

TANZANIA INVESTMENT CENTRE

20



PROJECT VERIFICATION VISIT REPORT

**PMM ESTATES (2001) LIMITED
(INLAND CONTAINER DEPOT)**

17.12.2020

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1.0. COMPANY INFORMATION

S/N o.	Information	Description			
1.	Shareholder's Information	Shareholders names,		Nationality	Percentage of ownership
		Dr. Judith Muhina		Tanzanian	25.0
		Philip Omari Mhina		Tanzanian	12.5
		Mhina Omary Mhina		Tanzanian	12.5
		Thabita Magoti		Tanzanian	12.5
		Sarah Mahugo		Tanzanian	12.5
		Helen Intangare		Tanzanian	12.5
2.	Company Communication Information	1.	Email address	info@pmmicd.co.tz	
		2.	Mobile Number	+255784780071/+255788862060	
		3.	Telephone number	+255222863670	
		4.	Postal address	P.O. Box 33790, Dar es Salaam	
		5.	Physical address (Plot Number, Block Number, Region, District, Street)	Nyerere Road , Plot No. 2384/75, Ilala Dar es Salaam	
3.	Contact Person	1.	Name	Dr.Judith Muhina	
		2.	Position	Executive Chairperson	
		3.	Communication (Email, Mobile and telephone)	Jmhina@pmmicd.co.tz	
				+255784780071 +255222863670	
4.	Incorporation Information	Certificate of Incorporation Number	41402		
5..	TIN information	TIN Certificate Number	101-061-612		
6.	Project Objective information	Project Objective:-			
		Establishment of cargo transportation project			

2.0. INTRODUCTION

PMM Estates (2001) Limited of P.O. Box 33790 Dar es Salaam was incorporated in Tanzania on 24th May, 2001 and issued with Certificate of Incorporation no. 41402. The company was first granted Certificates of Incentives No. 071068 which was issued on 31st January 2014, covering the project implementation period from January 2014 – December 2016. Then in 13th June, 2016 the implementation period was extended for the **first time covering period of January 2014 – December 2017**. In **April 2019 the implementation period was extended for the second time covering period of January 2014 – December 2019**. Up-to-date Certificates of Incentives No. 071068 has been **extended twice**; the current request to extend the implementation period submitted to the Centre **will be the third one**.

PMM Estates (2001) Limited cargo transportation project is an integrated to PMM Estates(2001) Limited Inland container depot (ICD) and logistics project and was granted license no.0015 in 2011 by Tanzania Revenue Authority to operate and ICD. PMM Estates (2001) Limited ICD is the only ICD legalized by Chief Chemistry to handle dangerous and hazardous goods.

On 11th December, 2020 the said company submitted a letter to TIC dated 11th December, 2020 **with REF; PMM/TIC/20/16** drawing attention to the Centre that; despite the fact that Certificate of Incentives No. 071068 was extended in 2019 up to December 2019 PMM Estates (2001) Limited failed to implement in full the registered project because of the emergence of COVID19 in China which hindered timely production and delivery of cargo trucks. But also changes of Government policies, regulation and laws in ICD and logistics industry spearheaded by SUMATRA, LATRA and TASAC which impacted timely release loan from commercial banks.

In view the above, the project visit was conducted to establish the progress/ current status of the project implementation.

3.0. OBSERVATION/FINDINGS

During the project visit it was noticed that, currently the project is operational and there is significant and reasonable development to this project. Some of the developments found at the project site includes:-

- i. The office administration block being completed and fully utilized. The offices are now in use for administrative and logistics management of the PMM Estates (2001) Limited.
- ii. Project verification team was informed that PMM Estates (2001) Limited has so procured/imported 40 trucks out 100 granted exemption by TRA.
- iii. Project verification team was informed that PMM Estates (2001) Limited has the capacity to handle 18,000 containers per year.
- iv. Project verification team was informed that PMM Estates (2001) Limited has invested in logistics handling equipment and workshop equipment
- v. Project verification team was informed that PMM Estates (2001) Limited has created permanent jobs for 350 local Tanzanians, and for the new 40 trucks which will be imported at this phase, 120 jobs will be created.
- vi. Project verification team was informed that PMM Estates (2001) Limited that, the Government has now reinstated the original location of the ICD to be within the diameter of 30 Kilometers, the decision which has provided confidence to the Banks to continue with the issuance of Loan PMM Estates (2001) Limited.

