

## **REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

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**TABORA - TANZANIA**

## **INVESTMENT OPPORTUNITY IN TABORA, WESTERN TANZANIA TOURISM DEVELOPMENT**

### **Executive summary**

Tanzania has many extraordinary tourist attractions. More than 25 per cent of Tanzania's land area is covered with game reserves, national parks and other protected areas. There are 13 National parks, 29 game reserves, 40 controlled conservation areas and marine parks. Tanzania is also home to the famous Roof of Africa – Mount Kilimanjaro. On 6th of January 2012 The New York Times awarded Tanzania 7th position among 45 top destinations to visit in the year 2012. With the exception of the "Northern Circuit of Tanzania", most parks and reserves remain relatively under-utilized especially in Western part of Tanzania which includes Tabora, and the Government of Tanzania is actively seeking potential investors, both domestic and foreign, to promote game reserves and historical sites. In the vicinity of Tabora there are the Ugalla and Kigozi game reserves, which are home to a range of animals such as water buck, lion, Topi, impala, elephants, Warthog, giraffe, sable antelope, hippo and buffalo and have a great potential for nature loving tourists.

The Tabora region also has a number of other tourist attractions that would appeal to a wide range of appetites. There are historical sites such as Dr. Livingstone's house, now a museum near Tabora that contains his memorabilia including letters, maps, pictures and a diary. It also displays information about other early missionaries and explorers and has the potential to become a strong cultural tourism attraction in East Africa. Tabora also used to be the German Administrative headquarters in East Africa from the 1870s to 1918 and there are many buildings from that era which might be of interest to both international and Tanzanian tourists: the German headquarters campus, an underground tunnel connecting it with the Tabora Railway Station; the first Hospital in Tanzania (then Tanganyika), first secondary boarding school in Tanzania, the remains of the slave route from the center of Africa to the coast, and so on.

The tourist industry currently supports 27,000 jobs and generates 25% of Tanzania's foreign exchange. The tourism sector in Tanzania is enjoying robust growth and is the second largest foreign exchange earner in the country, earning over USD 1 billion in 2010.

Tanzania expected to receive one million tourists by the end of 2011 and generate about US\$1.7 billion (about Sh2.7 trillion) in revenue. Investment opportunities in the Tourism industry remain largely untapped in the Tabora Region, For example, there is only one hotel in Tabora suitable for international travelers.

There has been growing realization that promoting tourism in Tabora will also promote the sale of locally produced cultural products to both local and foreign markets. In order to support and strengthen the tourism industry in Tabora there is need to develop and promote tourism attractions and related hospitality services in Tabora in order to boost the regional economy, as well as supporting infrastructure.

## **1.0. Introduction to Tabora**

Tabora municipality is a regional hub in western Tanzania located on the crossroad of the main railway lines connecting Dar es Salaam on the coast with Lake Tanganyika and Lake Victoria in the interior. It has an airport and daily flights to Dar es Salaam and Kigoma. Location and rapidly improving road infrastructure make Tabora a good place to reach markets in western Tanzania as well as adjacent parts of D.R. Congo, Zambia, Burundi, and Rwanda. Potential market in western Tanzania alone is around 15 million consumers.

Tabora is an important transportation, industrial, commercial and educational hub for western parts of Tanzania. Its history only goes back to the 1850s when it was (under the name of Kazeh) established as a stop on the slave trade route but it gained importance during the German colonial rule (1880s-1919) when it was one of the major administrative centres of German East Africa. During that time, the railway connecting Tabora with the coast at Dar es Salaam and lakes Tanganyika and Victoria in the interior was built and foundations of industry were laid. Current industrial activities include a railway workshop, wood processing, furniture manufacturing, rice processing, edible oil processing, soft drinks distribution centre, an industrial dairy, and a large textiles plant.

Tabora is also an important education hub as it has three public and private universities and 23 secondary schools, some of which are of national importance (the first secondary boarding school in Tanzania was established in Tabora, in 1940). Population of Tabora has been growing fast, from 188,000 inhabitants in 2002 to 362,400 in 2012 more than a half of the population is classified as young.

Tabora is the capital of the Tabora Region which has an estimated population of 2.5 million (2012, up from 1.8 million in the 2002 census) and is one of the largest geographical regions of Tanzania. The region benefits from well-developed agriculture, livestock keeping and abundance of natural resources such as forest land, wildlife, lakes and rivers, as well as gold, diamond, gemstone, tourmaline, garnets and zircon. Milder climatic conditions than either the hot and humid coastal areas or the hot and dry desert/semi-desert areas of northern Tanzania make Tabora region very suitable for agriculture and tourism.

Regional and national governments are taking actions to stimulate regional economy by improving road infrastructure, including upgrade of the Tabora - Nzega, Tabora - Manyoni and Tabora - Kigoma roads to tarmac level, and by improvements to the airport. Another focus area is education where three new universities were established in Tabora. And about 107 new secondary schools and 9 colleges to improve the supply of skilled labour.

