

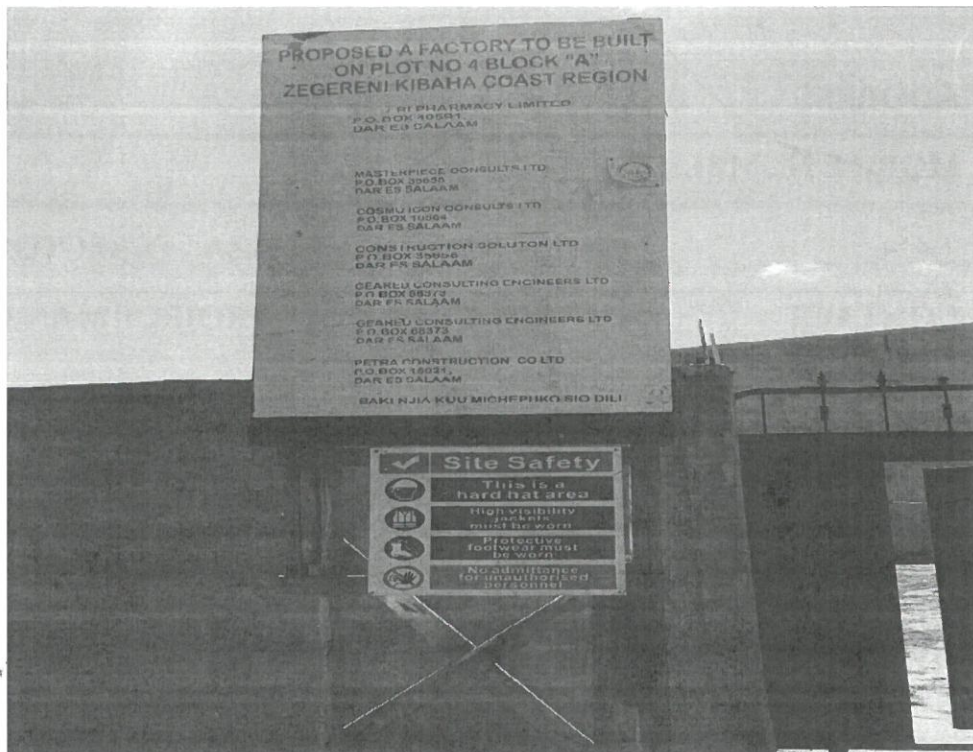
TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

REPORT ON THE VISIT TO M/S VISTA PHARMA LIMITED, PLOT NO. 4,  
BLOCK "A" ZEGERENI, KIBAHA DISTRICT, PWANI REGION ON 24<sup>TH</sup>  
JULY 2020



JULY 24<sup>TH</sup>, 2020

<b>Project's Profile</b>				
<b>S/N</b>	<b>Item</b>	<b>Description</b>		
1.	COMPANY NAME	VISTA PHARMA LIMITED		
2.	PROJECT LOCATION	PLOT NO. 4 BLOCK "A" ZEGERENI KIBAHA-PWANI REGION		
3.	PROJECTS' CORE ACTIVITIES	TO ESTABLISH A PROJECT FOR MANUFACTURING PHARMACEAUTICALS WITH INITIAL INVESTMENT COST OF USD 5 MILLION		
4.	ADDRESS & MOBILE NUMBER	P. O. Box 40591, DAR ES SALAAM. Tel: +255754264153 CHURCHILL I. KATWAZA - DIRECTOR		
5.	CONTACT PERSON	DAVID LUTABANA - PROJECT MANAGER		
6.	SHAREHOLDERS	<b>Name</b>	<b>Nationality</b>	<b>% Share</b>
		Churchill I. Katwaza	Tanzanian	40
		Qian Chuntuo	Chinese	60

## 1.0 BACKGROUND

M/S Vista Pharma Limited was incorporated on 17<sup>th</sup> May 2012. The Company is registered by TIC and issued with Certificate of Incentives No. 042278 of 31<sup>st</sup> August 2012. The Company's objective is to establish and operate Pharmaceuticals Manufacturing Project at Plot No.4, Block "A" Zegereni, Coastal Region (Pwani). The Company intends to manufacture human essential medicines in the form of tablets and syrups. The type of medicines includes Cotrimoxazole, Paracetamol, Erythromycin, Multivitamins, Ciprofloxacin, Ibuprofen and Metronidazole.

## 2.0 OBJECTIVE OF THE VISIT

The objective of this Project visit was to get a verification gauge to serve as an indicator that the applicant actually ordered and would have been hampered by the COVID 19 delays.

