

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM**

PROGRESS REPORT

(Information required for the project's progress report after every six months)

1. PLANNED ACTIVITIES FOR THE PERIOD FOR THE PAST SIX MONTH AND BEFORE

As per the procedure, this is the Progress Report for the past six months (January 2020 to June 2020).

The planned activities for the past six months were;

- a. Receiving of the factory machinery and start machinery installation activities
- b. Completing building finishes and install the required furnishes ready for use
- c. Completing the factory landscaping and gardening as well as other outside buildings like parking and guard hut etc.
- d. Put in place the utility source infrastructures for the factory, like electricity and water.
- e. Start the process of sourcing and recruiting the human resource for the factory operations
- f. Starting the pharmaceutical product trial runs process

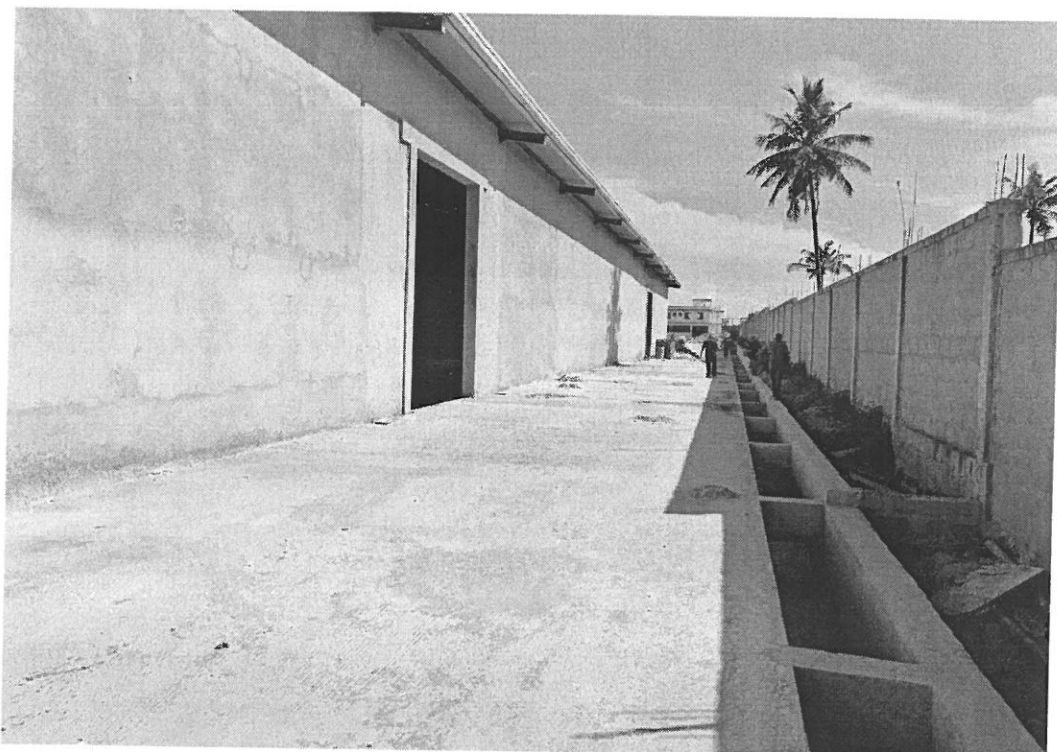
2. ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION FOR THIS PERIOD OF SIX MONTHS (JANUARY 2020 TO JUNE 2020):