3.1 Documentary findings show that:-

- i. The current Certificate of Incentives was issued on 30th April, 2019 with the implementation period from January 2014 – December 2019 (*see attached Col – annexure I*)
- ii. TRA approval regarding tax relief on capital/deemed capital goods was issued in 24th February, 2014 (*see attached TRA approval – annexure II*)
- iii. Letter from TASAC for extension of ICD License for 6 months (*See attached letter with Ref:DA.82/102/01B/62 - annexure III*)
- iv. Complains letter from PMM Estates (2001) Limited to Permanent Secretary of Industry and Trade to relocate ICD to Kwala at Coast Region(*See attached Kumb Na: PMM/WBV/20/01- annexure IV*)

- v. Loan term sheet of 2,400,000\$ for procurement of trucks is already made available to PMM Estates (2001) Limited (*see attached letter & loan agreement from Standard Bank - annexure V*)
- vi. There was an official communication to the manufacturer and supplier (JIEFANG MOTORS (T) LTD – FAW TRUCKS) of cargo trucks to PMM Estates (2001) Limited which highlights the challenge of COVID 19 to the timely supply of trucks to PMM Estates (2001) Limited (*see attached letter - annexure VI*)
- vii. Bill of Landing for 20 package(s) is already issued since 24th November, 2020 and is available to PMM Estates (2001) Limited (*See attachment- annexure VII*)
- viii. Packing list and commercial invoice were made available to PMM Estates (2001) Limited since 18th November, 2020 (*See attachment- annexure VIII*)

3.2 Analysis of the consumption of capital/deemed goods

TRA approved trucks 100 and 100 trailer. PMM Estates (2001) Limited has so far imported 40 trucks and 40 trailers and the remained balance is 60 trucks and 60 trailers. Currently PMM Estates (2001) Limited is importing 40 trucks out of 60 remained trucks (*see attached Bill of landing*).

3.3 Remain activities to accomplish the project

It was noted that key remained activity is the importation of the 60 trucks of which 40 trucks are already shipped to Dar es Salaam Port are waiting Custom clearance procedure. According to investor one year extension of the implementation period in the certificate of incentives would be enough to accomplish remaining importations of both trucks and trailers.

4.0. INVESTMENT, FINANCING & EMPLOYMENT

S/No.	Information	Description			
1.	Investment Financing amounts in USD	1.	Foreign Equity	Amount(USD)	Country of origin
		2.	Local Equity	\$ 4,319,654	Tanzanian
		3.	Local Loan	\$ 17,700,000	Tanzanian
		4.	Foreign Equity	\$0	
		5.	Foreign Loans	\$0	

		TOTAL	\$22,019,654	
2.	Capacity Information	Capacity per Month:	18,000 containers per annum	
3.	Employment	1.	Foreign Men	
		2.	Local Men	325
		3.	Foreign Women	-
		4.	Local Women	25
		Total	350	

5.0. BASES OF INVESTOR'S REQUEST

The investor's request focus on the extension of implementation period in the Certificate of Incentives No: 071068 which was lastly extended in 2019 up to December 2019 .PMM Estates (2001) Limited failed to implement in full the registered project because of the pandemic outbreak of COVID 19 in China which hindered timely production and delivery of cargo trucks. But also changes of Government policies, regulation and laws related with Inland Container Depots and logistics industry spearheaded by SUMATRA, LATRA and TASAC which impacted timely release of loan from commercial banks.

6.0. RECOMMENDATION

Through the file review we have noted that, the application for extension was submitted to the Centre ^{on} 11th December, 2020; principally if the extension is to be granted **will only elapse up to 31st December, 2020**. Something to take note is that; the implementation period in the current Certificate of Incentives already expired since December 2019. Eleven (11) months down the line, investor comes to renew the Certificate of Incentives under the grounds highlighted in the bullet number five (5) above. Proper submission of the request of extension of the Certificate of Incentives was supposed to make early January 2020 by the Investor. Technical administration and practices of extending the implementation period in the Certificate of Incentives pegged on the condition that; the extension of the certificate of Incentives to be granted not more ^{than} twice, but the current request to extend the implementation period submitted to the Centre **will be the third one**.


According to discussion with PMM Estates (2001) Ltd Management needs one year extension to accomplish the importation of tracks approved by TRA. If the Centre aligns to the request of the investor the extended Certificate of Incentives will cover the **wasted eleven (11) months plus new twelve (12) months** which lead **section 10** of the certificate of incentives to read as **January 2014 – December 2021**.

In view of the above we therefore recommend that, the request of the investors of extending the implementation period in the Certificate of Incentives no.71068 not to be considered unless otherwise.

7.0. CONCLUSION

Based on the significant analysis of the time taken by the investor to renew the current Certificate of Incentives which would be made January 2020 instead of December, 2020 we are of the opinion that the Centre could less consider the request of PMM Estates (2001) Limited.

We submit

Dotto Deteba  _____

Date: 23/12/2020

Julie Muro  _____

Date 23/12/2020

Mwanamkuu Hashimu _____

Date _____