## 3.0 PRESENT

The following participants were present during project verification visit (PVV)

- |       |                       |   |  |
|-------|-----------------------|---|--|
| (i)   | Bevin Ngenzi          | - | (Eastern Zone Manager-TIC)                     |
| (ii)  | Linda Mutafungwa      | - | (Senior Environmental Management Officer- TIC) |
| (iii) | Christopher OT Migoha | - | (Principal Drug Registration Officer TMDA-TIC) |
| (iv)  | Grace Mgonda          | - | (Investment Facilitation Officer-TIC)          |
| (v)   | David Lutabana        | - | (Vista Pharma Limited Project Coordinator)     |

## 4.0 PROJECT'S LOCATION

The project site is located at Plot No. 4, Block "A" Zegereni, Kibaha District, Pwani Region. The site covers total area of estimated 3.8 hectares. The project is accessible through gravel Zegereni Road. The site is boarded to the Northern side by Hong Yu Steel (T) Co. Limited, Southern side is Faccon Animal Feeds Limited, Eastern is un-developed open land and Western side is Zegereni Road.

## **5.0 OBSERVATIONS AND FINDINGS**

The PVV team managed to visit the project site to ascertain the level of development of investment which has been attained. The team held consultative discussions with Mr. David Lutabana (Project Coordinator) who informed the team about the progress and implementation status of the project.

The following are the key issues which were observed: -

### **5.1.0 Overall Achievement**

The project has been developed for approximately 80% to completion mainly administrative and plant buildings, other amenities are not installed at the site. However, three building structures are under construction i.e. administrative block, office block and canteen block.

#### **5.1.1 Plant Building**

Plant building is at the finishing stage. Wall structure has been erected, roofing is done. Wall plastering has been done, while flooring is on progress (Refer Photo 1). In addition, the team was informed that Twiga Cement was out of stock due to high demand in the market leading to shortage of raw material supply to the facility.

#### **5.1.2 Administrative Building**

Is a two storey building which has been constructed. Plastering and Skimming is complete, wiring is also done whilst main entrance door is being fixed. Other doors and windows are yet to be fixed (Refer Photo 2).

#### **5.1.3 Other Amenities**

The project site (area) has no access to major utilities like water and electricity from the main source. The team was informed that two standby generators will be installed in case of power outage. Furthermore, the team was told that the project will access water on-site ground well for industrial and domestic purpose.

## **6.0 CHALLENGES**

The project coordinator informed the PVV team, that the Company failed to accomplish its implementation activities within stated period as revealed in the Certificate of Incentives due to unpredicted circumstance such as; -

- (i) Delays of arrival of machines and equipment due to COVID pandemic which caused closure of manufacturing industries in China from the month of February 2020, when the company was due to order machines. The Company expectation was by end of May machines were to be shipped from China.
- (ii) Due to COVID Pandemic, there was delay in the machinery shipment to facilitate the process which aggravated the situation to become worse off. The PVV team was availed with Proforma invoice of 21<sup>st</sup> June 2019 (Appendix I) from M/s HUBEI ORIENTAL PHARMA IMPR. & EXP.CORPORTAION that compose an initial agreement between the seller and the buyer. Partial payment of 30% down payment was made on 18<sup>th</sup> November 2019 and 20<sup>th</sup> December 2019 (Appendix II).
- (iii) Poor road infrastructure was another hindrance to accessibility to the project site. The team was informed that during the Month of April and May Zegereni Road was inaccessible to the plant.
- (iv) TANESCO transformer is not yet installed at the site. This is anticipated to cause delay and increase operational cost through the use of Diesel Generator during the installation of machines.
- (v) The Municipal water system is not yet installed to the industrial area, this also will increase operational cost as well as delay in project take off.
- (vi) Future problem anticipated include shortage of pharmaceutical factory skilled staff to meet the market demand
- (vii) Shortage of raw material supply such as Portland cement (Twiga Cement) from the domestic market has caused delay in finalizing the finishing of flooring within the plant.

## **7.0 FUTURE PLAN**

The Company's future plan activities for the forthcoming six months is described herein below; -

- (i) Complete all construction works of the three (3) buildings (plant block, office block and canteen block) including water and electricity installation utility connections.
- (ii) Procure, install, and test the machineries for trial batches before starting production.
- (iii) Source and recruit human resources for factory operations.

## **8.0 RECOMMENDATIONS**

The Company's Certificate of Incentives is now seven year old. This is the third time the project is applying for extension. Given the nature of the project and the challenges encountered from the beginning it is reasonable to consider the request once more. The Company is committed to complete the project activities despite the setbacks that has composed the history of the project throughout the implementation timeline.


Despite the explained challenges, pharmaceutical is among the most priority sector as the country import more than 80% of the local demand, there is a requisite that the investors in this sector should be adequately nurtured and facilitated.

According the evidences gathered by team it is evident that the project was frustrated by the occurrence of COVID 19 pandemic. The proforma invoice was obtained timely, down payment for the consignment was effected in November and December 2019. Shipping could not be possible because China (the supplier) was locked and therefore being impossible to deliver the equipment under any circumstance.

Basing on the reasons advanced by the company and the facts gathered by the team, and the plain truth that pharmaceutical industries compose strategic sectors that highly need investment, we are of the opinion that it is reasonable to extend the project implementation once more for one more year.



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**Bevin Ngenzi**



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**Christopher OT Migoha**



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**Linda Mutafungwa**



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**Grace Mgonda**



**Photo 1: Plant Building**



**Photo2: Administrative Building**



**Photo 3: Installation of Production lines**