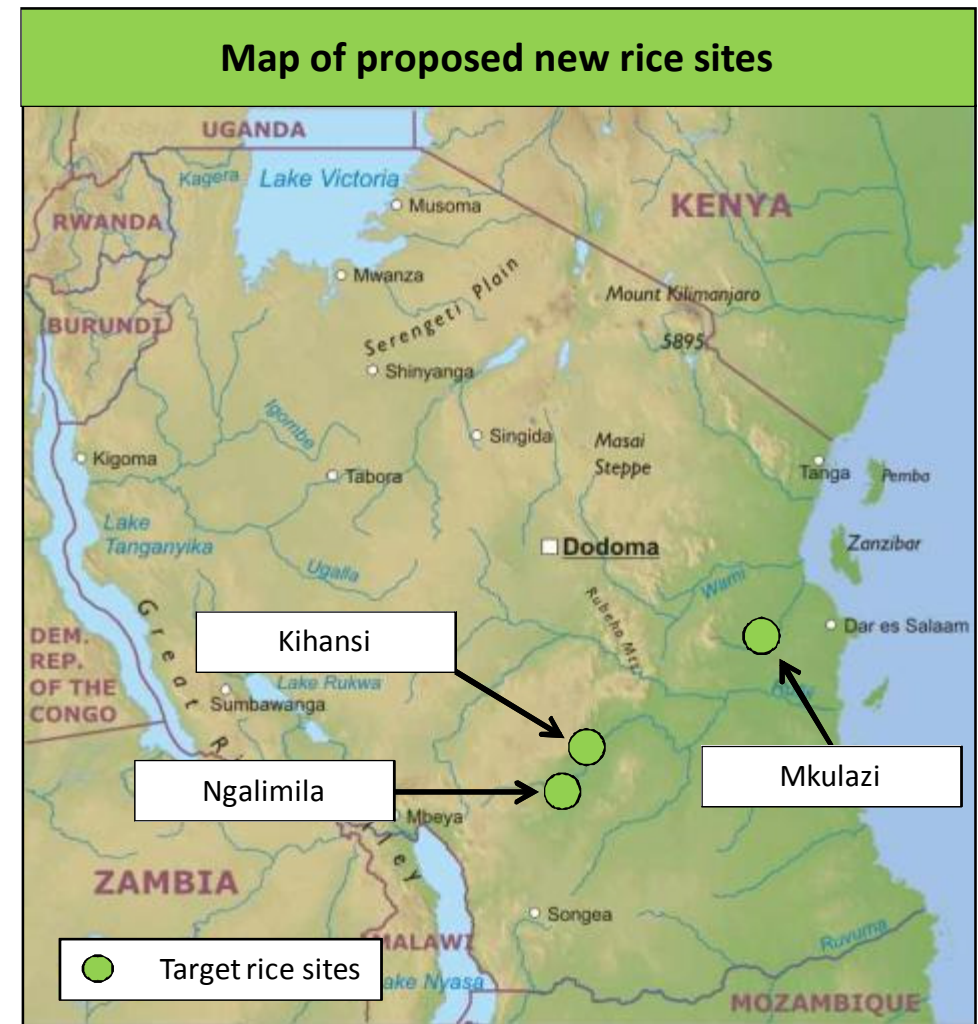


Specific opportunities for investors in
the rice sector

- The government has earmarked a number of sites for rice investors, offering excellent agroclimactic conditions and market connectivity
- The local, regional and global demand-supply gap for rice and other cereals is large and growing
- Yields and cost factors in Tanzania are very competitive
- Tanzania's economic and political stability offers a conducive business environment
- Several successful rice operations involving international investors are already established in Tanzania



- Tanzania has a large untapped arable land potential, but to speed up investment, three priority sites have already been earmarked for rice farming and processing
- Each site is located within close proximity of the railway line connecting Zambia to Dar Es Salaam and the port
- At each location, reliable year-round irrigation is made possible by significant rivers and flat topography
- The sites are under preparation by the Government of Tanzania to be awarded to qualified investors who present the best investment plans
- In line with the principles of the SAGCOT initiative and broader Government policy objectives, investor proposals will be expected to bring best practice environmental and social practices and generate outgrower opportunities in the areas surrounding the sites



Ngalimila site

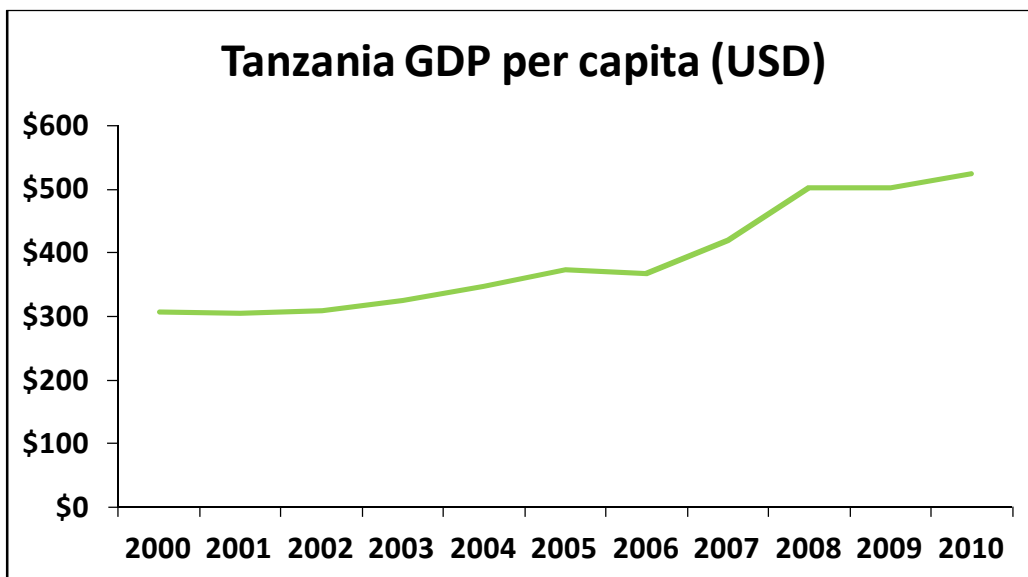
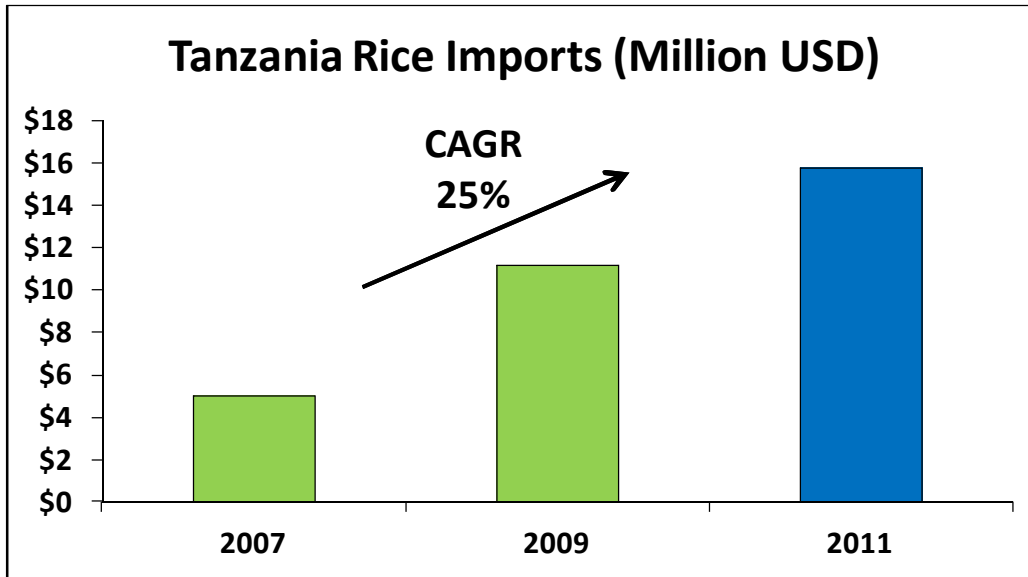
- 5,128 ha farm earmarked by the government for rice production
- Surrounded by three rivers for year-round irrigation
- Located 35 km from the railway line to Dar Es Salaam
- About 120 km from Ifakara, close to the existing rice project, Kilombero Plantations Limited
- The government has already invested in building a feeder road leading to the farm and a farm building
- Donors are active in the area, supporting smallholder farmers and infrastructures

Kihansi site

- 5,200 ha farm earmarked by the government for rice production
- Located along the Kihansi river for year-round irrigation
- Along the railway line to Dar Es Salaam
- About 80 km from Ifakara, accessible through tarmac and secondary (gravel) roads
- Located close to the existing rice project Kilombero Plantations Limited
- Donors are active in the area, supporting smallholder farmers and infrastructures

Mkulazi site

- 63,000 ha site currently being surveyed to be divided into several parcels for promotion to investors in rice, sugar, etc.
- 4 rivers effectively surround the site, providing for year-round irrigation
- Along the railway line to Dar Es Salaam, at a distance of less than 150 km
- About 50 km from the main tarmac road Dar – Morogoro, accessible through secondary (gravel) roads, with 3 possible access routes



- Due to population growth and increasing wealth and urbanization, rice demand has been growing steadily in Tanzania and neighbouring countries
- With a population of 42 million, rice imports to Tanzania are rising rapidly:
 - **\$16 million in 2011, or 32,000 tons**
- Large rice gap in the region which Tanzania is ideally located to supply
 - **\$180 million imports to EAC in 2011**
 - **\$660 million imports to SADC in 2011**
- In addition, as Asia's rice surplus has decreased over the last decade, global market opportunities are opening up for African producers



