

KAIRUKI PHARMACEUTICALS INDUSTRY LTD

Incorporated in Kairuki Health and Education Network (KHEN)

13

192.Zegeleni Industrial Area
Kibaha Municipal
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Ref: No.KPIL/TIC/EM/2/2021

06/04/2021

Director General,
Tanzania Investment Centre (TIC)
P.O Box 938,
Dar-es-Salaam



Dear Sir,

RE: APPLICATION FOR EXTENSION OF CERTIFICATE OF INCENTIVES.

Reference is made on the above heading.

Kairuki Pharmaceuticals Industry Ltd secured Certificate of Incentives no. **015068** which expired on 31st January 2021. Our project is still not yet completed due to various reasons:

(i) Effect of Corona COVID -19

Corona pandemic has delayed the project for six months, as machines installation was planned since September 2020 but started in February 2021 due to lockdown from various countries and flights restrictions.

(ii) Non-existent and or inadequate Infrastructure.

The nearly 5 km dirty road, that connects our factory to the main road, becomes impassable when ferrying construction materials, equipment and machines especially during the rainy season. This impeded progress, especially during the transportation of highly sensitive and fragile equipment slated for transportation to the site between March and June.

(iii) Lack of steady and adequate power supply.

Though regionally designated as an industrial area, the Zegereni area, in which our factory is located and which already boasts the presence of more than 15 factories, does not have steady and adequate power supply.

(iv) Lack of natural gas

There are four natural gas generators at site with 350Kw each but can't operate as negotiation and discussion are going on with TPDC for natural gas. The pending matter has led to another importation of diesel as backup which will in turn requires more than twelve weeks for production and shipping.

(v) Lack of DAWASA services

The entire Zegereni industrial area including our factory lacks reliable and sufficient DAWASA services in form of clean water supply as well as liquid sewerage management infrastructure for the entire area involving a common **sewerage treatment plant**.

(vi) Clearance of Pharmaceuticals Machines

There were substantial delays on clearance of various machines like gas generators, Air handling unit (AHU), pharmaceuticals clean room materials which was caused by mis-conception of respective items hence their harmonized system (HS) codes. On top of time delays was a huge tax which was out of project budget.

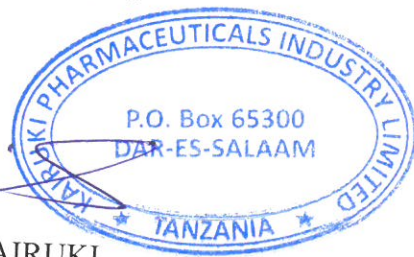
(vii) Challenges with regard to securing loans from our local banks.

Most our local banks prefer to lend their money to ongoing/established projects rather than start-ups or green field projects, especially high-risk pharmaceuticals manufacturing projects in their attempt to minimize risk.

We are kindly asking your good office for 1 year extension for completion of project.

Thanks in advance for your cooperation.

Yours Faithfully,



DR. MUGANYIZI KAIRUKI
PRINCIPAL PROMOTER.

Attachments:

Original Certificate of Incentives
Progress Report
Works Programme