

**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:**

Since our last progress report the company has had to invest further in machinery and equipment in order to comply with excise requirements. The company faced a period of closure as it invested in machinery required to comply with the changes to the Excise Management act, specifically with requirements to further automate production to satisfy Electronic Tax Stamp Management System (ETSMS). We are still awaiting several components to complete the production line as per our required specification, but have already met and exceeded the ETSMS requirements.

**2. Achievements made on the project implementation to date:**

The company has faced many challenges since the concept of the business was set due to ever changing regulations from the banning of liquor sachets to the implementation requirements for compliance to ETSMS. We have been getting fantastic support from our local tax office in order to ensure compliance as well as various other government organizations such as NEMC, GCLA and TBS who have also been of great assistance to us in offering guidance wherever and whenever necessary.

**(i.e. from the date the project was approved to the date of writing the report)**

**Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.**

In order to comply with various regulations, the company has built facilities on their rented property such as toilets, showers, changing rooms and storage rooms. The company continues to acquire supplies of raw materials for production from Tanzanian companies. Apart from flavors - which are not available in the Tanzanian market - the company relies on local Tanzanian supplies for 99.9% of its product raw materials. The company has installed an automated production line production which has resulted in an increase in output which will further help the company expand in the future.

### 3. Project Financial Expenditure to date:

	<b>Foreign</b>	<b>Local</b>	<b>Total</b>
Land and Building	-	-	-
Plant and Machinery	-	207,709,859.36	207,709,859.36
Vehicles/Aircraft	-	88,762,711.00	88,762,711.00
Furniture	-	-	-
Office Equipment	-	18,443,723.09	18,443,723.09
Insurance Cover	-	6,555,748.00	6,555,748.00
Pre Operational Expenses	-	-	-
Working Sub Total Capital	-	672,788,213.02	672,788,213.02
<b>GRAND TOTAL</b>	-	<b>994,260,254.36</b>	<b>994,260,254.36</b>

### 4. Project Financing

**Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc.**

The project has been financed through equity and continued investment through its own capital generation over the period since conception till date.

### 5. Problems and Solution

Our main problems are the changes in regulation which require us to make changes with very little notice. The solution to this would be to give us a period of notice that would allow us to make the necessary changes to comply with new regulations etc. without the need to close production whilst changes are made to comply with new regulations.

### 6. Future Plans

The company currently rents its premises which are becoming too small for our future expansion plans which include processing of raw materials available in Tanzania and include the export of current and future products. This means we would be looking to invest in building a facility that would allow us to meet those goals.

### 7. Recommendations and any other comments

We would welcome further support from the TIC in order to know how it can continue to benefit our expansion plans.

### 8. ETC

No other comments, thank you for your continued support.