

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT OF THE PROJECT VISIT TO M/S HTT INFRACO LIMITED ON
18th NOVEMBER, 2020**

NOVEMBER, 2020

3.0 INTRODUCTION

M/S HTT Infranco Limited is a local registered private limited company incorporated in the year 2010, under the laws of United Republic of Tanzania. The company holds incorporation certificate No. 80224. The project was first registered with TIC in 2016 whereby Certificate of Incentives (CoI) No. 110109 was issued. The company co objective is to install and establish telecommunication towers. About USD 776 million intended to be invested in capital goods for the installation of telecommunication towers. The company's CoI has been extended once in the year 2019. Extended certificate has expired in September 2020.

Some planned activities of the project have not been completed. The company has therefore approached the Center to extend the Certificate of Incentives so as to achieve the intended activities. Also the extension is necessary for the project to make use of the already approved fiscal incentives and lodge another list of deemed capital goods which are necessary for the project execution.

The purpose of the visit was to verify project's execution progress and establish justifiable grounds which can enable TIC Management to arrive at an appropriate decision against the submitted application for extension of the implementation period. The verification visit was undertaken on 18th November, 2020.

HTT Infranco Limited projects are located in different parts of Tanzania with its main office located at peninsula house, Toure drive - Oyster Bay Plot No. 251.

4.0 COMPANY INFORMATION

S/N	Item	Description		
1	Company Name	HTT Infranco Limited		
2	Shareholder's Information	NAME	Nationality	Shares
		Helios Towers Ltd	Tanzania	64.9
		Hs Holdings Limited	Tanzania	35.1
3	e-mail address	eleanor.ngalo@afrilex.co.tz		

	Company Communicaton Information	Phone	+255 768985300
		Physical Address	First Floor, Peninsula House, Plot No. 251, Oysterbay, Dar es Salaam
		Postal Address	P. O. Box 105297 Dar es Salaam.
4	Contact Person	Baraka Andrew	
5	Incorporation	Certificate of Incorporation No. 80224	
6	TIN	112-252-525	
7	Project Objective	To construct telecommunication towers (network infrastructure)	

5.0 PROJECT PERFORMANCE

The company was incorporated in 2010. At first the company acquired the already built towers owned by existed telecommunication companies (Tigo and Vodacom). 3661 sites have been constructed, with 5000 contractors and landlords. 91 workers have been employed. The project has contributed equivalent of USD 29.3 in terms of taxes, levies and various fees for the year 2020.

S/N	Information	Description	Status	
1	Investment Financing in (USD) (as per July 2019)	Financing Type	Amount	Source country
		Shareholders loan (Foreign)	USD 547.5 million	
2	Production Capacity	NA		
3	Direct Employment	Foreign	Men: Nil	
			Women: Nil	
		Local	Men: 66	
			Women: 25	

6.0 OVERALL ACHIEVEMENTS AND FUTURE PLAN

6.1 ACHIEVEMENTS

(i) Customer Coverage expansion.

In order to improve and expand network coverage, the company involved in building of new Telecommunication masts and adding tenancies on the existing sites. In 2020 period, despite the Covid 19 pandemic, the company built 72 sites out of which 64 are in rural areas under UCSAF rural initiative. Also 180 tenancies were added to the existing sites.

(ii) Operational Optimization

Operational efficiencies is one of the company's major priority in driving the bottom line improvement. The key part of optimization has been power cost, particularly reducing fuel consumption by reducing generator runtime and enhancing grid connectivity and use of TANESCO's grid often. In the year 2020, 53 sites were connected to grid. To attain this, the company invested in transformers and powerlines.

(iii) Network Stabilization

In the course to implement various project undertakings, the company's focus has been to improving and sustaining operational performance. Major transformation has been possible through digitization of network management and monitoring activities as well as deployment of equipment and systems to improve power reliability on network.

(iv) The company owns 3661 towers across Tanzania, while total investment costs is USD 700 million. Ninety one (91) workers have been employed, all being Tanzanian nationals.

6.2 FUTURE PLAN

The 2020 planned activities were not implemented because of the factors which were beyond the management's control. The outbreak of global pandemic (Covid-19) affected implementation of the project as the company had to scale down operations. Also global

lock down halted access to the tower construction materials. Based on that the company intends to accomplish all pending 2020 planned activities as follows

- (i) Acquiring and bringing to the required standards 150 sites, as only 180 were acquired out of 330 which were in 2020 plan
- (ii) Build 128 towers. In the year 2020, the company plotted to construct 200 towers, but only 72 were built.
- (iii) Employ 82 more workers

7.0 CHALLENGES ENCOUNTERED.

During the visit the company reported some negative factors which affected the project not to achieve the plans which were to be implemented in the year 2020. Some of them were:

- (i) TRA delayed endorsement
While the TIC certificate was issued effective from 01st September 2019, TRA indorsed exemption on 06th January 2020 whereby the global pandemic (Covid 19) started affecting supply chain globally.
- (ii) The Covid 19 Pandemic.
The company started to procure some imported capex goods/materials from mid-January, conversely by March 2020, majority of the overseas manufacturer faced total lock-down, therefore production was suspended until mid-May 2020. This implies that from the time of receiving TIC certificate, the company started utilising exemption facility by May 2020, where only remained with 3 months before the certificate expires in August 2020.
- (iii) Grid Availability
Most of the tower sites are located in rural areas where there is no access to grid power. This requires investment in power grid expansion equipment (eg. Transformer) and services to enable grid connectivity to the locations. This will help to contribute to two Government's key initiatives of rural electrification and UCSAF, which are respectively aimed at extending power grid availability and network coverage in rural areas. Also the company has installed solar systems on some sites.

8.0 RECOMMENDATIONS

Information and Technology is one of the vast and fast growing sector in the country. Demand for communication and network services are also rising but the available infrastructures/network facilities cannot suffice the actual available demand. Rural areas are the most affected which need special initiatives to be adopted to respond to the situation. Huge investment is required in terms of infrastructures and technological advancement in the sector.


HTT Infranco Limited is a sole enterprise which install and establish telecommunication towers throughout Tanzania for leasing space to telecommunication companies, TV and Radio Stations. With such initiatives, it has been possible for a large part of the country especially urban areas to have access to the communication and network facility. However there is a big gap in rural areas. The company intends to strengthen such services in rural areas.


Due to Covid-19 pandemic, the company did not execute the 2020 plans to the full capacity, only 72 out of 200 sites (towers) were constructed and only 180 tenancies were added to the existing sites out of the planned 330.


Also by September 2020, the Certificate of Incentives which has been once extended just attained the fourth year, which is below the optimal period of five year for the certificate to be further extended.

Based on the above remarks, we suggests extension for the Certificate of Incentives No. 110109 should be approved.

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Ms. Julie Muro


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Mr. Leonard Mapunda


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Linda Mutafungwa


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Grace Mgonda