Key financial drivers

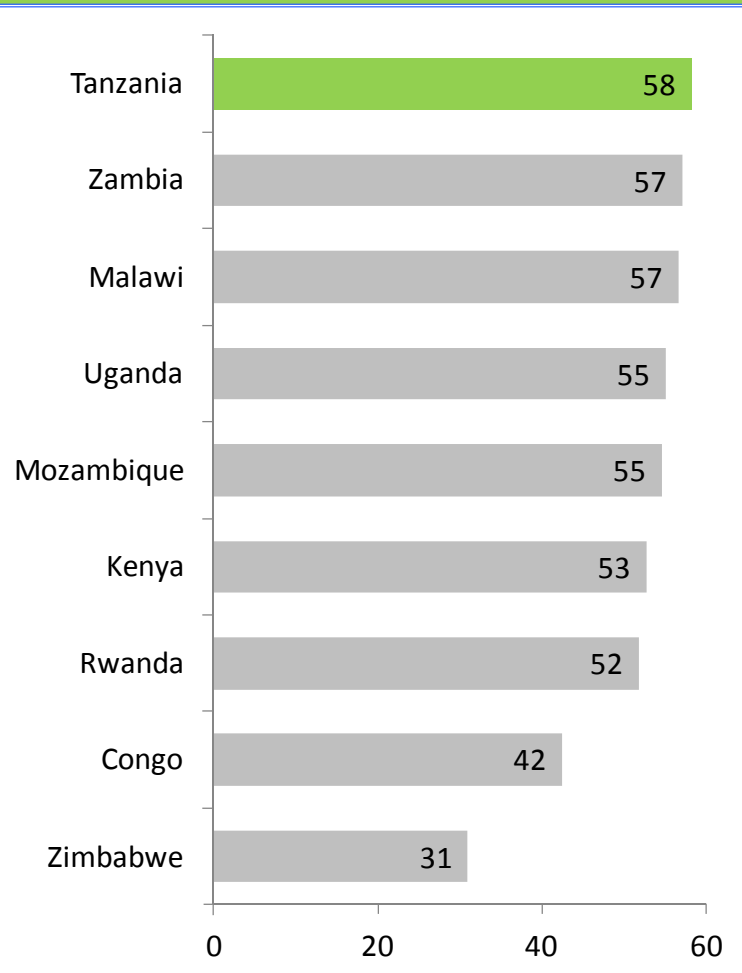
Primary Revenue drivers

- **Yields:** Existing commercial rice farms achieve 3.25 T/ha average yields on their estate (rain-fed) and expect up to 10 T/ha under irrigation
- **Rice prices:** Due to import tariffs, EAC rice prices are typically 75% above global prices

Primary Cost drivers

- **Labour costs:** about 180 \$/month including taxes and housing allowances for rural labour
- **Land lease costs:** currently less than \$1/ha/year, after initial compensation to any land users
- **Input costs:** all imports of capital, fertilizer, etc., are duty-free and VAT-free for qualified investors
- **Outgrower development costs:** various donor and NGO programs to assist with training & inputs
- **Taxes:** 30% corporate tax, import duty and VAT exemption on project/capital goods

Country Scores in the Mo Ibrahim Governance Index, 2011 (Score/100)



- Tanzania is **one of the most open and stable democracies** in Africa: the country has been free of internal conflict and tribal rivalries; free and fair elections are held every 5 years, with smooth transitions between governments
- With GDP growth averaging 7% per year, Tanzania is **one of the fastest growing economies** in Africa
- The Government is committed to economic growth through **private sector development**, and has attracted the **highest level of foreign investment** in East Africa
- With 3 international airports, 3 international ports, 2 major railway lines and major highways linking its six landlocked neighbours to the coast, the country offers **good connectivity to regional and global markets**
- Tanzania provides **full protection and rights to investors** and is signatory to all major **multilateral and bilateral investor protection agreements**
- Producers in Tanzania have **preferential access to the EU, US, China and most of East and Southern Africa**, under the EU EBA, US AGOA, EAC and SADC agreements
- The Tanzania Investment Act provides a number of **incentives for investors**, and the government has declared rice a priority sector

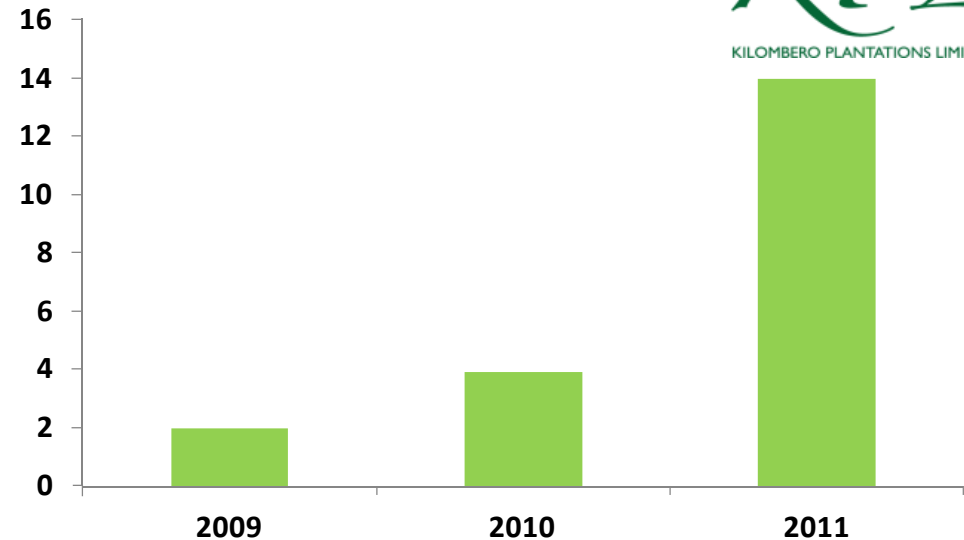
The case of Kilombero Plantations Limited

- With the financial backing of US-based Capricorn and Norway-based NORFUND, Agrica acquired the Mngeta Farm in 2008 and established Kilombero Plantations Limited
- So far \$35 million has been invested in the project (land purchase, leasing and preparation, irrigation and drying equipment, agricultural machinery, and industrial rice mill), and another \$35 million injection is planned to complete the farm and a 3,000 ha overhead irrigation scheme
- The company already cultivates 5,429 ha on its own and buys the output of smallholders in partnership with USAID and other donor organizations
- An estimated 1,844 smallholders have so far benefitted from the project



KPL rice production statistics

Thousand tons paddy



Next steps and contact information

We urge interested investors to:

1. Contact the Rice Sector Working Group

- To get additional information and address any specific questions that you may have – regarding sites, market, yields and input costs, government regulations and support , and so on
- Full contact information is provided on the next page

2. Plan a visit to Tanzania

- A special **SAGCOT Investor Showcase event**, hosted by H.E. the President of Tanzania, will be held in **November 27-28 2012**, when investors will have an opportunity to view the priority sites, meet existing investors and consult sector experts from the Ministry of Agriculture, research institutes and other agencies
- Investors are also welcome to contact TIC at anytime to arrange customised visits

3. Prepare to respond to the Request for Proposals for the priority sites

- Formal RFPs for the 3 priority greenfield rice sites (Ngalimila, Kihansi, Mkulazi) are expected to be issued early in 2013



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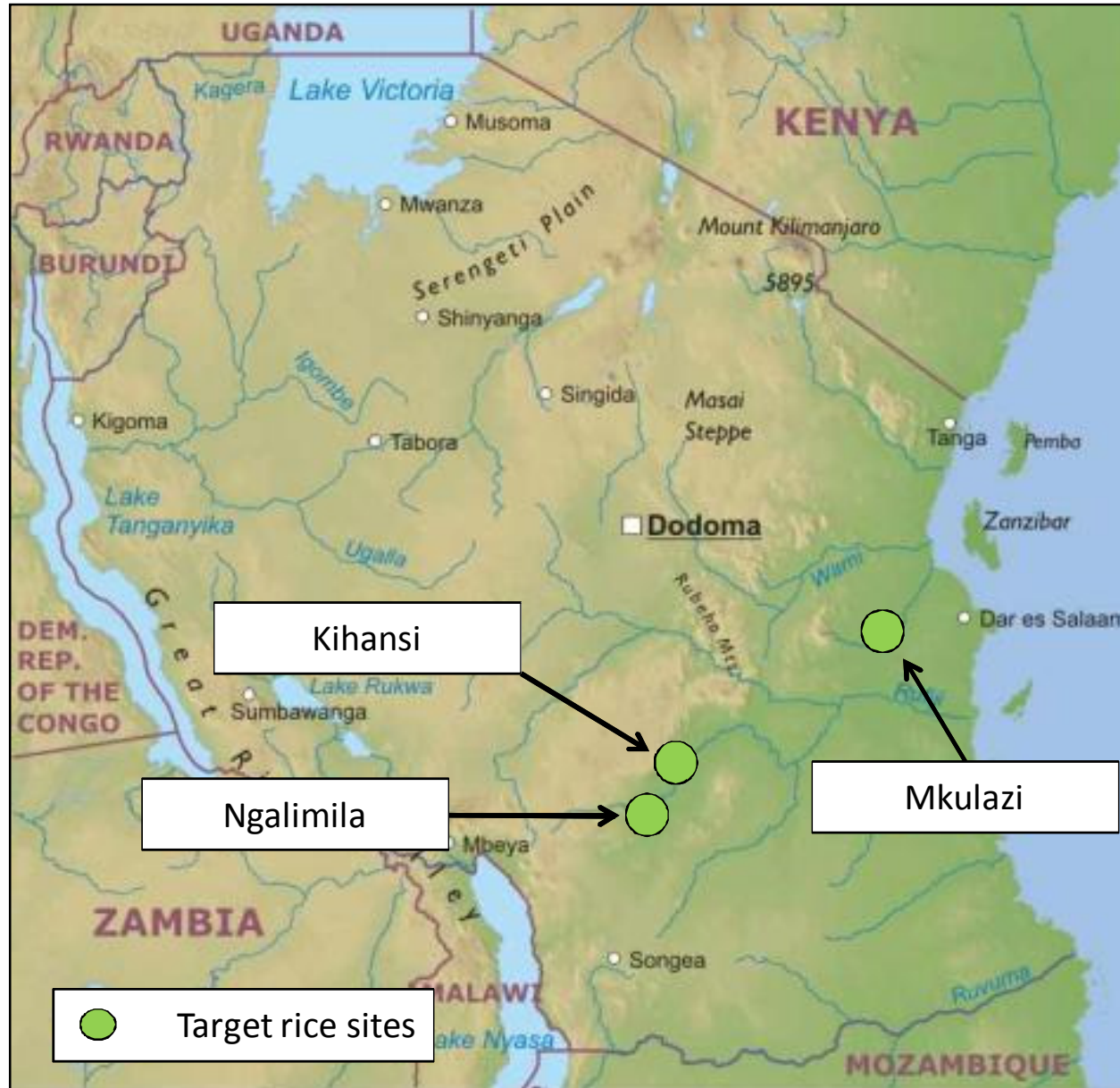
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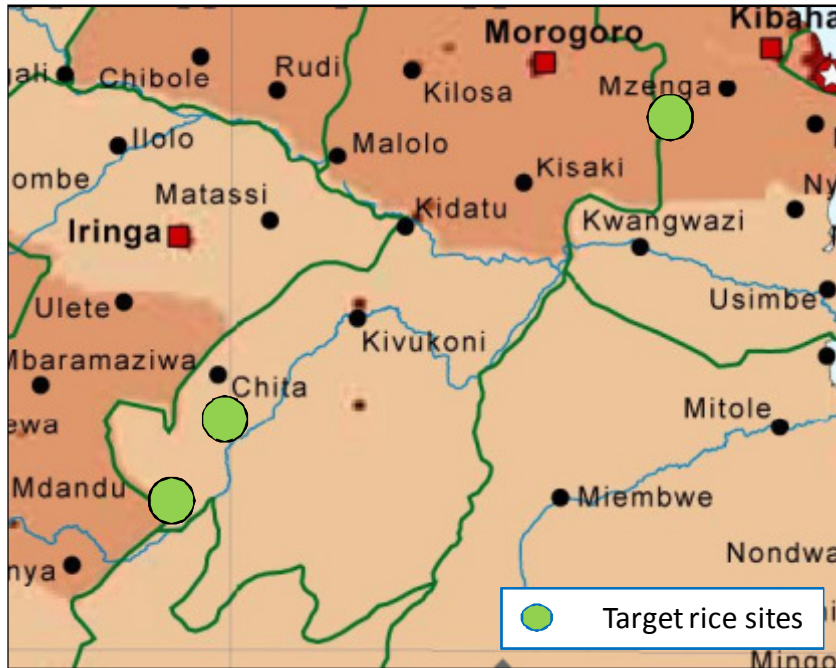
Appendix 1:

