

Our Ref No: **PMM/TIC/20/06**

Date: **01ST /12/2020**

EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE,
DAR ES SALAAM, TANZANIA.

Dear Sir,

**RE: SUBMISSION OF IMPLEMENTATION PROGRESSIVE REPORT ON
UTILIZATION OF TIC INCENTIVE CERTIFICATE NO 0223150 FOR THE
PERIOD ENDED 31ST MARCH 2019.**

Please refer to our letter with ref no **PMM/TIC/20/14** dated 23RD /12/2020 which provides a project progressive report for the period ended **30th /06/2020**.

Once again we hereby submit to your good office an implementation progressive report for the period ended **30th /12/2020** as follows:

1. Planned Activities.

As per our application we planned the following activities:

- Procurement of plant and equipment.
- Procurement of Workshops Equipment.
- Procurement of building and civil machineries.
- Procurement of building and civil materials
- Procurement of mining equipment and tools
- Procurement of logistics and transport equipment.

2. Achievement made on the project.

- ❖ We have expanded the ICD Yard Capacity from 1000 TEU to 1700 TEU with an increment on number of staff by additional 50 people to current staff level of 350 staff. The aforesaid expansion project cost USD 3,550,000.00
- ❖ We have procured plant and equipment and logistic equipment worth USD 1,755,500.
- ❖ We have procured workshop equipment worth USD 255,500.00
- ❖ We have procured civil and building equipment worth USD 195,653,200
- ❖ We have procured mining tools and equipment to the tune of USD 175,500.

3. Provide update information on the following aspects:

S/NO	INFORMATION	DESCRIPTION	CURRENT PROJECT STATUS
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership.	<ol style="list-style-type: none"> 1. Dr Judith Mhina Tanzanian with 50% of Equity Share 2. Mr Philip Mhina Tanzanian with 25% of Equity share 3. Mr Mhina Mhina Tanzanian with 50% of equity share
2.	Company Communication Information	Email address Mobile number LAND Line Telephone Number Physical Address(plot no, block no, street, district and Region	<ul style="list-style-type: none"> • Email:info@pmmicd.com • Mobile number:0784780071/0754295811 • Land line:255 222863669 • Physical address: Plot no 2384/75,Vingunguti near CFAO Motors Ltd,Ilala in Dar es Salaam, Tanzania
3.	Contact Person	Name Position Communication Details(Email, Mobile and Telephone	<ul style="list-style-type: none"> • Name :CPA Damian J Kanuti • Position: Group Financial Controller • Emails: dkabuti@pmmicd.co.tz
4.	Incorporation	Certificates of Incorporation	41402
5.	TIN Information	TIN Certificate No.	101-061-612
6.	Project Objectives	Project Core Activities	Dry Port and logistics services
7.	Capacity	Project Capacity per year	18,000 TEU
8.	Direct Employment	<ul style="list-style-type: none"> • Foreign-Men • Foreign –Women • Local-Men • Local-Woman 	<ul style="list-style-type: none"> • NIL • NIL • 223 • 25
9.	Indirect Employment	<ul style="list-style-type: none"> • Estimated Total No • Types/areas of Indirect Employment 	<ul style="list-style-type: none"> • 15 • Laborers

4. Project Financial Expenditure to date is as follows:

	Foreign(USD)	Local(USD)	Total(USD)
Land and Buildings	3,715,755.00	1,250,500.00	4,966,255.00
Plant and Machinery	3,129,745.15	654,563.00	3,784,308.15
Motor Vehicles/Aircrafts	2,456,256.00	796,456.00	3,252,712.00
Furniture	256,750.00	101,604.00	358,354.00
Office Equipment	298,653.00	125,655.00	424,308.00
Insurance Cover		155,653.00	155,653.00
Pre-operational expenses		111,655.00	111,655.00
Working sub-total capital		212,750.00	212,750.00
GRAND TOTAL	9,857,159.15	3,408,839.00	13,265,995.15

5. Project Financing.

The project is financed by TIB Development Bank Term loan facility of USD 5 Million and an overdraft facility of USD 4.7 Million from TIB Corporate Bank Limited as well as Standard Chartered Bank Tanzania Limited for USD 6.5 Million. Moreover the Project retained the total of USD 651,162 from accrued profit for expansion programs. The project financing structure is summary below:

	Amount(USD)	Source Country
Local Equity	4,319,654.00	Profits Accumulation from Businesses- Tanzania
Local Loans	17,700,000	Commercial Banks
Foreign Equity		
Foreign Loans		
Total Investment	22,019,654.00	

6. Problems and Solution.

The Project encounter the following challenges which hinder its timely implementation to its final completion stages:

- Inflation and untimely release of fund from Commercial Banks have negative effects towards implementation of this project.
- Shorter given grace period from Commercial Banks forced repayments of respective principals and interest from other sources apart from imported plants and machinery.

- Suddenly changes of regulations governing ICD and logistics business industry as advocated by then SUMATRA and now the TASAC. For instance the Government announcement of shifting all ICD Businesses from Dar es Salaam Region to Kwala in Coastal Region about 115 kilometers from the port.
- Slowdown of importation in general and other economic issues related to COVIC 19 pandemic diseases.
- Slowdown of importation of containers by Kariakoo Traders and other business persons on market constraints.

7. Future Plans.

- Request of extension of TIC Certificate of incentives to procure below mentioned items.
- Embark on modernization and new redesign for implementation of the proposed Vingunguti Container Satellite Project to the state of an art for warehouse facilities and bonded warehouse.
- The capital expenditures required for the remaining portion of the project are as follows:

S/N	ITEM NAME	QTY	AMOUNT IN USD	Duration
1.0	Head Tractor	48	1,250,000.00	15 DAYS
2.0	Trailers	48	650,000.00	15 DAYS
3.0	Semi-Trailers	30	450,000.00	6 MONTHS
4.0	Reach Stacker	6	1,350,000.00	1 YEARS
5.0	Low Loaders	5	355,000.00	1 YEARS
6.0	Low Bed	5	350,000.00	1 YEARS
7.0	Side Loaders	4	250,000.00	1 YEARS
8.0	Fuel Tankers	10	355,000.00	1 YEARS
9.0	Cranes	5	450,000.00	1 YEARS
10.0	Crane Truck-over 45 Tons	1	750,000.00	1 YEARS
11.0	Quarry Plant	2	1,500,000.00	60 DAYS
	Total in USD		7,710,000.00	

8. Recommendations and Comments.

The PMM Management is hereby recommend for extension of the duration of TIC Incentive Packages as well as making additions and expansion of list of capital/deemed capital goods for certificate of incentives.

Attached herewith, please find a parking lists and bill of lading of imported trucks and trailers from China which are scheduled to be delivered within 15-30 days this month.

We beg to submit.

Sincerely Yours

PMM ESTATES (2001) LIMITED



Damian J Kanuti
For: Executive Chairperson