RENAME COMPANIES AND DEALING IN LAND: FROM INENERGY TO AGRICA

By Chambi Chachage

In May 2006 InEnergy Tanzania Limited agreed to buy 5835 hectares of land in Tanzania at the purchase price of USD 2,550,000. This private company, incorporated with limited liability in the country only came into being in September 2005. However, InEnergy UK Limited is also named as the purchaser in the land sale agreement indicating that the former is a local subsidiary.

This craft of renaming companies is at the heart of Foreign Direct Investments (FDIs) in Tanzania. It is generally used to circumvent the laws of the land that restricts and prohibits foreign ownership of land[1]. Renaming can also be used to disguise investors’ original intentions.

According to the Annual Report and Financial Statements for the Year Ended 30 June 2008 of the African Agricultural Capital Limited (AAC), one of the companies that enabled InEnergy to acquire an estate and financed its initial development phase in the country, this foreign-cum-local “was established in Tanzania to exploit the opportunity to create biodiesel businesses in developing markets”. “However” AAC further noted, “in the light of” the then “recent increases in food prices, the business is now committed to growing only food crops (predominantly oil palm and rice) in the short term and will review the potential production of biofuels periodically”. It also observed “through its Tanzania subsidiary Kilombero Plantations”, InEnergy had “acquired a substantial estate (about 8,000 hectares) at Mngeta in the Kilombero Valley” and that it had “established an oil palm nursery” and planned “to plant 7,500 hectares to oil palm (net of infrastructure) over the next five years”. “During the development phase”, AAC noted, it “will also cultivate rice and other food crops on the
The UK-cum-Tanzania company indeed acquired from the Rufiji Basin Development Authority (RUBADA) an estate that constituted: Farm No. 411 Mngeta, with all its buildings, measuring 5818 hectares; all parcels of land and buildings opposite Mngeta farm on the side of TAZARA railway measuring about 7 hectares; all parcel of land, with buildings therein, located in Isamo and in near the Chimbi Falls on the Mngeta River (where there is a hydro-electric power station and a dam) that measure about 30 hectares; and a number of movable assets and equipment.

It also presented itself as primarily interested in biofuel. IIED study in 2009 that interviewed Mr. Carter Coleman and described him as the Director of InfEnergy and described him as the Director of InfEnergy while growing oil palm[3]. In WWF’s 2009 study that consulted and described Carter Coleman and the managing Director” and Graham Anderson as the “Business Development Director”, InfEnergy is presented as a biofuel company “owned by Capricorn LLC, a USD $5 billion Silicon Valley SRI and a large UK based investor”[4]. The company has now been renamed and thus described in the AAC website: “Agrica Ltd was established in Tanzania in September 2005 to exploit the opportunity to create biodiesel businesses in developing markets. Given the current global debate about food security, food versus fuel, the company is committed to growing only food crops (including vegetable oils) in the short term and will review the potential production of biofuels periodically “[5]. But the biofuel narrative has changed. (Cf. http://farmlandgrab.org/post/view/18622 and http://udadisi.blogspot.com/2011/10/jk-what-did-kpl-show-you-and-what-did.html)

It is now rebranded as a company that was started in 2005 to develop “sustainable agribusinesses in Africa”. Its rationale for doing so in East Africa is no longer presented as biofuel but, rather, “the near absence of commercial farming, the high prices and the large and burgeoning demand of their internal markets—a region where the consumption of staples is rising with fast-growing populations; where in some countries 95% of current production is from inefficient smallholders with limited access to inputs or modern farming methods; and where high import tariffs are entrenched by the necessity of maintaining a rural economy and food security”. Its rice project in Mngeta farm that commenced in 2007 is celebrated as the largest in the country and in October 2011 President Jakaya Kikwete paid it an official visit[6], declaring Kilombo as one of the three districts that the government will support to take the lead in producing rice in the country.[7] In May 2011 at the World Economic Forum (WEF) his government showcased it as a model farm in the Southern Agricultural Growth Corridor of Tanzania (SAGCOT)[8], a public-private partnership with international partners such as Diageo, DuPont, General Mills, Monsanto, SAB, Syngenta, Norfund, Unilever, USAID, Yara International, the Irish Embassy, AGRA and FAO[9].

Aikande Education is sexy…

For the last 10 days or so I have been (gratefully) engaged in a consultancy assignment, which requires me to review higher education policies in Tanzania....

Kalulunga SALAMU ZA CHAMA CHA ACTTANZANIA KWA VYAMA VYOTE VY SIASA NCHINI -

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Global Voices

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Swahili

Lupita Nyong'o ni Chama cha Act Tanzania kwa vya vyote vy siasa nchini -

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A South African man, who allegedly held his wife and children captive in their home for several years, slit his wrists after he was denied bail, police say.

The businessman, 36, who faces several years, slit his wrists after bail refusal, police say.

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