Full profiles of 3 priority earmarked sites: Ngalimila, Kihansi, Mkulazi

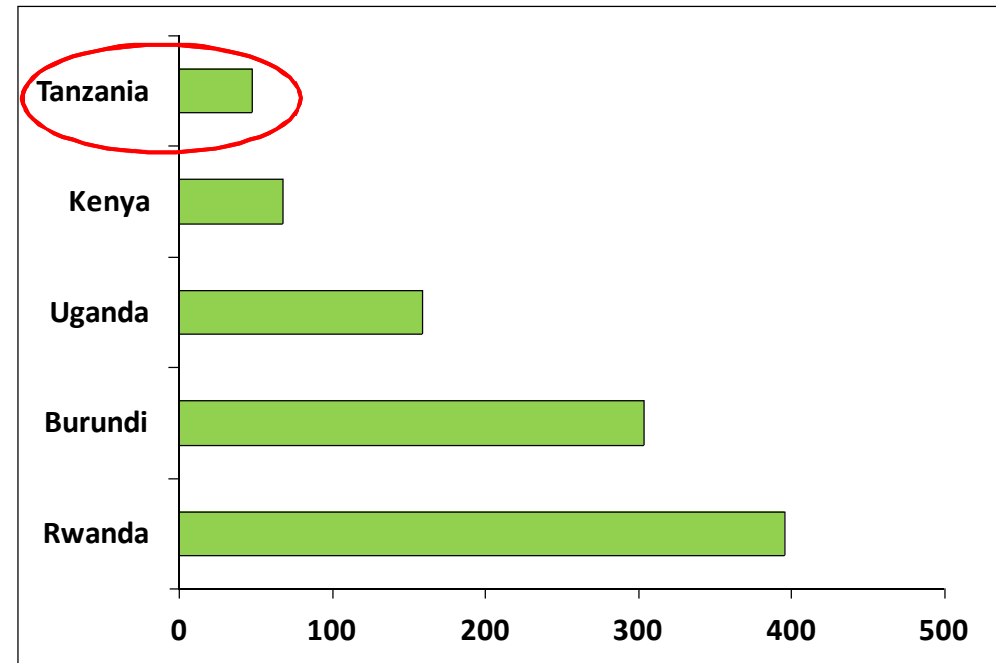
The government has identified 3 priority sites for immediate promotion to rice investors



Site locations



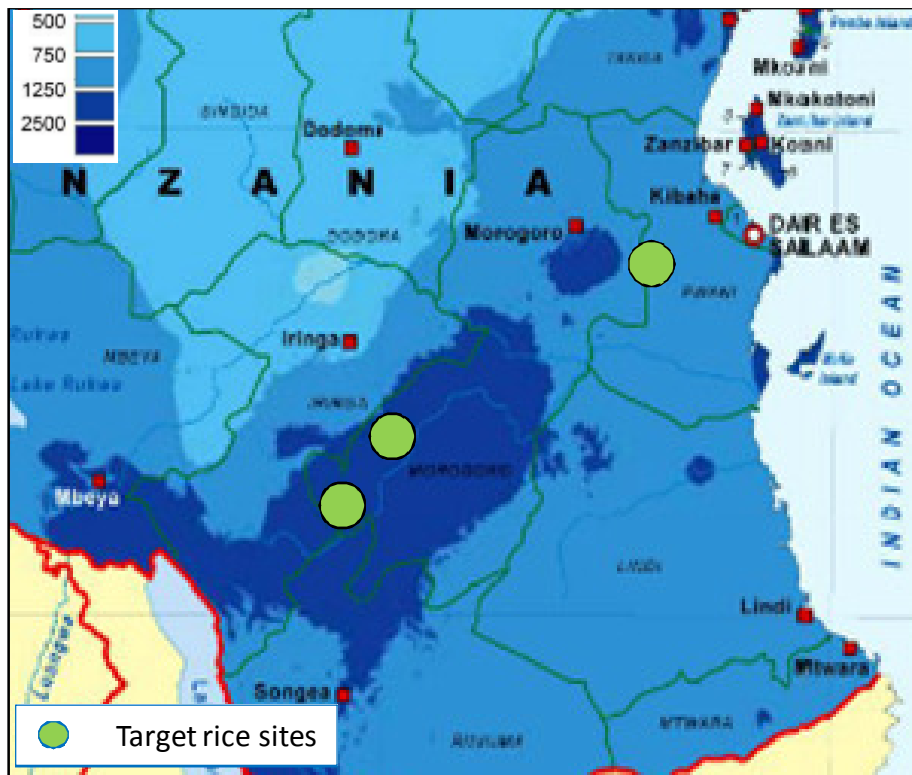
People per Square Kilometre (2010)



Key Points

- Tanzania has a population density of 51 people per square km (est. 2010)
- The Kilombero district covers a surface area of 1.5 million hectares; of this, 30% is arable land
- The nucleus farm areas at each of the 3 sites have been selected by the local villages, as they are areas not currently used by the village, while offering excellent soils and irrigation potential

Annual rainfall

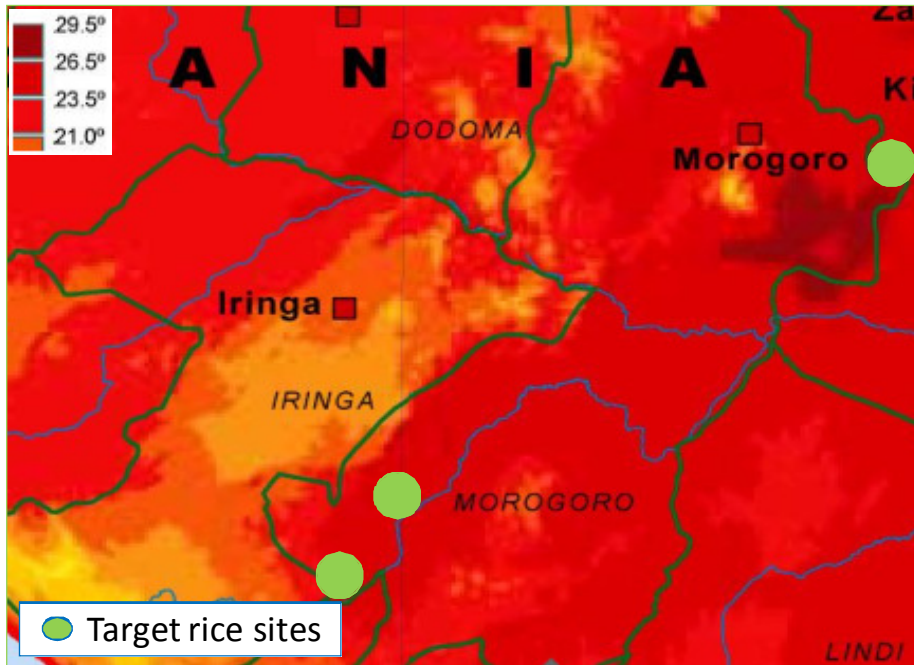


Key Points

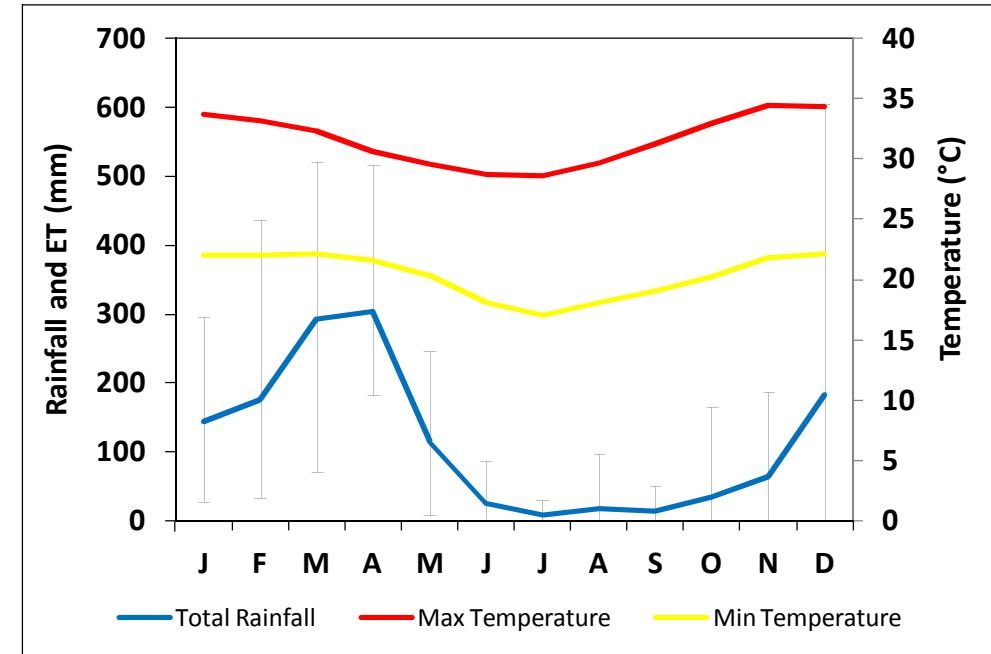
- 88% of rice grown in Tanzania is rain-fed
- The areas where the sites are located receive the best rainfall for rice production in Tanzania
- The rainfall pattern is bimodal with short rains between November and December, and long rains that last from May to June
- The average rainfall ranges between 1200mm and 1600mm, comparable to the rainfall in India's rice growing areas