Planned Activity	Achievement in the past six month	Remarks
Receiving of the factory machinery and start machinery installation activities	The machinery production delayed due to the worldwide issue of COVID-19 pandemic, and hence the machines were not shipped and	Now the machinery production is complete and ready for the shipment. The first consignment of machinery expected to

	received to our factory.	be shipped on 25 th June 2020.
Undertake the factory building finishes and required furnishes ready for use	The factory building finishing delayed due to the COVID-19 pandemic, but at low scale still some of the construction activities proceeded. The main factory floor concrete construction is under the final stages, and expected to be completed before the end of June 2020. The internal factory walls especially fire walls, have been completed and plastered. The factory main gates are complete and installed, factory drainage system is installed and complete. Other finishes are underway.	It is expected that, by the end of November 2020, all building finishing activities will be completed, and machinery installations have started.
Completing the factory landscaping and gardening as well as other outside buildings like parking and guard hut etc.	The factory main entrance roads and landscaping is complete.	Other factory landscaping activities are underway.
Start the process of	The recruitment of the	Other staffs will

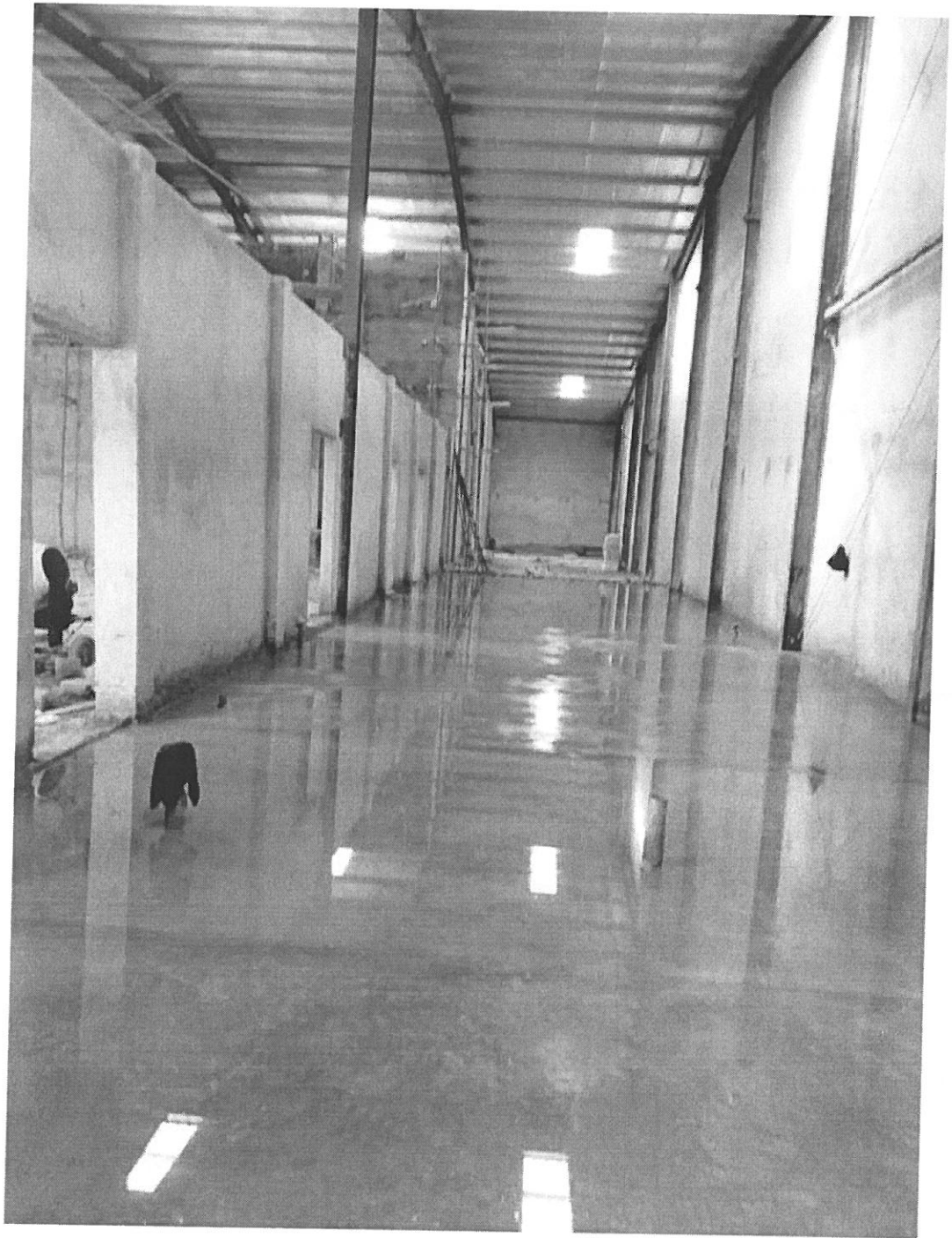
sourcing and recruiting the human resource for the factory operations	first phase key staffs is underway.	progress stage by stage as the requirement arise.
Starting the pharmaceutical product trial runs process	Product formulas and raw materials, as well as the product Artworks are being finalized.	The trial productions will start as soon as possible from the TMDA GMP approved factory.
Put in place the utility source infrastructures for the factory, like electricity and water	Water borehole is in place and providing water for the factory construction. And the electricity transformer purchase is being finalized with all TANESCO logistics to install the electricity	Expect the transformer installation to be complete before September 2020.

