

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

**PROGRESS REPORT ON RANGER SAFARIS PROJECT APPROVED BY
TANZANIA INVESTMENT CENTRE****(1) INTRODUCTION:**

Ranger Safaris Limited of Arusha (herein after referred as “Ranger”) was granted an approval by Tanzania Investment Centre on 30th January 2013 vide Certificate of Incentives # 030048-03 for an expansion of tour operations (herein after referred as “Project”) for an investment of USD 5.6395 million.

This new progress report has been prepared for submission to Tanzania Investment Centre in addition to progress report submitted earlier to cover the investments done for period from 1st November 2015 to 31st May 2021.

The Company’s fiscal year runs from 1st November to 31st October every year.

**(II) PLANNED ACTIVITIES FOR THE PERIOD AND ACHIEVEMENTS TO
DATE:**

Our project involved expansion of tour operation activities and modernization of current fleet, acquisition of 57 new four-wheel drive vehicles and 8 minibuses, 2 Passenger Buses and workshop equipments. The progress achieved so far on each of these project objectives are described below:-

**ACQUISITION OF NEW VEHICLES AND OTHER ASSETS DURING
IMPLEMENTATION PERIOD :**

During the period 24th December 2012 to 30th November 2015, Ranger has purchased 14 new Land Cruisers, One Toyota Coaster Bus, Vehicle radio and Workshop Equipments at below cost -

	<i>(US\$)</i>
	<u>Total</u>
Fourteen new four-wheel drive vehicles	890,484
One Coaster Bus	71,316
Workshop Equipments	17,003
Vehicle Radios	<u>19,518</u>
Total	998,321

ACQUISITION OF NEW VEHICLES AND OTHER ASSETS AFTER IMPLEMENTATION PERIOD :

Due to security issues in Kenya and outbreak of Ebola, our management has decided to seek an extension of one and a half years for implementation of our TIC project.

During the period 1st November 2015 to 31st May 2021, Ranger has purchased 15 new Land Cruisers and Four Toyota Mini buses (Two Toyota Quantum & 2 Toyota Hiace) at below cost -

	(US\$)
	<u>Total</u>
Fourteen new four-wheel drive vehicles	932,750
Four Toyota Mini Buses	164,518
CCTV System	<u>16,151</u>
Total	1,113,419

Thus total investment done was US\$ 2,111,740.00 which was audited by Ruth Mukulasi, John Mtatiro and Sekela Mwasambungu on behalf of TRA/TIC on 22nd March 2016.

S/No.	Information	Description	Current Project Status
1	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Travel Union Inc- Mauritius- 74.99% Leibniz Service GMBH- Germany- 25% Mr. Sanjay Gajjar- India 0.00000065% Mr. Ali Moledina-Canada 0.00000065%
2.	Company Communication Information	Email address Mobile Number Landline Telephone Number Physical Address(Plot No, Block No, Street, District & Region)	sanjay@rangersafaris.co.tz +255 754786407 2547574 556, Block'X', Area F, Arusha
3.	Contact Person	Name Position Communication Details(Email, Mobile & Telephone)	Mr. Sanjay Gajjar Director sanjay@rangersafaris.co.tz +255 754786407
	Contact Person	Name Position Email Mobile	Mr. Ali Moledina Director alimoledina@rangersafaris.co.tz +255754786403

4.	Incorporation	Certificate of Incorporation No.	6186
5.	TIN Information	TIN No.	100-168-251
6.	Project Objective	Core Project Activity	Tour operations
7.	Capacity	Project Capacity per Year	Safari vehicles fleet of 130 vehicles
8.	Direct Employment	Foreign-Men	3 (including two directors)
		Foreign-Women	1
		Local-Men	91
		Local-Women	20
9	Indirect Employment	Estimated Total No.	1250
		Type/Areas of Indirect Employment	Hotel staff, Airlines staff, National park staff. Local Curio shop staff

(III) PROJECT FINANCIAL EXPENDITURE TODATE:

	<u>(in US\$)</u>		
	<u>(Feb 2013-Oct2015)</u>	<u>(Nov2015-May2021)</u>	<u>Total</u>
Vehicles	\$ 961,800	\$1,097,268	\$ 2,059,068
Workshop Equipments	\$ 17,003	-	\$ 17,003
Vehicle Radios	\$ 19,518		\$ 19,518
CCTV		\$ 16,151	\$ 16,151
Total	\$ 998,321	\$ 1,113,419	\$ 2,111,740

(IV) PROJECT FINANCING:

We have invested the above amount by retaining back part of Company's profit generated during the period. Our Company is committed to deliver its best services to customers and hence we have invested time to time in rehabilitation and expansion of our fleet without any borrowing from any banks / financial institution or third party.

(V) MAJOR PROBLEMS ENCOUNTERED AND SUGGESTED SOLUTIONS:

During the implementation in year 2015, we have witnessed a drop in tourist arrivals due to Ebola crisis and Westgate Mall incident in Kenya. In 2016, Government introduced 18% VAT on tourist transport and other tourist services which had impacted profit margins and growth of tourists' arrivals. We had a good business year

in 2018 and 2019 until the global tourism was hit with novel Coronavirus COVID 19 Pandemic until today.

We suggest Tanzania Investment Centre authorities to make necessary amendment in TIC Act to allow tourism stake holders to grant VAT deferment and import duty waiver on purchase and conversion of Toyota Land Cruiser pickups into game viewing vehicles. This will give a competitive edge, in investing into new Vehicles for the international market to offer quality safaris to our guests and will bring more tourism revenue to Tanzania.

(VI) FUTURE PLANS:

The Company's future plans calls for an expansion and replacement of its ageing fleet of safari vehicles very carefully to remain competitive. We are also trying to renegotiate rates with its suppliers to come out with special offers for Tanzania to revive tourism which has been severely hit after outbreak of Coronavirus COVID 19.

The company will continue to train its employees to deliver excellent safari services to its guests. Also, the company as part of Corporate Social responsibility Projects will continue to sponsor education expenses of orphan children to make them responsible citizens, will support anti-poaching activities done by Frankfurt Zoological Society to conserve our animals. We continue to support and Donate school supplies to nearby schools in Arusha and on the safari Circuit where our guests visit for cultural experiences We are also very keen supporters on Environment policy and look to recycle single plastic waste where possible. Look to save and conserve water where possible, we have rain harvesting water enchantment throughout our office building and workshop premises.

(VII) RECOMMENDATIONS:

The withdrawal of TIC incentives for existing investors has impacted the quality of tourist vehicles we offer to our guests. Our competitive edge to offer top class tourist safari vehicles to our guests is lost as we are not able to import anymore safari vehicles under TIC on payment to reduced taxes. We humbly request Government to consider reinstating TIC exemptions on Import Duty and VAT for tourism sector investors to compete with other wildlife Destinations like our neighbors Kenya and other in SADAC and sub Suharan African . This incentives will boost the Growth of Tourism post COVID when the world economy is recovering and it will earn much needed foreign exchange to support our economy and create more job opportunities especially as rebound post Pandemic and Economic Recession.