The targeted sites have a predominantly tropical climate, making them well suited to rice cultivation

Temperature Patterns



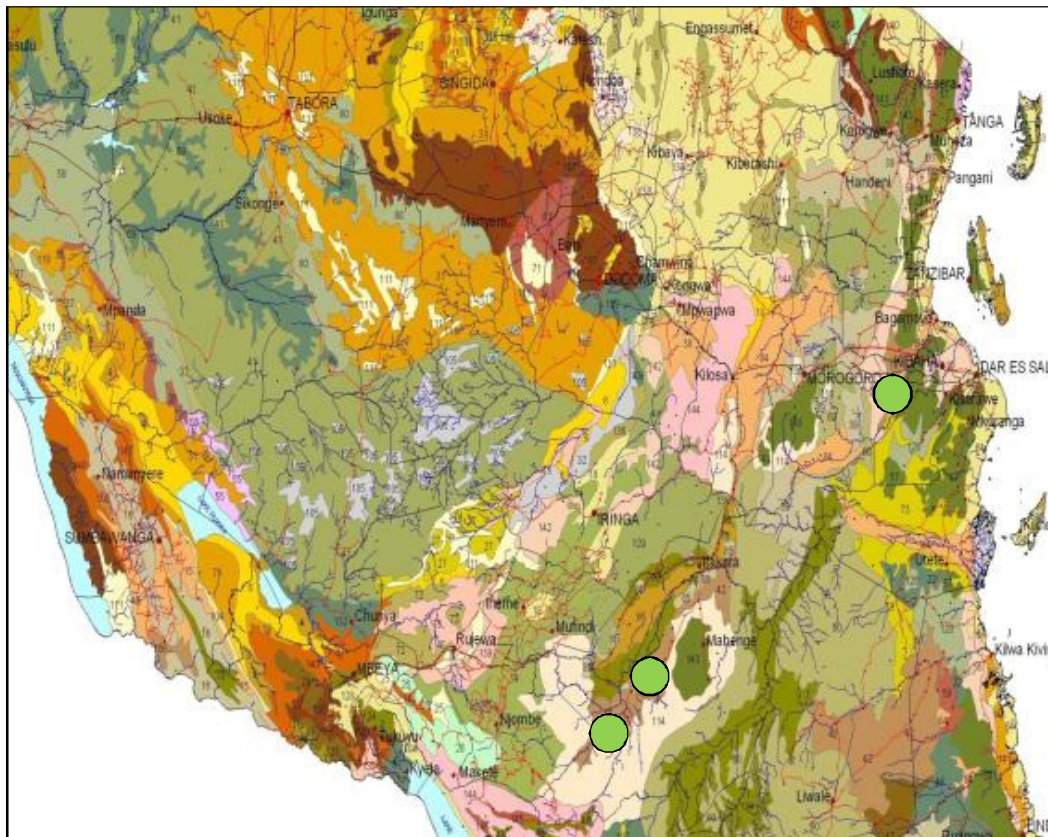
Rainfall and Temperatures in Kilombero Valley



Key Points

- The Kilombero and Pwani regions have predominantly tropical, sub-humid climatic conditions
- Maximum temperatures range from between 28° to 35°
- Minimum temperatures range from 17° to 22°
- Temperature conditions are perfect for rice cultivation

Soil Types

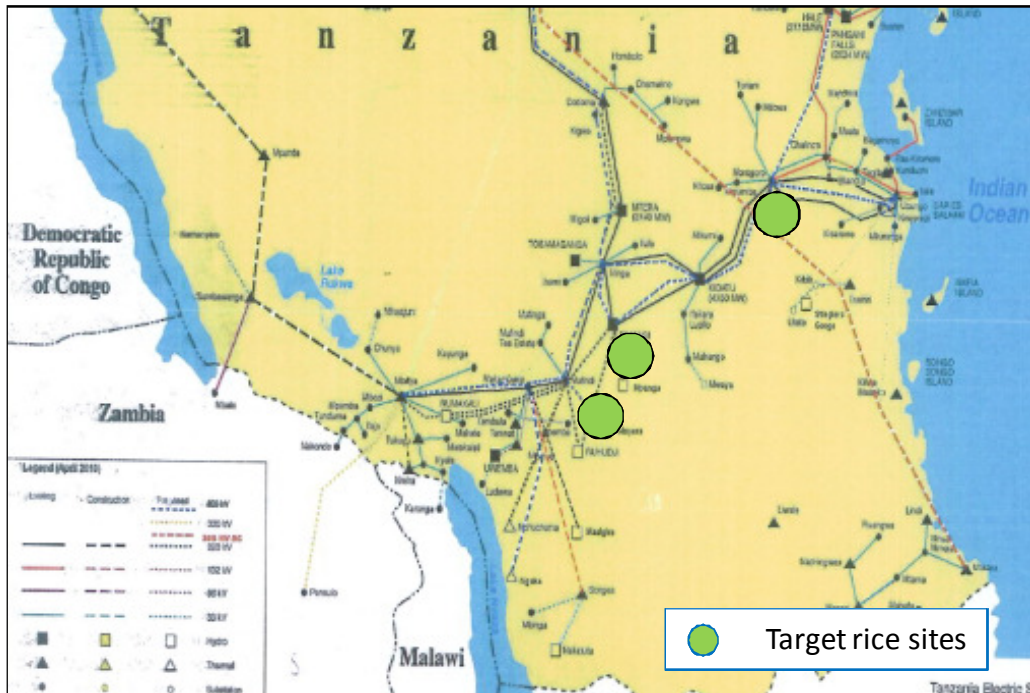


 Target rice sites

Key Points

- The sites earmarked for rice cultivation are located in the Kilombero valley and the Pwani Region
- The areas are made up of mainly low lying alluvial plains that are ideal for irrigated industrial farming
- Dominant soils at the sites are eutri-gleyic fluvisols and humi-gleyic fluvisols
- The regions consists of mainly flat fields that have a smooth surface
- This is ideal for rice cultivation as it facilitates even and equal distribution of water

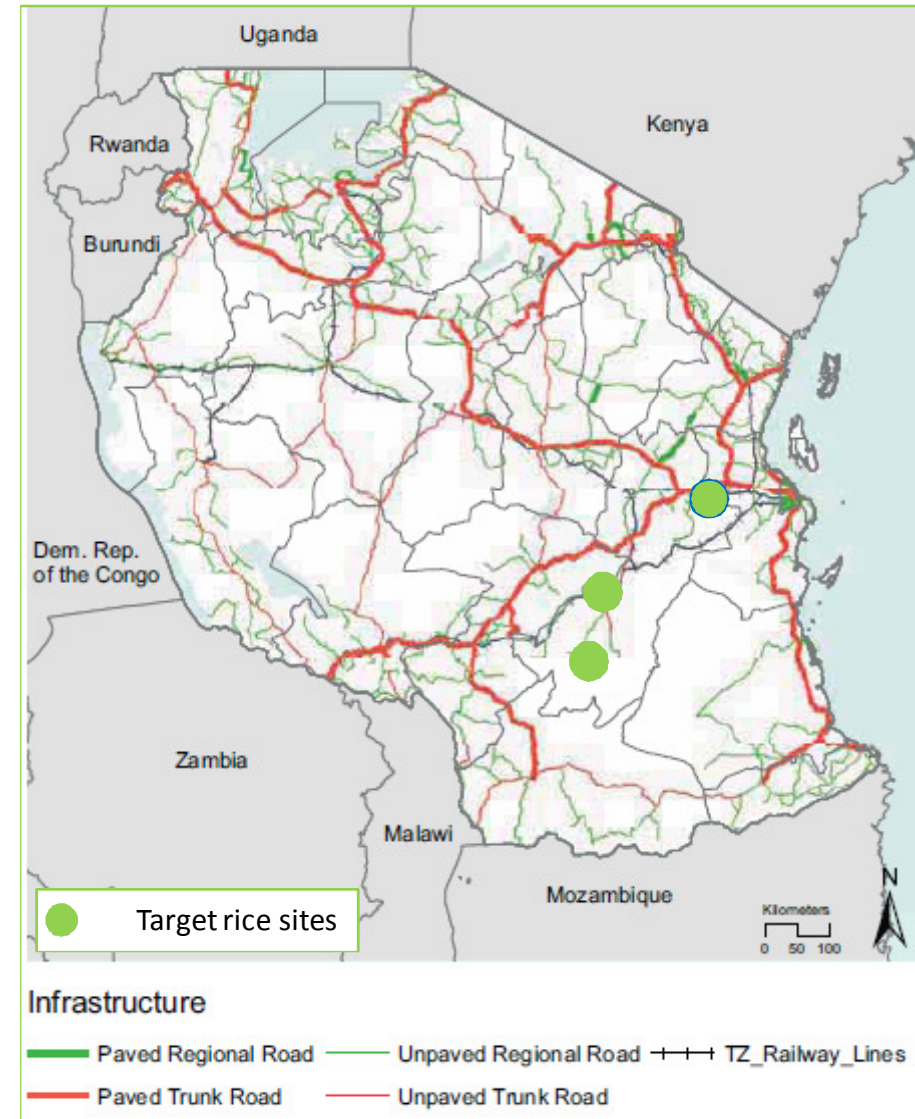
Electricity Grid



Key Infrastructure

- The targeted rice sites zones are located along the railway linking Zambia to Dar Es Salaam and in close proximity to the highway linking Tanzania to Zambia
- The Mkulazi site is located 50km from the Dar-Morogoro tarmac, and 2km from the TAZARA railway
- Similarly, targeted rice sites are in close proximity to either existing or planned power transmission lines