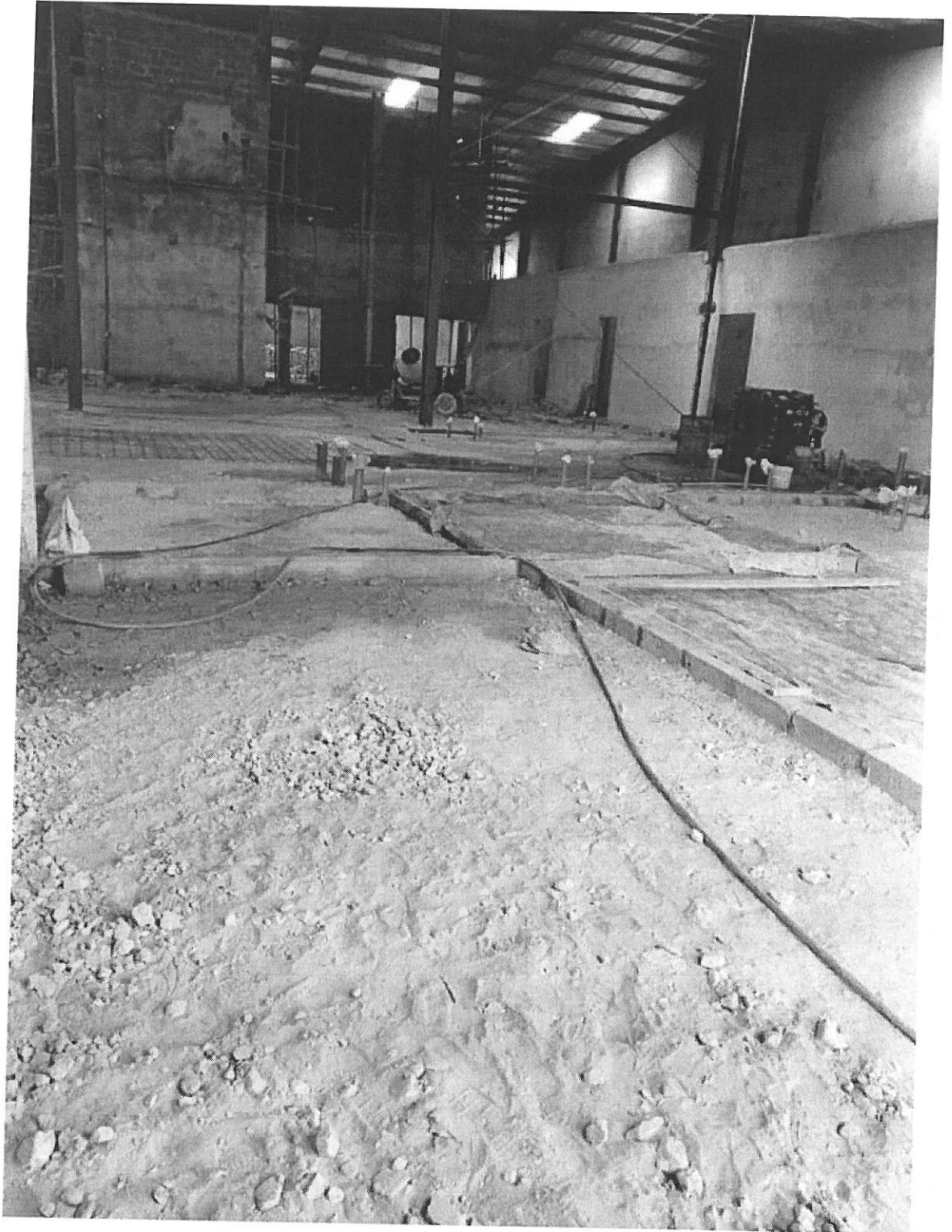
Factory main entrance roads



Factory floor concrete and factory wall partitioning construction under final stages.







3. Project Financial Expenditure to date:

Up to March 2020, the Contractors and Machinery suppliers, as well as pre-operations expensive providers, have been paid **TZS 8,992,897,442/=**.

4. Project Financing

The project is financed through shareholders' equity and bank long term loan

5. **Problems and Challenges faced**

The major problems we are facing are as follows;

- a. The road toward the factory. The road is still poor and sometime not passable during the rainy season. The critical point is that, the machinery suppliers have warned us that, they will not ship the machines till the road towards our factory is well done and smooth, in order to avoid machines' damage. They are not ready to be responsible for any damage if the damage is caused by our poor road.
- b. TENESCO transformer is not yet installed at our site. This will delay and increase the cost of using our own generators during machinery installation, and building finishes. Also, the TPDC has not yet the natural Gas infrastructures to facilitate the supplying of natural Gas for industrial use. This would have minimized the cost of factory energy required.
- c. The Municipal water system is not yet installed to our industrial area. This increases the cost of sourcing water for the factory uses. But also, there is not common municipal waste water collection centre from all factories after pretreatment. This would have eased the process of waste water disposing.
- d. Some neighboring factories (e.g. the neighbor steel manufacturing factory), has not installed the smoke controlled system, for controlling the factory generated smoke, which pollute the area, and might also cause the contamination to our factory surrounding air.
