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TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT FOR PROJECT VERIFICATION VISIT TO VIETTEL (T)
LIMITED, 23/01/2020**

January, 2020

Project's Profile				
S/N	Item	Description		
1.	COMPANY NAME	Viettel (T) Limited		
2.	PROJECT NAME	Viettel (T) Limited		
3.	PROJECTS' LOCATION	Plot No. 38, Tanzanite Park, New Bagamoyo Rd Kinondoni, Dar es Salaam		
4.	PROJECTS' CORE ACTIVITIES	To construct, Operate and Provide mobile telecommunication network services		
5.	ADDRESS	P.O. Box 110230 DAR ES SALAAM		
6.	CONTACT PERSON	Mr. Nguyen Anh Son (MD); +255622686868; e-mail: sonan@viettel.com.vn ; sonanviettel@gmail.com		
7.	SHAREHOLDERS	Name	Nationality	% Share
		Viettel Global Investment	Vietnam	99.99
		General Enterprises Ltd	Tanzania	0.01

1.0 INTRODUCTION

Viettel Tanzania Limited is a private owned Company incorporated by the laws of Tanzania in 2014 holding certificate of incorporation **No.45383**. The company uses “Halotel as a brand Name”. The Company operates a TIC registered project with certificate of Incentives **No. 110102** issued on 3rd November 2014. The project’s objective is to construct, operate and provide mobile telecommunication network services.

The company has a Strategic Investor Status, which was approved by the National Investment Steering Committee (NISC) in December 2014. With such status, pursuant to the performance contract between the Investor and the Government of the United Republic of Tanzania, the project is eligible for special incentives to enable the company implement the project as per plans. The expected investment capital is 783.4m USD for the project.

2.0 OBJECTIVES OF THE VISIT

Project Verification Visit (PVV) to Viettel (T) Ltd was conducted in order to assess project’s execution progress, evaluate achievements and analyze challenges that the company is facing. Furthermore, the verification team was to review rationale for the Company’s request to extend project implementation period for the Certificate of Incentives number 110102.

3.0 PRESENT

The PVV team members present during site verification include:-

- i. Mrs. Privata Simon - Investment Facilitation Officer TIC
- ii. Mr. Leonard Mapunda - TRA Senior Customs Officer TIC
- iii. Mr. Simon Mkosamali – Senior After Care Officer
- iv. Mr. Nguyen Anh Son – Managing Director Viettel (T) Ltd
- v. Miss. Do Thi Hien

vi. Mr. Tran Ngoc Hoi

4.0 PROJECT LOCATION

The Project site is located on plot No. 38, Tanzanite Pack, New Bagamoyo Road Kinondoni, Dar es Salaam.

5.0 OBSERVATIONS, FINDINGS AND ANALYSIS

The PVV team visited the project site and held consultative discussion with Mr. Nguyen Anh Son (Managing Director), Miss. Do Thi Hien and Mr. Tran Ngoc Hoi who informed the team on the progress and implementation status of the project.

During discussion with the company's representatives, the team noted that the Investor is executing project activities or plans as per the contract. The following were observed:-

5.1 Capital invested

Since 2014 to the date of the visit, the company has invested the USD 650million, which is equivalent to 83% of the USD 783.4million the company intends to invest in the whole project.

5.2 Employment

The company has total of 950employees, whereby 78 are the foreign expatriates while 872 are local employees.

5.3 Connectivity

The company has constructed more than 17,000km own fibre optical network, also built 2220 Base Transceiver Stations (BTS) and connected 4000 villages to telecommunication network services.

Viettel (T) Ltd has been able to provide internet services to 150 district police stations, 450 schools, 150 District Council Offices, 65 post offices and 150 District hospitals.

5.4 Other Observations

After the discussion, before departure Viettel (T) Ltd Managing Director gave a New Year gift pack to each member of the team. The pack comprised of calendar, notebook, pen, a packet of coffee and an envelope containing money amounting to five hundred thousand (500,000) Tanzanian Shillings. The team reported the incident to the management immediately. All these items were declared after knowing that an envelope had money to the tune specified above.

The Management had to convene the meeting in order to discuss such an incident. In lining with the laws and regulations which govern public service, it was finally decided that all monies, totaling **one million five hundred thousand (1,500,000) shillings** to be submitted to the finance department to be part of organization income while promotional items were left to be consumed by the members of the PVV team.

6.0 CHALLENGES AND ACHIEVEMENTS

6.1 CHALLENGES

Despite of the project progress as mentioned above, the Company encountered various setbacks which depressed the project implementation. Among the noted impediments are:-

- i. High Network Installation Costs. Deploying telecommunications and internet networks in the rural areas is literally very expensive. The situation is caused by various factors such as difficulty in accessing the area due to extreme unfavorable infrastructures in terms of transportation and power also low return from rural customers, as most of them are low income earners.

- ii. Customs clearance delays

6.2 ACHIEVEMENTS

Despite the challenges, the investor managed to achieve the following:-

- i. To connect 4000 villages with telecommunication services;
- ii. Increase number of subscribers from 94,000 in 2015 to 4,400,000 in 2019;
- iii. Contribute TZS 254billion to the Government in terms of duties and taxes; and
- iv. Provide employment to locals and technology transfer.

7.0 FUTURE PLANS

In order to become competitive in the industry by provision of quality and affordable services, the company's plans is to do the following:-

- i. To upgrade network from 3G to 4G technology;
- ii. Through Universal Communication Service Access Fund, the company won a tender to extend provision of services to the deep rural areas;
- iii. Construct more 114 BTS to rural areas; and
- iv. Provide more employment and training to Tanzanians in order to impart knowledge in communication technology.

8.0 CONCLUSION AND RECOMMENDATIONS

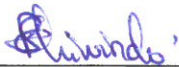
8.1 CONCLUSION

The team finds that the project is beneficial to the Country as it intends to improve the communication sector. The project has enabled the disadvantaged rural areas (villages) to access communication facilities, which has helped to easy communication and improve livelihood. The plan to work with the

Government, which aims at connecting more Government Authorities, will facilitate access the Nation.

8.2 RECOMMENDATIONS

The company is committed to implement the project as per its plan. However, in order to complete the remained activities, the company needs to import some equipment and utilize exemption facility, which previously was approved by Tanzania Revenue Authority. Considering the significance of the project to the National Economy and the amount of capital invested, the PVV team hints that the requested extension of the Certificate of Incentives to be approved.



Ms. Privata Simon



Mr. Leonard Mapunda



Mr. Simon Mkosamali

