

(12) C-D 7F
 Please, analyse and advise.
 Ag. Ex D
 6/4/20



Coca-Cola Kwanza Limited

Company Registration No.

26012

Mikocheni Light Industrial Area
 P.O.Box 7813
 Dar es Salaam - Tanzania
 T + 255 22 2700700/6
 F + 255 22 2781489



Executive Director
 Tanzania Investment center
 P.O.Box 938
 Dar es salaam

Date: 3rd April 2020

Dear Sir,

RE: Submission of Progress Report for Certificate of Incentives No 040040-02:

Reference to our discussion regarding Certificate of Incentive Extension for Coca-cola Kwanza Ltd held on 2nd March 2019 at your premises. we hereby submit the following progress report information as requested relating to the certificate of incentives **No 040040-02** which was awarded on 11th June 2014.

1) Project Financial Expenditure to date:

We have made significant investments over the years as follows below in USD.

Actual capital Expenditure -USD								
Asset Class	2012	2013	2014	2015	2016	2017	2018	2019
Computer Hard & Software	95,168	165,746	401,978	80,477	157,283	4,537	63,636	125,718
Land & Buildings	8,476,016	636,893	648,747	6,733,404	3,234,805	119,037	6,269	44,605
LVA	-	-	-	824	4,163	-	-	-
Office Equipment & Furniture	93,676	55,101	84,162	36,810	127,454	6,148	42,245	92,501
Plant & Machinery	10,566,574	5,068,558	3,155,467	839,934	3,870,679	10,413	537,580	2,981,131
Returnable Containers	9,369,756	3,488,288	2,134,454	3,492,469	4,090,664	3,329,434	2,633,038	6,404,103
Sales Equipment & Machinery	7,421,520	1,744,624	2,855,828	2,097,420	2,417,417	1,204,791	2,282,872	1,486,116
Vehicles	3,813,840	1,512,239	1,647,144	321,158	1,514,661	182,115	65,548	247,736
Workshop Equipment	130,411	36,158	92,822	12,769	115,882	(1,491)	17,387	18,645
Grand Total	39,966,960	12,707,607	11,020,601	13,615,265	15,533,008	4,854,984	5,648,576	11,400,555

2) Project Financing

We have financed the projects with Both Local funding and Group Financing as follows; Amount in TShs

LOAN & OD	2012	2013	2014	2015	2016	2017	2018	2019
GROUP LOAN	470,156,000	11,985,000,000	45,162,880,000	66,869,845,000	68,553,749,000	79,315,602,000	126,163,230,000	106,322,600,002
BANK LOANS	32,988,057,000	54,332,240,000	56,605,679,000	47,232,317,000	57,223,657,000	37,761,243,000	27,442,721,000	-
OD	7,755,322,000	1,415,886,000	-	11,522,294,000	26,191,148,000	40,329,738,000	-	41,911,030,505
Total	41,213,535,000	67,733,126,000	101,768,559,000	125,624,456,000	151,968,554,000	157,406,583,000	153,605,951,000	148,233,630,507



3) Future Plans

Below is our Capex plan for 2020-2024 in USD

Row Labels	Revised 2020 BP	2021 BP	2022 BP	2023BP	2024 BP
Computer Hard & Software	129,061	989,086	17,020		
Land & Buildings	-	100,000	750,000	1,724,923	710,000
LVA	-		140,000	-	-
Office Equipment & Furniture	-	32,000	34,000		
Plant & Machinery	1,290,000	1,278,000	880,000	1,355,671	1,318,072
Returnable Containers	2,109,179	5,009,528	5,030,273	5,056,271	5,016,000
Sales Equipment & Machinery	1,200,000	1,700,000	2,000,000	2,000,000	2,000,000
Vehicles	650,000	650,000	650,000	1,000,000	1,000,000
Workshop Equipment	-			100,000	
Grand Total	5,378,239	9,758,614	9,501,293	11,236,865	10,044,072

4) Volume performance

Below is volume performance for the last eight years, business has grown year on year except for 2017 which was an exceptionally challenging year.

	2019	2018	2017	2016	2015	2014	2013	2012
Sales Qty - Unit Cases	32,423,191	31,107,460	29,605,505	33,393,214	33,246,901	30,921,856	30,315,753	26,434,063
Vol performance % growth	4.2%	5.1%	-11.3%	0.4%	7.5%	2.0%	14.7%	

5. Recommendations/ comments

While we have realized business growth from 2014 to date, we have faced significant competition from numerous beverage players in the market that has influenced price roll back of our core products. This has affected our planned earnings while inflation has continued to impact our cost of sales.

We are committed to continue investing in the project and seeking sustainable growth of our business.

It's our humble request to your organization to have the extension of the certificate of Investment.

Your sincerely

Managing Director