- e. There still no good coordination between TRA, TIC and TMDA in terms of identification and verification of pharmaceutical factory construction material, raw materials, and factory machines and equipments. This might cause the goods clearance delay again at the port, once the factory machines are shipped.
- f. Has the country is currently not having enough pharmaceutical manufacturing skilled staffs, to meet the market demand. We suggest to the government to establish a special working permits for the foreign skilled staffs we are going to hire from experienced countries like China and India. The areas to be considered is the number of the

staffs allowed, the cost of the respective working permits, the duration of the validity of the working permit issued.

6. Future Plans for the coming six months

The future planned activities for the next coming six months are;

- a. Receiving of the factory machinery and start machinery installation activities
- b. Completing building finishes and install the required furnishes ready for use
- c. Completing the factory landscaping and gardening as well as other outside buildings like parking and guard hut etc.
- d. Installation of electricity transformer
- e. Proceed with staff recruitments
- f. Starting the pharmaceutical product trial runs process

The financial plan of the project progress for the coming six months will be equity and bank long term loan.

7. Recommendations and any other comments

It is recommended that, the period of the Incentive Certificate for projects issued by the Tanzania Investment Center (TIC), to be extended from current period of 3years to at least 5 years. This will be the reasonable period to cover any possible incidents when the project is forced to be delayed due to any reason, and hence avoid frequency of the applications to the TIC for the extension of the incentive period of various projects which get delayed due various reasons.

Yours sincerely,


David Lutabana

Project Manager

VISTA PHARMA Ltd

Tel: +255 788 430836 or +255 754264153

Email: ck@baharipharma.com Or davidlutta@gmail.com