Tabora municipality is a part of the Millenium Cities Initiative, an international project led by Columbia University's Earth Institute, which aims at helping selected cities in sub-Saharan Africa to attain the Millenium Development Goals by 2015 through a series of actions focusing on social and economic development. This includes improvement of the investment climate in the city and training of municipal representatives in providing support to potential and existing investors.

## **2.0. TOURISM DEVELOPMENT**

Tanzania has many extraordinary tourist attractions. In fact, The New York Times listed Tanzania 7th of the 45 top destinations to visit in 2012. With the exception of the "Northern Circuit of Tanzania", most parks and reserves remain relatively under-utilized, especially in the western part of Tanzania, which includes Tabora, and the Government of Tanzania is actively seeking potential investors, both domestic and foreign, to promote game reserves and historical sites.

### **2.1. Reasons to invest in tourism in Tabora, Tanzania:**

- Despite having a wealth of tourist attractions, the tourism industry remains largely untapped in the Tabora Region. For example, there is only one hotel in Tabora suitable for international travelers.
- More than 25 per cent of Tanzania's land area is covered with game reserves, National parks and other protected areas.
- The tourism sector in Tanzania is enjoying robust growth and is the second largest foreign exchange earner in the country, earning over USD 1 billion in 2010.
- Tanzania was projected to receive one million tourists by the end of 2011 and generate about US\$1.7 billion (about Sh2.7 trillion) in revenue.

In the vicinity of Tabora, the Ugalla and Kigozi game reserves are home to a range of animals such as water-buck, lion, topi, impala, elephants, warthog, giraffe, sable antelope, hippo and buffalo and have a great potential for attracting nature-loving tourists.

The Tabora Region also has a number of other tourist attractions that would appeal to a wide range of appetites. There are historical sites such as Dr. Livingstone's house, now a museum near Tabora that contains his memorabilia and displays information about other early missionaries and explorers. It has the potential to become a strong cultural tourism attraction in East Africa.

Tabora also was the German administrative headquarters in East Africa from the 1870s to 1918 and there are many buildings from that era of interest to both international and Tanzanian tourists: the German administrative headquarters, an underground tunnel connecting the headquarters with the Tabora Railway Station, the first hospital in Tanzania, the first secondary boarding school, the remains of the slave route from the center of Africa to the coast, and so on.

## 2.2. Tourism Investment Incentives

A number of tax incentives are granted to both local and foreign investors as specified in the Tanzania Investment Act, 1997. These are granted mainly in the form of enhanced capital deductions and allowances specific to lead and priority sectors which include economic infrastructure, mining, agriculture and agro-based industries and tourism. The table below outlines the incentives that pertain particularly to tourism.

Tourism Tax Incentives		
Item	Duty/Tax	VAT
All capital goods	0%	Deferred
Hotel facilities, e.g., carpets, furniture	0%	Deferred
Vehicles for tour operators	0%	Deferred
Corporate tax	30%	-
Capital allowance	50%	-
Withholding tax on dividends	10%	-
Withholding tax on interest	10%	-
Losses carried forward indefinitely	-	-

## 3.0. TOURIST ATTRACTIONS IN TABORA

Tourism in the Tabora Region is largely untapped. The region, however, has a number of attractions appealing to a wide range of tourists. These include the Ugalla Game Reserve and historical sites and monuments such as the Dr. Livingston Museum, the German administrative headquarters, the first hospital and secondary school in Tanzania, and other historical sites of different architectural designs. A trek on the slave trade route as well as cultural dances and a visit to the Millennium Villages Project in Mbola round out a stay in the region.

### 3.1. Ugalla Game Reserve

The major tourist attraction in the region is the Ugalla Game Reserve, located about 200 km from Tabora City. The reserve encompasses an area of 5,000 sq km and supports a large variety of game, which congregates in the vicinity of the Ugalla River in the dry season. An estimated total of over 50,000 game animals inhabit the Ugalla Game Reserve for all or part of the year. These include water-buck, topi, greater kudu, wild dog, impala, lion, elephants, warthog, giraffe, sable antelope, hippo and buffalo. There are three open hunting areas that have a variety of wildlife. These include the Wembere wetlands, the Pembampazi and an area in Sikonge District.

The game reserve is accesible by a trunk road from Tabora to Mpanda via Ugalla, which will be upgraded to tarmac level by 2015. The area is also accesible by chartered aircraft. Most tourists first take a scheduled flight from Dar es Salaam to Tabora and then a chartered aircraft to the Ugalla Game Reserve. This presents an opportunity on guided tours.

Ugalla is unique amongst Tanzania's protected areas in that licensed honey gatherers and fishermen are allowed to enter the reserve for six months of the year to harvest honey and fish. There are also a total of seven game-controlled areas in the region.