Transport Infrastructure



Ngalimila site – 5,128 hectares

- 5128 ha farm that has been earmarked by the Government of Tanzania for a nucleus farm for rice growing
- The site is located about 120 km from Ifakara, accessible through tarmac and secondary (gravel) roads
- The site is located about 35 km from the TAZARA railway line linking Dar Es Salaam with the Zambian border
- The site is surrounded by three rivers: Mpanga, Mnyera and Ruhudji Rivers providing great irrigation potential
- Generally flat topography, with soils classified as vertisols and fluvisols
- The site is in Ngalimila Village. The village has about 3900 households, offering both labour and outgrower potential
- There is currently a Swiss investor in the village who is farming 600 ha of land and working successfully with outgrowers





- 16 acres of land have been set aside for accommodation, offices, workshops and/or storage
- There is an existing building on the farm that can be used as accommodation and office space
- RUBADA has already constructed a 5.6km feeder road leading to the farm
- RUBADA has a title deed for the farm that is currently being registered with the Ministry of Land Affairs
- The investor will have to build a bridge to connect the nucleus farm area to the existing roads
- The government is looking at providing financial assistance to the investor to build the bridge

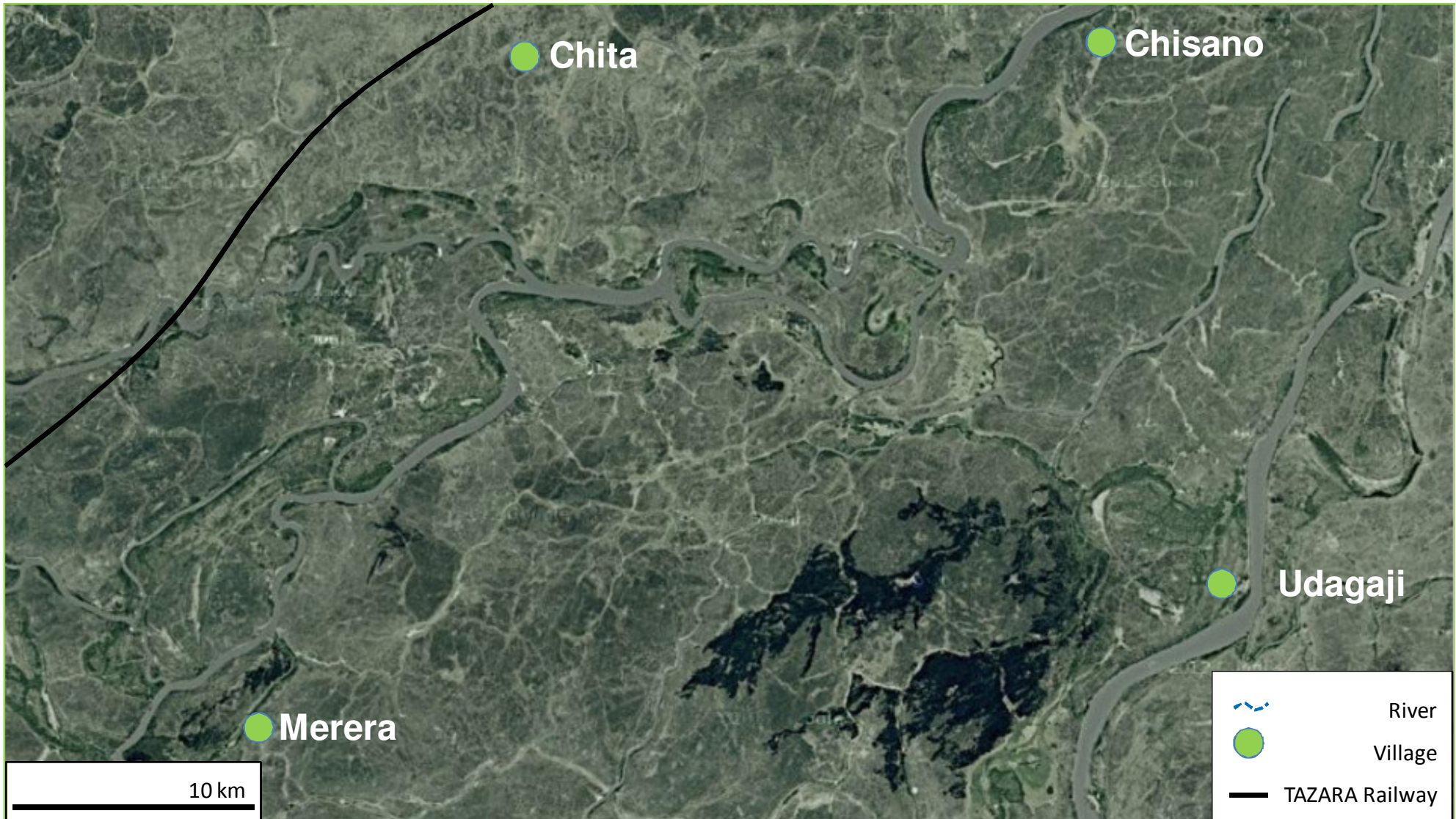


- Donors and microfinance institutions are working to help villagers organise into smallholder associations, and have started with 5 villages in Mlimba District in the 2012 paddy season:
 - So far 800 farmers have attended training on association formation
 - They have formed 19 producer groups and are in the process of registering five village associations
 - There are plans to build a Youth Agriculture Centre in Mlimba in order to train smallholders in basic agricultural knowledge
 - There is an existing Agriculture College in Ifakara that investors can work with to train smallholders and employees
- Under various programs, donors are also investing in key infrastructure:
 - 10 km road from Mpanga to Ngalimila
 - Construction of a dam and associated irrigation infrastructures



Kihansi site - 5,200 hectares

- 4 blocks of land, totalling 5,200 ha, have been earmarked by the Government of Tanzania for a nucleus farm for rice growing
- The site is located about 80 km from Ifakara, accessible through tarmac and secondary (gravel) roads
- The site is located in close proximity to the TAZARA railway line linking Dar Es Salaam with the Zambian border
- The site is located along the Kihansi River, providing good irrigation potential
- Generally flat topography, with soils classified as vertisols and fluvisols
- The site is surrounded by four villages; Chisano, Udagaji, Merera and Chita, offering both labour and outgrower potential





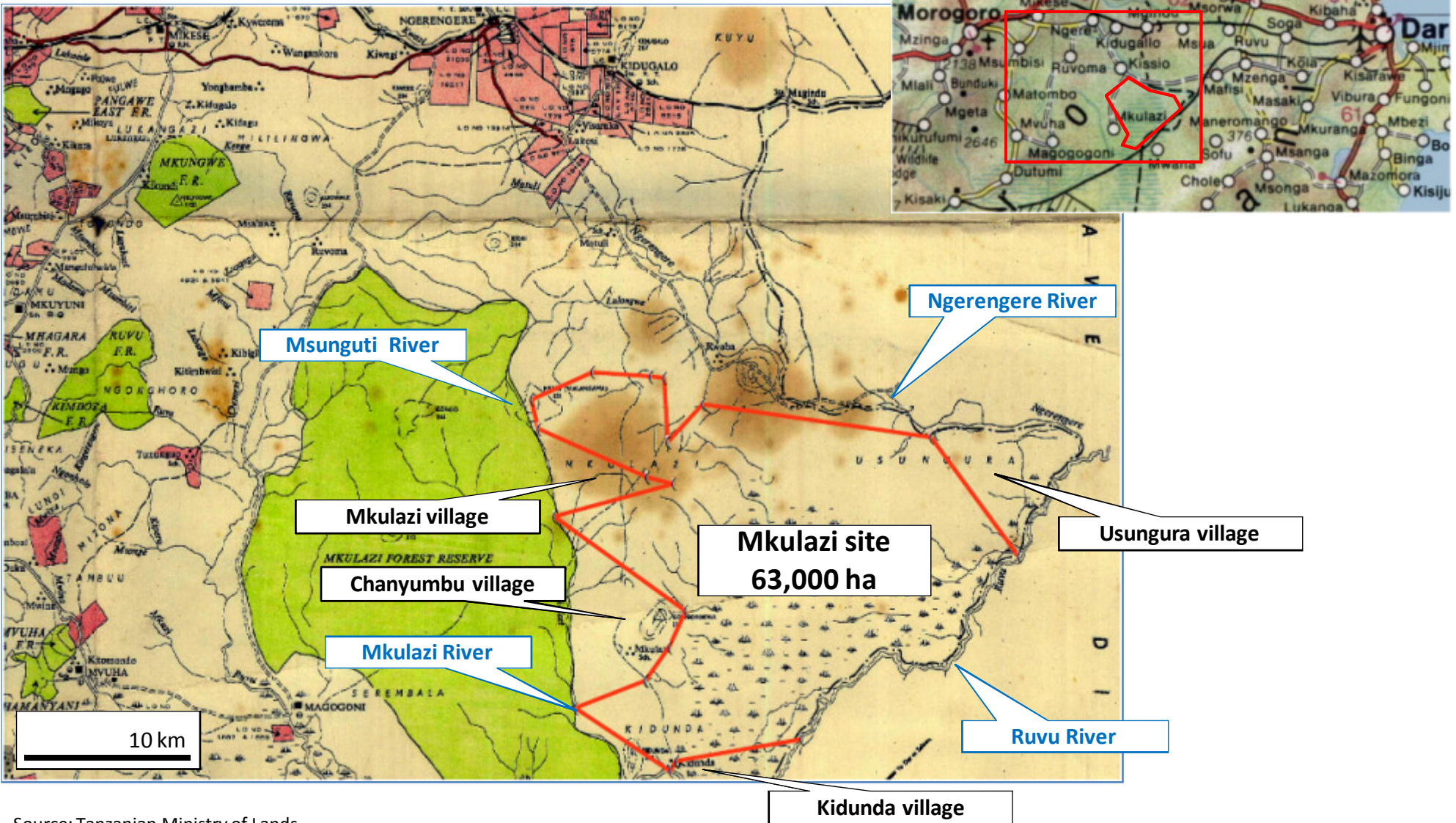
- The site is one of 7 sites in Kilombero District that donors and microfinance institutions have selected to train outgrowers on micro finance, business skills and diversified income
- Under various programs, donors are also investing in key infrastructure:
 - USAID and others, under the Tanzania Rice Partnership, have identified a total area of 1935 hectares for irrigation using the Udaga River
 - The irrigation scheme will include building diversion weirs and canal control structures, and large scale bulk earthworks



