

Progress Report

§ Project Details

Project name	T-BETTER INDUSTRIAL PARK LIMITED
Location	PLOT NO.1-4 & 20, 29-31 BLOCK H , MWANAMBAYA, MKURANGA, PWANI
Grant	TANZANIA INVESTMENT CENTER
Reporting period	10 TH AUGUST 2018 ~ 01 ST APRIL 2020
Report compiled by	ZHU ZI HAO
Date submitted	01 ST APRIL 2020

§ Summary

In the first stage of the project, a total of 30,000 m² standard modern Workshops & Warehouses are deployed and fully occupied by factories of foot-ware, transformer, battery, luggage and suitcase and motorbike spare parts.

In the meanwhile, the creation of variable jobs and business of middle and small scale for the local inhabitants was also achieved.

The total investment has reached more than 11 million dollars in the first stage of the project.

§ Breakdown of the investment Capital

Infrastructure & Insurance

Item	Description	Qty.	Total Expenses
1	Land		574,000 USD
2	Civil Works		9,000,000 USD
3	Roads Construction		400,000 USD
4	Insurance		53,000 USD
	Sub Total		10,027,000 USD

Expenses on civil engineering vehicles & other vehicles

Item	Description	Qty.	Total Expenses
1	Wheel Loader	3	200,000 USD
2	Excavator	1	50,000 USD
3	Crane Truck	1	30,000 USD
4	Dump Truck	2	20,000 USD
5	Heavy Hauler	2	100,000 USD
6	Fork Lift	2	20,000 USD
7	Mini Van	2	20,000 USD
	Sub Total		440,000 USD

Equipment

Item	Description	Qty.	Total Expenses
1	Traveling Crane	3	30,000 USD
2	400 KW Generator	1	50,000 USD
3	500 KW Transformer	3	50,000 USD
4	1000 KW Transformer	1	50,000 USD
	Sub Total		180,000 USD

Office, Supporting & Entertaining Equipments

Item	Description	Qty.	Total Expenses
1	Furniture		20,000 USD
2	Office Electronic Equipments		10,000 USD
3	Television		5,000 USD
4	Air conditioners		10,000 USD
5	Kitchen Equipments		10,000 USD
6	Fitness Equipments		10,000 USD
	Sub Total		65,000 USD

§ Capital Composition

The following table summarises the composition of the investment capital during the reporting period:

Partner / Stakeholder	Relationship update
Mr. Zhu Jin Feng	Director and main shareholder with capital investment of 80%
Mr. Zhu Zi Hao	Director with capital investment of 20%
China Dasheng Bank	Loan provider of 8 Million dollars

§ Challenges & Lessons Learned

The following table summarises the challenges we have faced during the reporting period and the lessons learned for each challenge.

Challenge	Lessons learned
<i>Describe challenge</i>	<i>Describe solutions and lessons learned</i>
Taxation barriers for foreigner	Different tax rate for Tanzanian nationality and alien nationalities on certain taxes rate. NO SOLUTION.
Extremely High rate on Taxation	Extremely high income and VAT tax rate caused difficulties for further investment budget plan. NO SOLUTION.
Extremely Unfriendly Taxation Rules and Laws for foreign investor	Unfriendly and extremely high penalization rate leaves investor no choice but to waste much time and energy on solving taxation problems caused by unfamiliarity of local policies. NO SOLUTION.
Occasionally Unproper Treatment	Especially when dealing problems with lower level government offices and officers. No matter how much effort investor tried, during inspections of government offices, inspectors and officers will always stick on very minor faults instead of helping investors to solve problems and encouraging the dedications of investment. Especially some of the requirements were made and used only in very developed countries with perfect infrastructure and highly civilized society which are totally inconsiderable and difficult to achieve in Africa at present. All these causing extremely waste on money and time instead of investing on machineries, management and creating more jobs.

	<p>When disputation happens between investor and employees, instead of helping to solve problem smoothly, law enforcements and officers preferably choosing side without proper investigation or consideration of difficulties in language and cultural barriers as foreign investor facing at. Any officers, police petrol, fire department, immigration, environment, TRA, Police jamii, Sekrikari ya mtaa if they want, they can, anytime, anywhere, by any reason, take foreign management under custody for hours, days even moth or years without considering the proper management requirement of the investment or even basic rights of individuals, which is a neglecton of the Investment Act of Tanzania. Intimidation leaves investors no choice but to yield for the purpose of causing less harassment and keeping focus on management. NO SOLUTION.</p>
Interference On Management	<p>Total neglecton of investors will of hiring their favourable foreign employees. Instead of swiftly deploy human resource and start business operating, investor needs to waste much money and energy on applying various permits instead of focusing on business operation. Authorities of the government have power to reject favourable candidates for positions created by investor without recommendation of equivalent candidates or even refund the payment of the rejected application. Instead of improving and optimizing education system to create a competitive labour resourcing market, authorities choose the most violent and simple way of shifting and transplanting responsibilities to vulnerable foreign investors. It is unfair for the person who get rejected and his employer to see a decision which made by a authorized person who has never diped his toe into the relevant field or without better understanding of the need of the investor only because he has the power. No investor is willing to hire a foreign candidate with higher price instead of hiring a well prepared local candidate with an attractive price, after all seeking profit is the ultimate goal of the investor. NO SOLUTION.</p>

§ Further plan for the next 6 month

- Kick off the second stage of the project
- Achieve a further 5000 m² civil work on workshops and warehouses.

Budget for the next 6 month on civil works is an estimate of 150,000 USD.

§ To TIC

We are deeply appreciating the help of TIC, especially in this extremely difficult period of investment. In the past 17 month, we found TIC is the most effective office we have dealing with, and almost all direct problems like tax exception on capital materials and machineries, acquiring licenses and permits, property entitlement etc. are solved under the help of TIC office and officers.

In the meanwhile, we totally understood that not all problems can be solved by TIC only, even if it tried its very best. But all it did were enough to encourage us to the continuation of the implement of our investment in Tanzania despite of those unfairly harassment brough by others.

We are thanking you for all your devotion and help on the achievement of our project, and willing to work and bond tightly with you in the future.