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**TANZANIA INVESTMENT CENTRE**

**DIRECTORATE OF INVESTMENT FACILITATION**



**DIRECTORATE OF INVESTMENT FACILITATION**

**REPORT ON THE PROJECT PHYSICAL VISIT TO**

**M/S VIETTTEL (T) LIMITED**

## PROJECT PROFILE

**Company Name :** Viettel (T) Limited

**Sector :** Telecommunication

**Project Location:** Plot No. 38, Tanzania Park, New Bagamoyo Rd,  
Kinondoni, Dar es Salaam.

**Project Objectives:** To construct, operate and provide mobile  
telecommunication network services.

## SHAREHOLDERS

NAME	NATIONALITY	SHARES
Viettel Global Investment	Vietnam	99.99
General Enterprises Ltd	Tanzania	0.01
Capital to be invested	USD 783.3m.	

**CONTACT PERSON:** Mr. Nguyen Anh Son (MD)

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[sonanviettel@gmail.com](mailto:sonanviettel@gmail.com)

## **1.0 INTRODUCTION**

Viettel Tanzania Ltd is a limited company, which was incorporated in 2015 under certificate of incorporation number 52674 and “HALOTEL” as its brand name. The company has registered its project with TIC and granted the Certificate of Incentives No.110102 dated 14<sup>th</sup> November 2019. Core objectives of the project is to construct, operate and provide telecommunication network services.

## **2.0 OBJECTIVES OF THE VISIT**

TIC team from headquarters conducted physical verification visit to ascertain the level of project’s development and progress achieved, evaluated status of the project proposed activities, analyze challenges, prior to considering for extension of the implementation period as requested by the investor.

## **3.0 VIETTEL (T) LTD – THE STRATEGIC INVESTOR**

Viettel (T) Ltd was granted Strategic Investor Status on December 2014 after submitting its proposal to the National Investment Steering Committee (NISC) with this status the Project was granted specific incentives aimed at facilitating the project to implement the investment plan as per the signed contract between the Government and the Investor. As per the contract, the Investor intended to construct, operate and provide mobile telecommunication network services.

## **AGREED TARGETS**

Viettel (T) Ltd project in Tanzania had three phases of which each phase had targets as described below.

### **Phase 1**

- To construct fibre optic infrastructure and provide mobile service to 1,800 villages by November 2015.

### **Phase 2**

- To provide mobile services to 1,200 villages from November 2015- Nov.2016

### **Phase 3**

- To provide mobile services to 1,000 villages from November 2016 – Nov 2017.
- Other general targets were to inject the total investment capital of up to USD 784M, to connect through fibre optic 150 Districts Council, 150 Police Stations, 65 Post Offices, 150 Public Hospitals in Tanzania and Station and provide employment to Tanzanians.

## **4.0. OBSERVATION AND FINDINGS AS PER THE CONTRACT**

The team visited the project's headquarters and had a meeting with Company's Managing Director Mr. Nguyen Anh Son, and the following were observed:-

- i. The PVV Team found the project being executed as planned and registered activity, which is to provide mobile telecommunication services.
- ii. In five years, the project has invested USD 650m equivalent to 83% of the projected amount of USD 783m.
- iii. The project has employed 978 Tanzanians and 79 foreign employees.
- iv. During Phase 1 of the project, the Investor managed to construct its own fibre optic cables covering a total of 15,000 kms and built the total of **1,366 BTS** which covered all the villages.
- v. Phase 2 of the project, the Investor was able to build **500 BTS** and install **3,000 kms** of fibre optic to cover **1,200** villages under the contract.
- vi. In Phase 3, the Investor managed to install **2,000km** of fibre optic cables and built **354 BTS** which enabled to connect **1,000** villages under this phase.
- vii. The Investor managed to provide internet services to various Government entities, as follows:-

PLANNED ACTIVITY	PERFORMANCE	STATUS
Provide Internet services to 150 District Police stations	147 District Police stations were connected to fibre optic cable and internet services	<b>98%</b>
Provide services to 150	All 150 District Council	<b>100%</b>

District Council Offices	Offices were connected to fibre optic cables and internet services.	
Provide Internet Services to 450 schools	More than 450 schools were connected to fibre optic cables and internet services.	<b>100%</b>
Provide Internet services to 150 District hospitals	All 150 District hospitals were connected to fibre optic cables and internet and internet services.	<b>100%</b>
Provide Internet service to 65 Post Offices.	More than 65 Post Office were connected to fibre optic cables and internet services.	<b>100%</b>

#### 4.0. OVERAL ACHIEVEMENTS AND CHALLENGES

##### 4.1. ACHIEVEMENTS

During its course of implementation, the project has witnessed achievements in various aspects, as well as challenges as follows:-

- i. Through installation of almost **18,7800km** of its own Fibre optic cables, the investor has succeeded in connecting communities which are underserved (most challenging) areas.

- ii. The company has successfully obtained licenses to operate its mobile money services HALOPESA.
- iii. Since its inception, the company has paid the total of **Tshs 254 billion** as taxes to Government.
- iv. The number of subscribers has increased from **941,000 in 2015 to 4.4m in 2019.**

#### **4.3. CHALLENGES**

- i. Deployment of network in rural areas is very expensive whereas the purchasing ability of customers is very low.
- ii. Access to rural areas has been quite challenging.
- iii. There has been challenges in taxes and fees together with work and resident permits.

#### **5.0. FUTURE PLAN**

- i. Despite the challenges encounter, the Investor is planning to expand and upgrade the current mobile network at the same time capitalize on providing a very wide coverage as quickly as possible.
- ii. Increase the number of employment to local people.
- iii. Widen tax base from which the Government will benefit.

- iv. The Investor has won the tender to provide service to rural areas of Tanzania - Phase 4 of the project. The Investor is expected to invest the total of Tshs. 14 billion to cover this phase.

## **6.0. CONCLUSION**

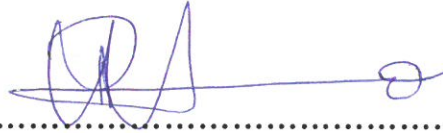
This project has been of advantage to Tanzania as the areas which did not have any communication now can communicate via Halotel networks and still the Investor is progressing to install more towers (BTS) in rural areas. Through Halotel network, the project aims at connecting more Government Authorities so as to easy communication between them.

## **6.1. RECOMMENDATION**

The period for the enjoyment of the specific incentives for this project ended in 31 November 2019, however taking into consideration the size of capital invested, the benefits of the project to the economy at large and the fact that the investor has won tender to implement Phase 4 of the Project, We are of the opinion that TIC considers extending the implementation period to enable the investor achieve the set goals.

We submit

**Phina Lyimo**

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**Zubeda A. Omari**

A handwritten signature in blue ink, featuring a large, stylized 'Z' with a horizontal line through it.

**Shaaban Mohamed**

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