Mkulazi site - 63,000 hectares

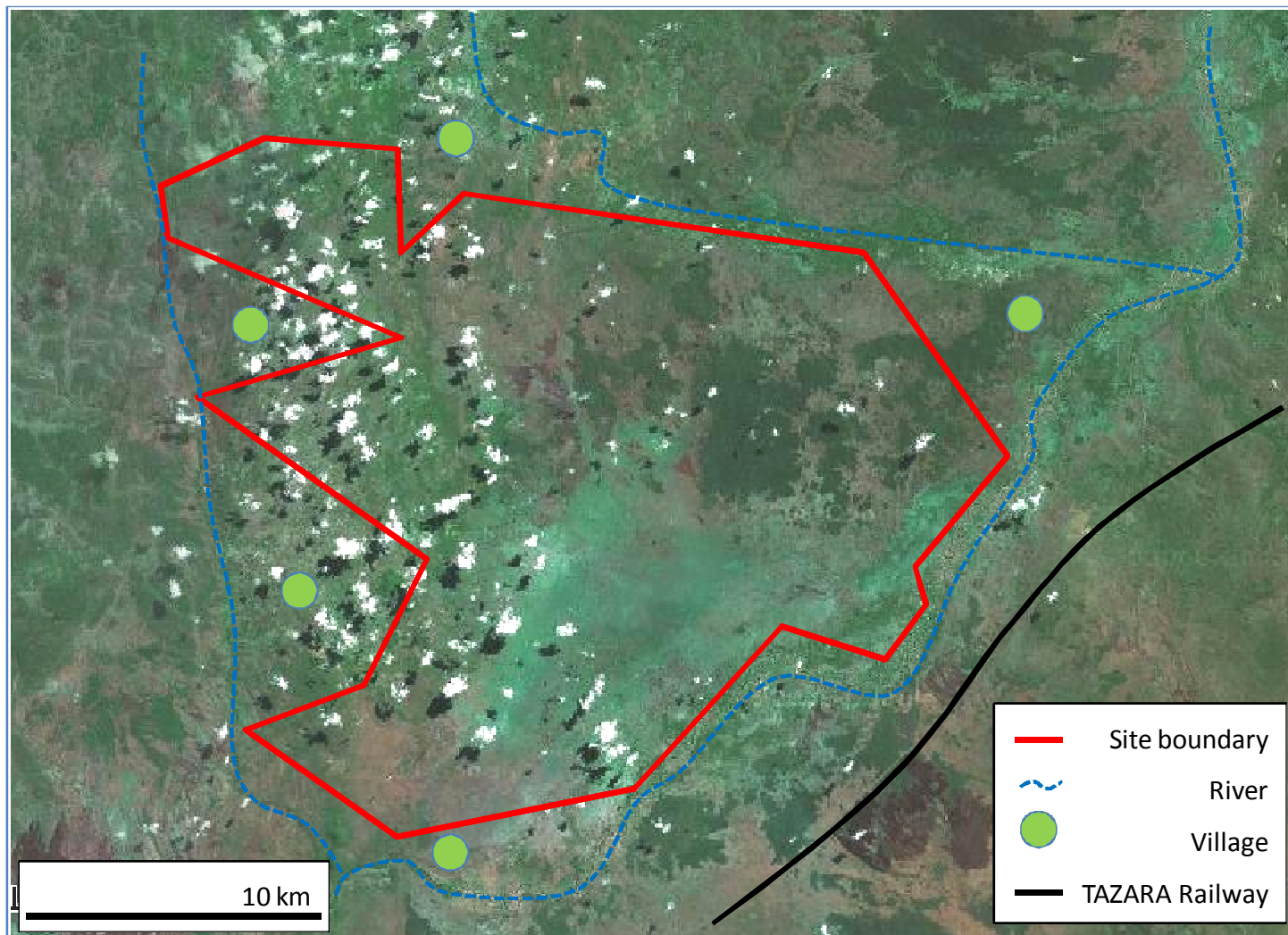
- 63,000 ha site on prime agricultural land prepared by the Government of Tanzania for a specific investment project a few years ago, and then reclaimed as the investment was not materializing
- The site is located about 50 km from the main tarmac road Dar – Morogoro, accessible through secondary (gravel) roads, with 3 possible access routes
- The site is located within 2 kilometers from the TAZARA railway line linking Dar Es Salaam with the Zambian border, approximately 100 km from Dar
- 4 rivers effectively surround the site, providing for year-round irrigation
- Generally flat topography, with soils classified as vertisols and planosols
- Several villages surround the area, offering both labour and outgrower potential, and the site is close to Morogoro, where the Sokoine University of Agriculture is located
- The government is currently resurveying the site, with a view to dividing the site into 2-3 parcels for promotion to investors in sugar, rice, etc.

■ 63,000 ha under 200 km from Dar Es Salaam

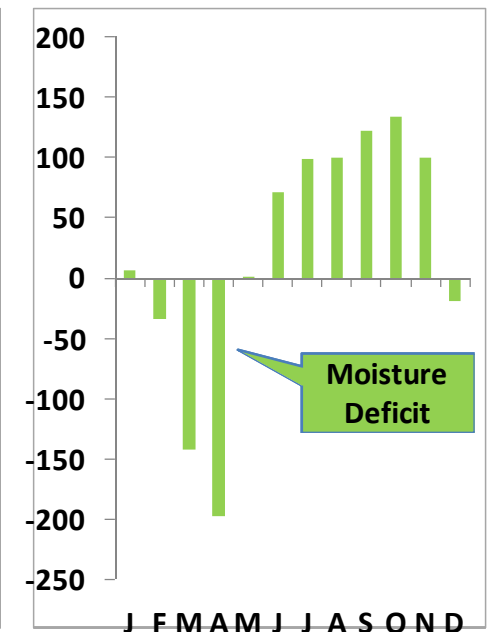
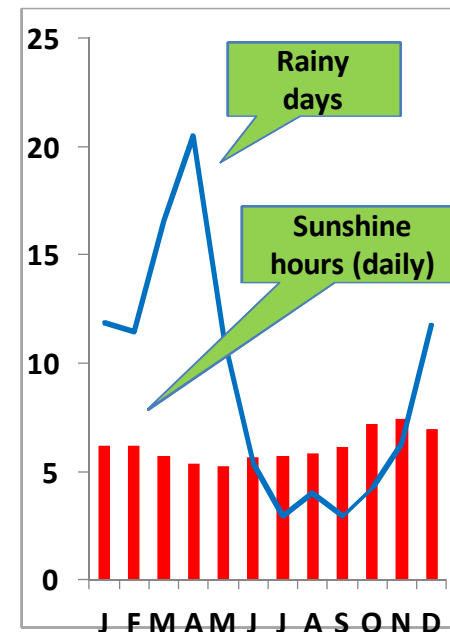
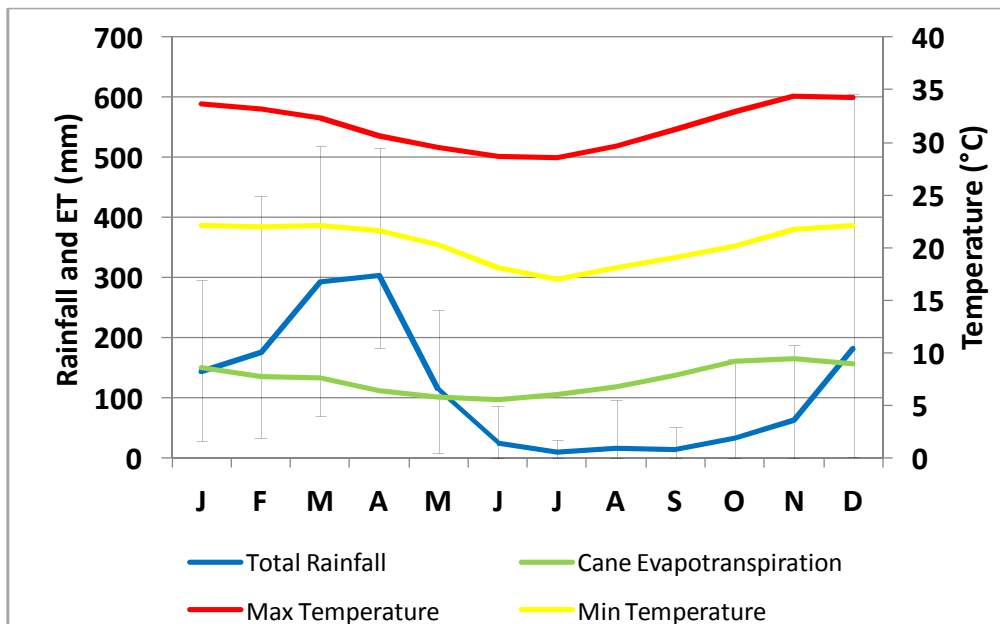
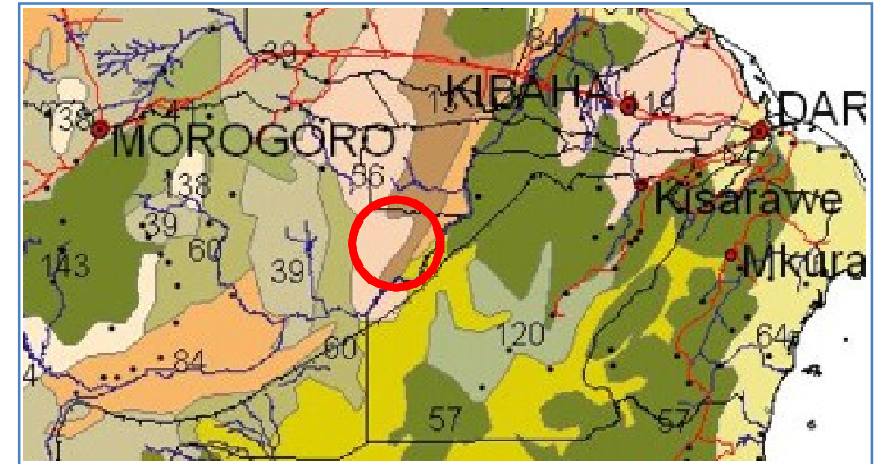


Source: Tanzanian Ministry of Lands

- The site is surrounded by rivers and borders the railway line to Dar Es Salaam



- The site is dominated by vertisols (Chromi-Natric Vertisols), evaluated as highly fertile and suitable for irrigated crops
- On the South-Eastern side of the site, planosols may provide additional rice-growing areas
- Climate data from the nearby Kilombero site (location of the KPL project) suggests suitable climate for rice