*Wild animals living in Ugalla Game Reserve.*



### 3.2. Dr. Livingstone Museum

The Arabic-style house where Dr. Livingstone, the famous traveler, stayed in Tabora is now officially called the Kazehil Museum. The house was built in the 1850s by Arab traders and it was a centre for slave trade in western Tanzania. Now dedicated to Dr. Livingstone, the museum contains his memorabilia, including letters, maps, pictures and a diary. It also displays information about other early missionaries and explorers. The museum is unique and has the potential to be one of the premier tourism sites in Tanzania and East Africa. The museum is open Monday to Friday from 10.00 am to 3.00 pm.

Table 1: Trends of International Visitors from 2009-2012		
Year	Number of International Tourists	Revenue (US\$)
2009	97	647
2010	107	714
2011	158	1054
Through June 2012	57 +	380 (Revenue through June 2012)

*Source: Field Visit, Dr. Livingstone Museum, June, 2012.*



*The Dr. Livingstone Museum. Photo: Deo Damian Msilu, 2012.*

### 3.3. Slave Trade Caravan Route from Kigoma to Bagamoyo via Tabora

The famous travels of Dr. David Livingstone took him through the slave trade caravan route to the Tabora Region and this route is now gaining popularity with backpacker-type tourists, inducing tourists to trek through the region. Tabora lay at the junction of major caravan routes from Ujiji-Kigoma on Lake Tanganyika to Bagamoyo on the Indian Ocean via Kazehe (the Dr. Livingstone Museum). The route is covered by mango trees which provide a welcome shade when walking along.



Map indicating the slave trade route from Ujiji-Kigoma to Bagamoyo via Tabora. Source: Dr. Livingstone Museum, 2012.

### 3.4. German Administrative Headquarters in East Africa

Tabora was founded by Arab traders in the 1850s and it became a centre of the slave trade. The city lay at the junction of major caravan routes from Lake Tanganyika to the Indian Ocean. Then in 1871 the area was overwhelmed by the forces of the Wanyamwezi ruler Mirambo and in 1891 the German colonial administration gained control of it. It later became the most important administrative centre of central German East Africa due to its being a major station on the Central Line after the establishment of a German fort in Tabora. The boma is connected with the Tabora railway station via an underground tunnel.



*German administrative headquarters. Photo: Deo Damian Msilu, 2012.*

### **3.5. First Hospital in Tanzania**

After the German colonial administration gained control of Tabora, the first hospital was established by the Germans in the 1900s in Tabora City (then Tanganyika). The remains of the hospital are among the tourist attractions within the city.



*First hospital in Tanzania. Photo: Deo Damian Msilu, 2012.*

### **3.6. Famous Secondary School**

Tabora School, a Tabora boys' secondary school, was established in 1940 in Tabora to serve whites' and the Tanzanian chiefs' sons. It was the first secondary boarding school in Tanzania. Julius Kambarage Nyerere (J.K.N.), Tanzania's first president (1964–1985), studied in this school, and the Tabora School is a popular site to visit in Tabora. The building is open to visitors and has an exhibit with J.K.N.'s room and bed and a collection of old pictures of him.





*Tabora School. Photo: Deo Damian Msilu, 2012.*

### **3.7. Mixed Architectural Buildings**

Tabora City has a rich history and its architecture reflects the many cultures that have had their hold on the city, including the Arabs, the Germans, the Indians and the British as well as the indigenous cultures. For this reason one can find variations in the styles of buildings around the city, as illustrated below.



*European architecture – Roman Catholic Church.*



*Indian architecture – Hindu temple.*



*German architecture – Tabora Hotel.*



*Old Swahili architecture – Chief Isike Mwanakiyungi building.*

*Photos: Deo Damian Msilu, 2012.*

### **3.8. Memorial Monument**

There are two important monuments near the main market in the centre of Tabora. The first is a memorial monument for Julius K. Nyerere. It indicates the place where J.K. Nyerere held the meeting that set off the struggle for independence in 1958. The monument is now gaining popularity as a tourist attraction. The movement for independence originated in Tabora. So Tabora is Tanzania. Without Tabora, there is no Tanzania.



*Mwalimu J.K.Nyerere monuments*

The second monument, also near the main market, indicates the place where the decision to enter into free elections was made in 1958 by the Tanganyika African National Union (TANU) members. In those first free elections, TANU candidates won all of the seats available to them on the legislative council.



*Monument commemorating first free elections*

## Support for Investors

The Tabora City Investment Promotion Unit (TCIPU) offers a wide range of services to help you learn more about existing investment opportunities and to set up a successful business in Tabora. **Contact us with any questions or to arrange a site visit.**

## Additional Information

For more on Tanzania's tourist sector, see *Tourism Master Plan: Strategy and Actions* from the Ministry of Natural Resources and Tourism and *Cultural Heritage along the Central Slave and Ivory Trade Caravan Route*.

For more on Tabora's business environment and investment opportunities, see investment guides and profiles written in conjunction with the KPMG and MCI as well as the Tanzania Investment Centre's 2008 *Tanzania Investment Guide*. For more on Tabora, see *Socio-economic Profile: Tabora Region* published by the National Bureau of Statistics.

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