

**TANZANIA INVESTMENT CENTRE  
DAR ES SALAAM**

**PROGRESS REPORT**

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned Activities for the period
  - (a) Sourcing more publishing services jobs from clients in order to exploit the full capacity of the EBM (56,000 copies per year). This involves visiting the following potential clients and soliciting for publishing jobs:
    - (i) NGOs
    - (ii) Universities
    - (iii) Colleges
    - (iv) Government departments
    - (v) Individual writers and researchers
  - (b) Aggressive promotion of EBM produced books to increase demand so as to justify printing normally (offset).
  - (c) Expansion of the retail activities of TPH, a sister company so as to fully utilize its capacity of retailing 160,000 copies per year. This will involve increased importation of relevant publications to attract more walk in customers to the shop.
2. Achievements made on the project implementation todate:
  - (a) The Espresso Book Machine (EBM) was imported, installed and is now fully functional and printing books
    - (i) A significant number of books (12,000 copies) that would have printed abroad have been printed by the EBM.
    - (ii) Reduction of warehousing costs and pilferage as the EBM prints on demand.
    - (iii) We have been able to publish books for clients (organisations and individuals) at reasonable costs who require only a few copies like 100 – 400 which in the past could only be printed at very cost using normal (offset) printing.

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- (iv) Significantly reduced turnaround for POD client jobs since we are now able to do everything (editing, designing, page layout and printing) in-house compared to the past where we had to subcontract printing
- (v) We have opened a bookshop that retails the books from the EBM and those from other publishers including books from outside Tanzania

3. Provide updated information on the following aspects;

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	1. Walter Bigendera Bgoya (47.5%) 2. Freda Kundael Mariki (30.0%) 3. Mkuki Bigendera Bgoya (20.0%) 4. Tapiwa Muchemera (2.5%)
2.	Company Communication Information	Email address	wb@mkukinanyota.com
		Mobile Number	+255 787558448
		Land Line Telephone Number	+255 22 2127031
		Physical Address (Plot No., Block No, Street, District and Region)	24 Samora Avenue, Plot Number 582/9, lala, P.O. Box 4246, Dar es Salaam
3.	Contact Person	Name	Walter Bgoya
		Position	Managing Director
		Communication Details (Email, Mobile and telephone)	Mobile: +255 784457457 Email: <a href="mailto:wb@mkukinanyota.com">wb@mkukinanyota.com</a>
4.	Incorporation	Certificate of Incorporation No.	8452
5.	TIN information	TIN Certificate No.	101-252-973
6.	Project Objective	Project Core Activity	Publishing (developing, printing and distributing books)
7.	Capacity	Project Capacity per Year	56,000 copies of books (printing only) 160,000 copies of books (book retailing)
8.	Direct Employment	Foreign-Men	1
		Foreign-Women	0
		Local-Men	10
		Local-Women	11
9.	Indirect employment	Estimated Total No.	350
		Type/areas of Indirect Employment	Authors, Illustrators/Artists, Editors, Booksellers, Designers, Artists, Printers

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**4. Project Financial Expenditure to date (USD):**

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		214,155	214,155
Plant and machinery		215,000	215,000
Vehicles/Aircrafts		55,000	55,000
Furniture		15,000	15,000
Office equipment		24,500	24,500
Insurance Cover		12,666	12,666
Pre-operational expenses		73,500	73,500
Working sub-total capital		305,000	305,000
<b>GRAND TOTAL</b>		<b>684,821</b>	<b>684,821</b>

**5. Project Financing**

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc. See table below.

	Amount (USD)	Source Country
Local Equity	180,548	Tanzania
Local Loans	504,273	Tanzania
Foreign Equity		
Foreign Loans		
<b>Total Investment</b>	<b>684,821</b>	

**6. Problems and Solution**

(a) Loss of lucrative school textbook market

Government now has sole monopoly in developing, publishing, printing and distributing school textbooks from pre-school to form six. We had invested heavily (+/- Tsh 1,000,000,000) in textbook publishing and lost that money when policy was changed wiping out the market for the privately published textbooks. To mitigate this, we have diversified into publishing academic books, general publishing and publishing for other organisations.

(b) Technical challenges with the specialised EBM (imported book printing and binding machine)



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The machine developed technical problems after operating for less than a year after installation. It was difficult to get local people with relevant skills to repair the machine. Initially we flew in an engineer from USA to fix it.

After recurrence of the technical challenges we eventually managed to get a local person we studied the machine and is now able to solve most of the problems.

- (c) Lack of trained and experienced personnel in book publishing business across all levels up to senior management level.

There are no local training facilities for the book publishing industry and the local private publishing industry is relatively young compared to other countries.

It takes not less than 7 years to train and get an experienced editor and around 10 – 12 years to get an all-round publishing executive at the level of general manager or director because all training in Tanzania happens in house and on the job. There is high turnover of local staff because of the relatively low remuneration packages in the book publishing industry and the lack of patience on local young professionals to go through the training processes required.

To mitigate this, we hired a qualified and experienced publishing executive (general manager) from Zimbabwe which has one of the strongest book publishing industries in Africa and therefore has many trained and experienced professionals in that field.

- (d) Collapse of book chain

Bookshops/book retailers who heavily depended on selling textbooks have closed their business, meaning publishers including ourselves can no longer reach the end user that easily.

To reduce the impact of this we have set up a sister company TPH Bookshop Ltd to sell our publications and those of other publishers.

## **7. Future Plans**

- (a) We intend to invest more time and human and financial resources into non-textbook publishing (publishing academic books, general publishing and publishing for other organisations) and strengthen a sister company we establish for retailing our books and those of other local and international publishers. To this end we are in the process of publishing biographies of prominent local leaders, publishing for ministry departments and regional organisations such as SADC. In the next six months we shall complete two projects whose value is close to Tsh 1,000,000,000. This will enable us to reduce our debt with banks and

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provide more working capital for publishing and printing more books with EBM. At least Tsh 300,000,000 from the projects will be set aside for working capital.

- (b) We have sold shares to Mr Tapiwa Muchechemera, the current general manager from Zimbabwe making a share holding director of the company in order to retain his services so that:
- (i) he can oversee the diversification into publishing academic books, general publishing and publishing for other organisations and also the strengthening of TPH Bookshop, our retailing sister company which he was instrumental in setting up.
  - (ii) We can complete key high value projects which will enable the company to reduce its debt and generate more working capital
  - (iii) he can continue imparting skills to new recruits including a director who is being groomed to take over the day to day running of the company in the near future

#### **8. Recommendations and any other comments**

- (a) Taxes on imported inputs like paper and inks for printing: Government could help local publishing and printing companies by reviewing these since most of the materials are imported, high taxes and duties make publishing and printing business less competitive compared to other countries
- (b) Piracy of books is a serious drain on publishers and authors. Support for Government through strengthening anti- piracy bodies and imposing severe penalties on proven pirates.