Source: SOTER, Kilombero Sugar

Appendix 3:

Additional information on activities by donors and the private sector in the rice sector

TARIPA Overview

TARIPA

- The Tanzania Rice Partnership (TARIPA) was established in 2011 to provide focus and develop a critical mass of commercial value chain activities for improved rice productivity, marketing and processing
- The aims of TARIPA are to:
 - Develop a partnership framework to respond to rice value chain constraints and opportunities
 - Build markets and small-scale farmer capacity to produce rice to address key food security issues in the country, expand domestic production, improve competitiveness and increase value addition
 - Scale-up core value chain activities to catalyse significant small-scale and large-scale farmer and agribusiness development in the rice sub-sector
 - Support commercial initiatives by building on ongoing plans and activities to scale up through learning
- A number of organisations are partners with the government in the formation of TARIPA

TARIPA Partners



USAID Feed the Future

- FtF is aligned with the government's Comprehensive African Agriculture Development Program to which SAGCOT is linked
- To support government initiatives, FtF makes targeted investments in:
 - **Irrigation and building of rural roads** in order to raise yields and improve access to markets
 - **Focus value chains:** this will improve the competitiveness of smallholders
 - **Food processing:** Build public and private sector capacity to address policy constraints and issues related to food processing
 - **Policy partnership:** Engage with government, civil society and the private sector to promote enabling policies for private sector investment, trade and nutrition



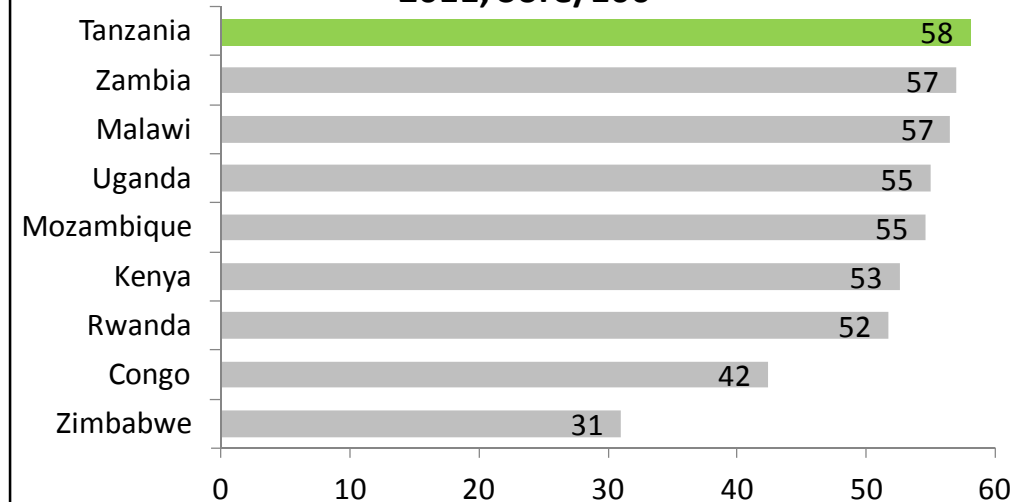
Appendix 4:

*Additional information on Tanzania's business environment
and support for investors*

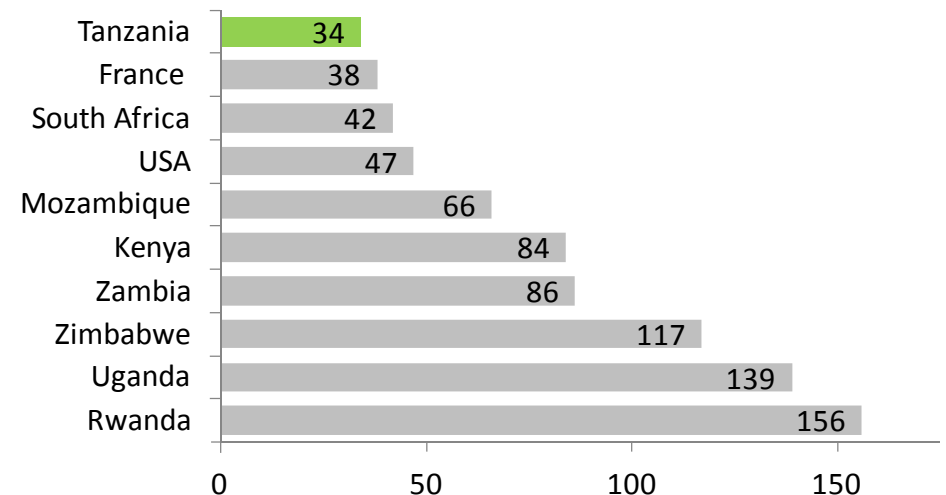


- Tanzania is a **stable, multiparty democracy** with a President, Parliament and independent executive and judiciary
- It has been without civil war or tribal rivalries since independence in the 1960s as **media and opposition parties** are able to operate freely and challenge the ruling party openly
- **Presidential elections** are held every 5 years and as President Kikwete is stepping down in 2015, the tradition of free and fair elections between different candidates and parties should continue
- **All the major parties** are committed to maintaining the current emphasis on growth through economic liberalization, private sector development and international openness
- According to Transparency International, Tanzania ranks as one of the **least corrupt countries** in the region

Ranking of countries in Mo Ibrahim Governance Index, 2011, Score/100



Ranking of countries in Global Press Freedom Index, 2011, Rank

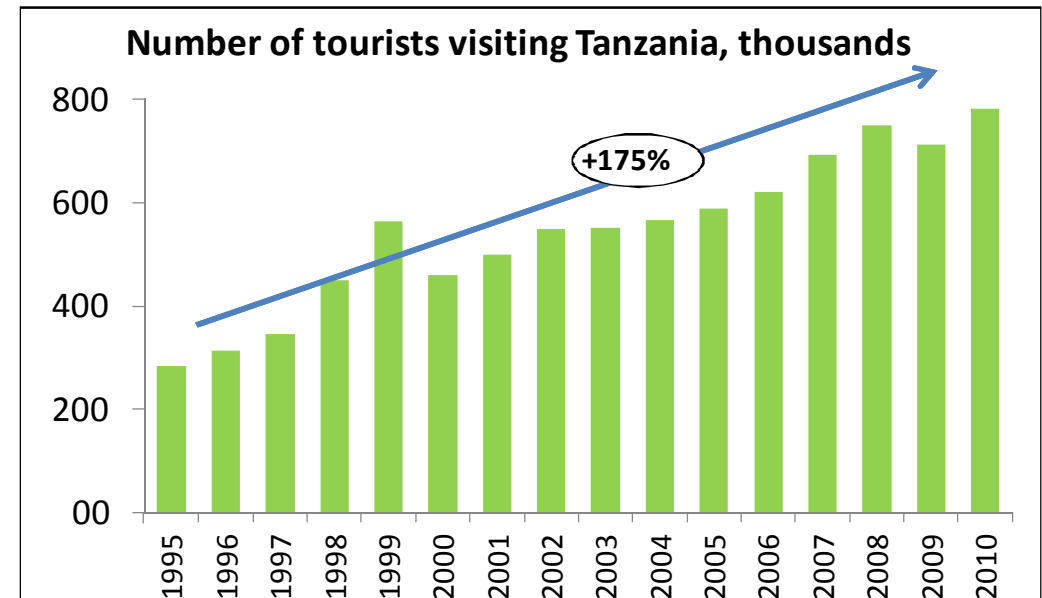
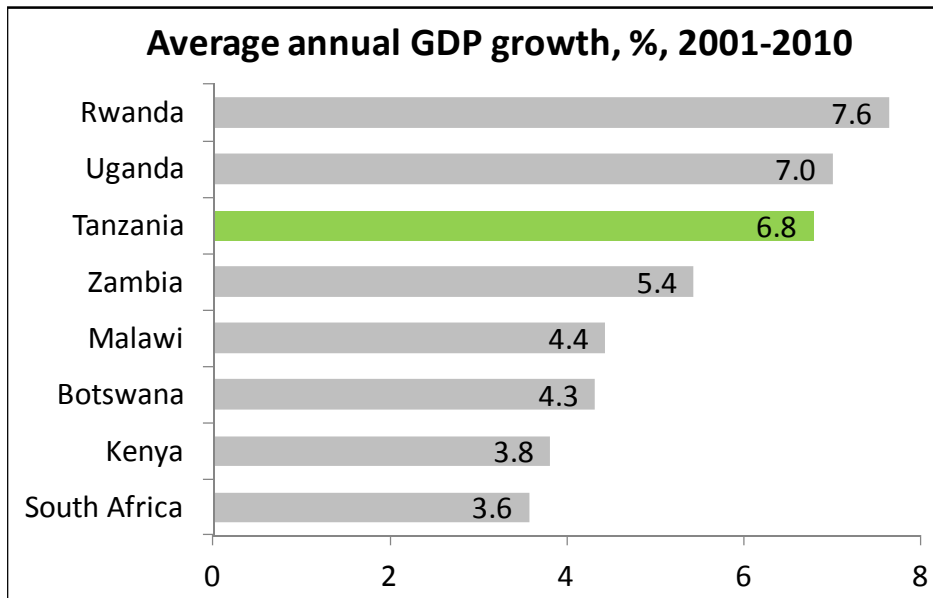


