



## Market Potential of Commercial Forestry Products and Services

The major drivers for demand of commercial forestry sector products and services in Tanzania are high economic growth, high urbanization rate and increase in household incomes in the East, Southern and Central Africa. A study Commissioned by Forestry Development Trust (<http://forestry-trust.org/marketsandpolicy/>) in 2017 showed that Tanzania faces a deficit in wood-based products, the gap shall continue to increase to reach 3 million m<sup>3</sup> round wood equivalent (RWE) by 2035. The gap constitutes of: Large diameter sawn logs for sawn timber and veneer production (1.4 million m<sup>3</sup>); Wood fibre for pulp and particle/fibre board (1 million m<sup>3</sup>). Note that Tanzania imports wood products worth USD 138mln (2017) against exports of USD 87Mln (International Trade Centre). Strangely, about 50% of the wooden poles are imported, all print paper materials and a large percentage of furniture made from medium-density fiberboard (MDF).



Courtesy: FDT

## Competitive Advantages in Commercial Forestry in Iringa

- In 2016 Iringa Region has more than 85,919 hectares of plantation forests about 41% of the national total.
- Mufindi had 52,558 hectares (Ha.),
- Kilolo 19,445 Ha and
- Mafinga Town had 12,997 Ha.

Tree types are **Pines** (66%), **Eucalyptus** (19%), mixed (15%). About 50% of the trees come from Government forests, by 2025 about 70% of the supply of industrial round wood will come from private plantations.

- Land available for investors aiming at less than **1,000 acres plantations**.
- Established **industrial zones/clusters** suitable for wood-based industries.
- Logistics - products transported by tarmac roads – Northward to **Dodoma City**, Singida, Shinyanga and **Mwanza** as well as Manyara, **Arusha** and **Kilimanjaro**. East connects with **Morogoro** then **Dar es Salaam** Port. To the South to **Mbeya City** and Northern parts of **Zambia** and **Malawi**.

## Specific Investment Opportunities

### Tree growing

Supply of short rotation tree seeds, seedlings production and distribution. Growing trees and professional forest management services

### Value Addition

Quality poles, sawn treated and untreated timber, charcoal and briquettes, engineered wood products, paper, furniture, door panels, etc.

### Sector technology

Manufacture of various machineries, equipment and tools used in timber industry.

## Technical services support

- Forest Development Trust (FDT)-**technology** and **market** support.
- Private Forest Project – compliance to **regulations**.
- Tanzania Forest Services Agency (TFS)
- Forest and Wood Training Institute (FWTC) for technical **training** and **services**.
- Norwood, Woodmizer, Slidotech, Rhino, Timber King, Hongwei International - supply of **wood processing technologies** such as, etc.
- Technology Development Centre Workshop (SIDO) for a well-equipped **mechanical workshop services**.

## Organizations available to support you

- **Regional** Investment Facilitation Office +255 26 2702 715
- Iringa **Municipal** 255-270 2647
- **Iringa District** Council +255 26 270 2828/27 02585, +255 754 364 994,
- **Kilolo** District Council +255 26 296 8010
- Mafinga Town Council 255 262 772 393.
- **Mufindi** District Council +255 26 - 2772614 or Via <http://www.iringa.go.tz/>

## Some investors on the Ground

- Mufindi Paper Mills (<https://mufindipaper.en.ecplaza.net/>)
- Green Resources
- Mufindi Paper Mill
- Sao Hill Industries
- Tanganyika Plywood,
- Hongwei International
- East African Bone Wood,
- Qwihaya,
- New Forest,
- Tanzania Poles Ltd

## Banks available to support you

