

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM
PROGRESS REPORT**

1. Planned Activities for the period

- a. In addition to the regular upgradation of equipment, the key planned activities for the period are:
- i. Installation and commissioning of new RGB filler at Dar es Salaam manufacturing location,
 - ii. Installation and commissioning of new PET filler at Mbeya manufacturing location and
 - iii. Installation and commissioning of new automatic labeller machine for the PET manufacturing line in Mbeya

2. Achievements made on the project implementation to date

- a. All project mentioned above have been completed successfully during 2020-21.

3. Updated information

S.No.	Information	Description	Current Project Status	
1	Shareholders Information	Current Shareholders names, Nationality, and percentage ownership	Tanzania Bottling Company, SA	Panama
			Ziad El Khalil	British
			Avinash Jha	Indian
			Fadi Anwar El Khalil	British
			Sreenivasulu Akumalla	Indian
			Paul James Richards	South African
			Prabir Kumar Bhowmick	Indian
			Sanam Govind Mahambrey	Indian
2	Company Communication Information	Email address	Foti.gwebe@sbc.co.tz	
		Mobile Number	0754 233 007	
		Land Line Telephone No.	0222 860 780	
		Physical Address	54/57 Nyerere Road, P.O. Box 4162, Dar es Salaam	
3	Contact Person	Name	Alexander Foti Gwebe Nyirenda	
		Position	Head – Corporate Affairs	
		Communication Details	0767 640 409	
4	Incorporation	Certificate of Incorporation No.	41135	
5	TIN Information	TIN Certificate No.	100-793-717	
6	Project Objectivity	Project Core Activity	Upgradation and enhancement of production capacities	

7	Capacity	Project Capacity per Year	59.0 million cases of RGB & PET
8	Direct Employment	Foreign-Men	19
		Foreign-Women	NIL
		Local-Men	1,093
		Local-Women	157
9	Indirect Employment	Estimated Total No.	2,000
		Type of Indirect Employment	Merchandising, Loaders, Line inspectors, Security, and Office helps

4. Project Financial Expenditure to date (USD) – 1st Apr 2020 to 31st Mar 2021

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	NIL	204,719	204,719
Plant and Machinery	2,706,908	477,690	3,184,598
Vehicles / Aircrafts	NIL	909,712	909,712
Furniture	NIL	26,578	26,578
Office Equipment	NIL	49,077	49,077
Cooling Equipment's for Market	520,195	NIL	520,195
New Glass / Crates	NIL	7,199,260	7,199,260
Insurance Cover	NA	NA	NA
Pre-operational expenses	NA	NA	NA
Working sub-total Capital	NA	NA	NA
Grand Total	3,227,103	8,867,036	12,094,139

5. Project Financing

	Amount (USD)	Source Country
Local Equity	NIL	Tanzania
Local Loans	3,500,000	Tanzania
Foreign Equity	5,000,000	Panama
Foreign Loans	Nil	NA
Total Investment	8,500,000	

6. Problems and Solution

- **Problem-1: Sugar Deposit Refund**

- 15% of imported sugar value collected on import as refundable duty
- To-date pending refunds stand at TZS 11,660 Mn (Last refund in Jan-21)
- Severe strain on Working Capital – interest cost is TZS 1,078 Mn per annum

Proposed Solution: Our request is to abolish the requirement of 15% refundable duty on imported sugar from Jul 2021.

As periodic custom audit for Sugar imports and consumption is completed till Apr-20, we request TRA to expedite the refund process and help avoiding liquidity issues. In addition, implementation of the measures announced by Finance Minister in Jun-2017 on refund process, by establishing an Escrow Account may also help getting timely refunds.

- **Problem-2: Water Supply**

- Water Supply from Dawasco is erratic in Dar Es Salaam and no prior information on any stoppages of water resulting in loss of production due to unplanned water stoppages. This is forcing us to purchase expensive water from private operators in Dar.
- Erratic water supply in Mwanza and also at exorbitantly high rate
- Additional charges are being imposed on water drawn from the boreholes.

Proposed Solution: Uninterrupted water supplies and rationalization of water charges would facilitate SBC to protect its margins at the prevailing prices and avoid incurring additional cost towards higher dependency on private operators and transportation of product from other SBC plants to service the market demand.

- **Problem-3: Work Permits**

- **Cancellation of WP of 4 Senior Managers**
- High rate of rejection for senior management positions
- "Final grant" in first permit
- Long lead time for approval process
- No clarity on no of positions allowed for our size of operations/business

Proposed Solution: SBC recruits' talent to support its sustainable business growth objective and hence continuously investing (USD 67 mn in last 5 years) in business expansion. SBC has 1,269 direct employees and 2,000+ of contract employees working in 4 plants and 9 depots across the country. Hence, request to rationalize the allocation of work permits based on the size of business and also to expedite the approval process.

7. Future Plans

SBC is committed to invest in the business growth and expansion and planning to upgrade its production facilities in order to enhance its production capacities. However, we will keep you updated through our six monthly report.

8. Recommendations and any other comments