Its economy is among the fastest growing in the region

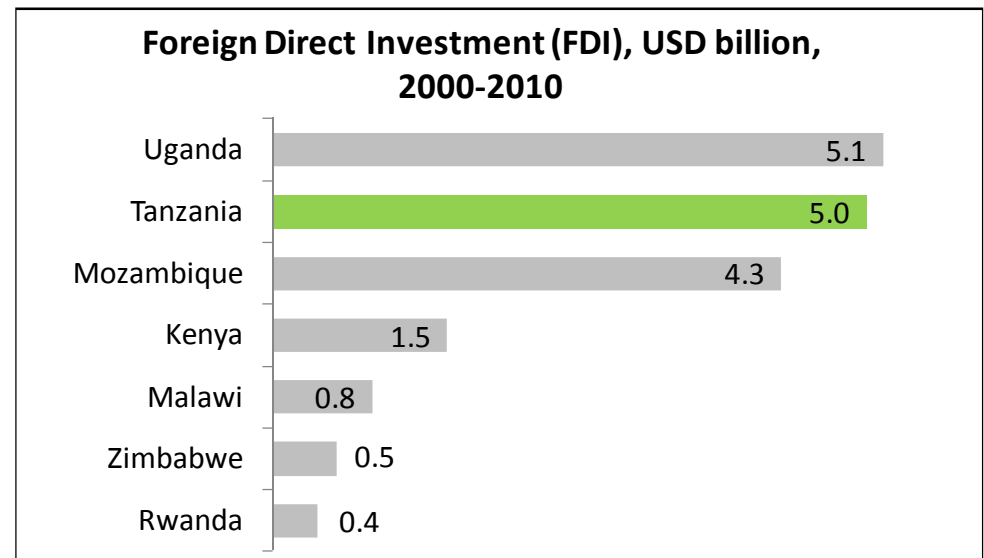
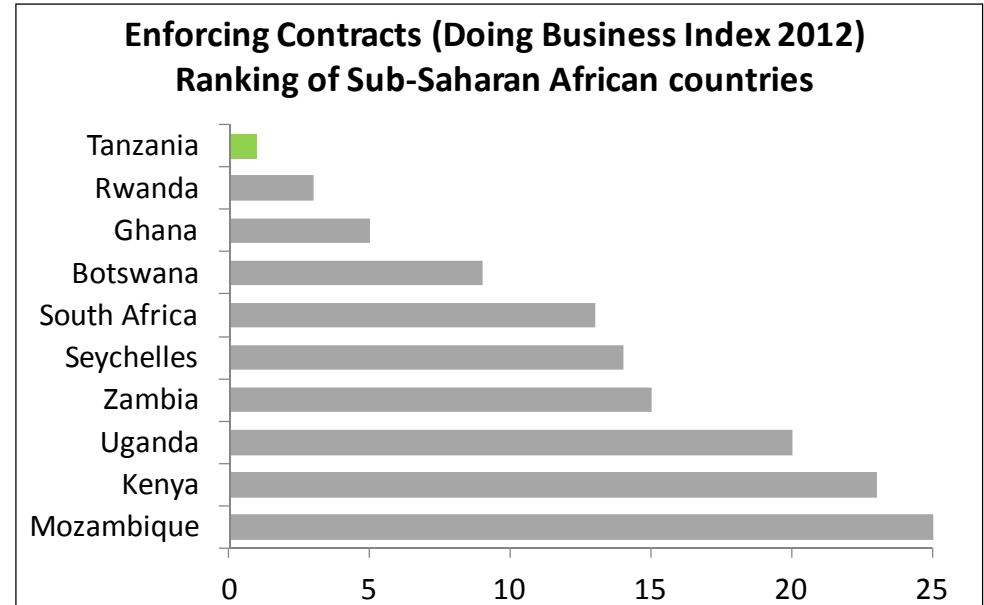
- With GDP growth averaging 7% per year, Tanzania is one of the fastest growing economies in East Africa
- Other growth indicators over the last decade:
 - The number of tourists to Tanzania has grown by more than 70% to 780,000
 - Consumption expenditure has grown by 96%
 - The number of cell phone subscribers has increased from 110,000 to 21 million
 - FDI of more than US\$5 billion has been invested in agriculture, mining, consumer goods and other industries



Dar es Salaam



- Ever since the mid 1990s Tanzania has followed a path of **liberalisation and privatisation**. It has welcomed foreign investment and managed to attract more **FDI** than Kenya or Rwanda, particularly in areas such as agriculture, tourism, mining and consumer goods
- The government is continuing to pursue **Public Private Partnerships (PPP)** for infrastructure, agriculture, energy and other strategic investments. Privatisation and modernisation of key assets is a main focus area
- Relative to the rest of Africa, Tanzania continues to be competitive in the World Bank's **Doing Business Index**. In the category "enforcing contracts" Tanzania is the best performing country in Sub-Saharan Africa
- **Policies and laws** defining incentives for investment are continuously being updated and improved



Port in Dar es Salaam



National Power Grid

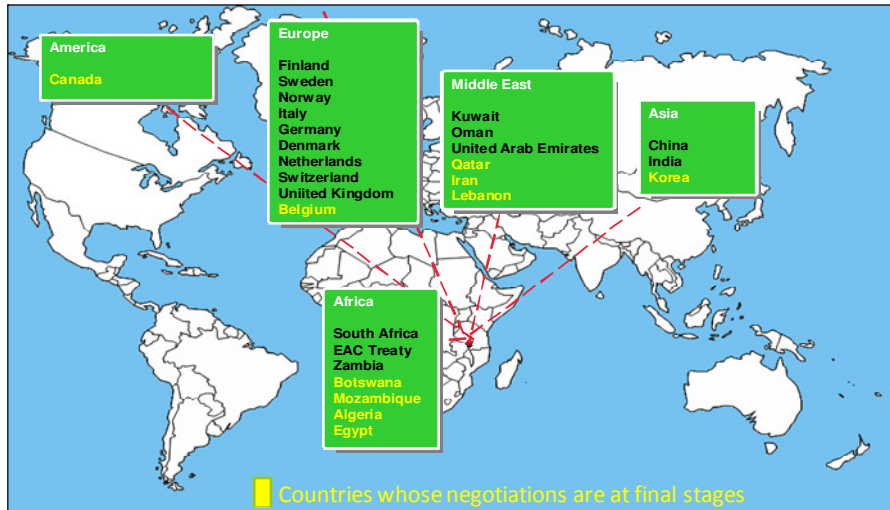


Tarred Roads



- Tanzania is ideally located on the east coast of Africa to serve growing markets in the Middle East and Asia, and an essential lifeline to its six landlocked neighbouring countries
- A network of railways and tarred roads across the country offers all major economic centres access to the international airports and the deep water port in Dar es Salaam
- Currently Tanzania has 2 international airports (21,000 international flights p.a.), one deep water port (handling 430,000 containers p.a.), and two major railway lines linking the coastal regions with the hinterland all the way to the Great Lakes and Zambia
- Government, donor organisations and large mining companies continue to invest heavily to improve the existing infrastructure (e.g. tenders for constructing 10,000km of new roads are closing in mid 2012, eight airports are to be upgraded, drive to double rural electrification, expansion of ports in Tanga and Mtwara)

Double Tax Agreements:



Selected Trade Agreements:

- East African Community (EAC) Treaty
- Southern Africa Development Community (SADC)
- Trade and Investment Framework Agreement with USA
- African Growth and Opportunity Act (AGOA) with USA
- Everything But Arms (EBA) with the EU
- A number of bilateral agreements with the UK, South Africa and a range of other countries
- Preferential market access to China (4,000 items)
- Other bilateral and multilateral arrangements: World Trade Organization (WTO), African, Caribbean Pacific (ACP), United Nations Development Programme (UNDP)

- **International Agreements:** Tanzania has signed a number of multilateral agreements such as the Multilateral Investment Guarantee Agency (MIGA) and International Centre for Settlement of Investment Disputes (ICSID). Bilateral agreements are in place with all major trading partners and double tax agreements with more than 20 countries have been signed
- **Non-Discrimination:** foreign investors have the same rights and privileges as local investors
- **Repatriation of Funds:** Transfer of funds through any authorized bank in freely convertible currency is allowed for net profits, repayment of foreign loans, royalties, fees charges in respect of foreign technology, remittance of proceeds and payment of emoluments, etc.
- **Foreign Ownership:** foreign investors are not obliged to have a Tanzanian partner in their investments– the capital can be 100% foreign
- **Dispute Resolution:** for all investments by foreign nationals, Tanzania is a member of the International Court for Settlement of Investment Disputes (ICSID), and the Tanzanian Investment Act and a range of bilateral agreements warrant a fair and transparent procedure

TIC Overview

- The Tanzanian Investment Centre (TIC) provides a one stop facility to all investors, offering:
 - Investment Promotion
 - Investment Facilitation
 - After Care Services to Investors
 - Linkage With Other African Economic Blocks e.g.: SADC
- Senior officers from Government or its executive agencies have been permanently stationed at TIC, including representatives from:
 - Lands Department
 - Tanzania Revenue Authority (TRA)
 - Immigration Department
 - Labour Division
 - Directorate of Trade
 - Business Registration & Licensing Agency (BRELA)



Awards:

- 2005 - Best Investment Promotion Agency in Sub Saharan Africa (By Africa Investor)
- 2006 - Best country of the future (By Financial Times)
- 2007 - Best Investment Promotion Agency in the world (by UNCTAD/WAIPA)
- 2008 - Gold Award for Innovative Management in Africa (By AAPAM)

Tanzania Investment Act

■ Fiscal incentives

- Import duty and VAT exemption on project/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

■ Non-fiscal incentives

- Immigration quota of up to 5 people
- Guaranteed transfer of:
 - Net profits or dividends of the investment
 - Payment in respect of foreign loans
 - Remittance of proceeds net of all taxes and other obligations
 - Royalties fees and other charges
 - Payment of emolument and other benefits to foreign personnel

■ Strategic Investor Status

For a big project of over US\$ 20 million offering specific/great impact to the society or economy, Investors can request for special incentives from the Government

■ 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

■ Other Incentives:

- Export Processing Zones Act 2002
- Mining Act 1998; Petroleum Exploration and Production Act 1980
- Special Economic Zones Act 2005

- The country allows long term land-leasing by both foreign and local investors
 - Communities and villages exert effective ownership of the land, and must be engaged in identifying and negotiating land from the onset, working up through district and central level of government to achieve long-term usage rights on the land
 - A standard 99 year lease over the land can be obtained by both local and foreign investors
 - Recognizing that for large-scale sugar investors, the process is time-consuming, the government is developing guidelines for stakeholders and proactively preparing sites for investors
- The Tanzania Investment Act of 1997 offers competitive levels of protection and incentives
 - Tanzania does not discriminate against businesses conducted or owned by foreign investors. It has no barriers regarding 100% ownership of businesses by foreign investors in agriculture. It has no recent history of expropriation or nationalization
 - Qualified investors are entitled to exemption from VAT and import duties on imported inputs and 100% repatriation of profits and capital investments after taxes and other obligations are met; the Act also provides for full protection of all investor agreements
- Additional incentives are granted to agribusiness companies
 - Indefinite loss carry-forward against income tax and reasonable corporate and withholding tax rates on dividends
 - Duty-free imports of capital goods and farm inputs, and import duty drawback on raw materials for inputs for exports
 - Deferred VAT payment on capital goods, and VAT exemption on agricultural exports and domestically produced agricultural inputs
 - Favorable investment allowances and deductions on agricultural machinery and implements