

**PROGRESS REPORT**

**INTRODUCTION:**

Hotait Group is a Company registered in Tanzania holding a Certificate of Incorporation No 113725 of 12<sup>th</sup> December 2014 and Certificate of Incentives No 071240 of 9<sup>th</sup> June 2015 from Tanzania Investment Centre.

The company was established with the objective of engaging in overland cargo transportation project to be supported by an infrastructure vehicle support services that will serve other customers. Despite various difficulties faced during the implementation period we have managed to fulfill the objective of project establishment to a great extent.

**1. Achievements made on the project implementation todate:**

Since establishment of the project we have strengthened our base in Dar es Salaam and have established a wide network with a number of players in the transport sector and suppliers plus customers who are visiting our workshop for consultation and support services (Annex I)

1.1. We have also set up a yard with the related workshop and go-downs as well as offices and stores which are essential to our daily operations

1.2. We have also installed a modern technology Electric pump diagnosis repair and services equipment for taking care of heavy Duty Motor vehicle which is being used by us as well as other transporters(Annex II & III)

1.3. We have been able to acquire two low bed heavy duty motor vehicle for transporting heavy duty equipment to the remote sites (Annex VI)

1.4. We are offering services of transporting heavy equipment across the country, currently some of the equipment are at MwalimuNyerere Hydro power project operating in the ongoing construction

1.5. We have acquired a dumper and an excavator for the same reasons all this being an effort to make our business sustainable.(Annex IV& V)

2. The current information of the company is provided in the below matrix:

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	AliHaidarHotait 45% ; HamzeHaidarHotait 50% ; Ahmad NabilHotait 5%. All of them are Lebanese
2.	Company Communication Information	Email address Mobile Number Land Line Telephone No. Physical Address (Plot No., Block No, Street, District and Region)	<u>Hamze@hotaitgrouptz.com</u> <u>+255 655 668071</u> <u>Kilwa Road, Plot #6A,</u> <u>kurasini, Dar es Salaam</u>
3.	Contact Person	Name Position Communication Details (Email, Mobile and Telephone)	HamzeHotait Director Tel: +255 655 668071
4.	Incorporation	Certificate of Incorporation No.	113725
5.	TIN information	TIN Certificate No.	127-242-658
6.	Project Objective	Project Core Activity	Transportation and support Service
7.	Capacity	Project Capacity per Year	
8.	Direct Employment	Foreign - Men	2
		Foreign - Women	0
		Local - Men	5
		Local - Women	2
9.	Indirect Employment	Estimated Total No. Type/areas of Indirect Employment	20

### 3. Project Financial Expenditure todate:

	Foreign (USD)	Local (USD)	TOTAL (USD)
Land and Buildings	-	40,000.00	40,000.00
Plant and Machinery	2,044,000.00	0	2,044,000.00
Vehichles/Aircrafts	160,000.00	16,086.96	176,086.96
Furniture	200,000.00	0	200,000.00
Office Equipment	0	8,000.00	8,000.00
Insurance Cover	0	4,304.35	4,304.35
Pre-operational Expenses	104,340.00	0	104,340.00
Working Sub-Total Capital	0	0	0
<b>GRAND TOTAL</b>	<b>2,508,340</b>	<b>68,391.31</b>	<b>2,576,731.31</b>

### 4. Project Financing

	Amount (USD)	Source Country
Local Equity	68,391.31	Tanzania
Local Loans	0	Nil
Foreign Equity	2,508,340	Lebanon
Foreign Loans	0	
<b>Total Investment</b>	<b>2,576,731.31</b>	<b>2,576,731.31</b>

### 5. Challenges and Solution

The major challenges faced during the whole period of implementation has been instability of the world economy and other factors that are universal. However, the factors that impacted our project include:-

- The calamity that occurred last year in Lebanon due to eruption of combustive material that claimed a lot of lives and affected our source of capital.
- World economic crisis that caused slowdown of economy worldwide.
- Outbreak of COVID19 pandemic which we are still experiencing its repercussions. There has been limited movement of both people and cargo due to restrictions and sanctions imposed by nations.

- Cumbersome procedure in obtaining bank loans to boost our business.

With these challenges, we had to reduce of expansion plans and cut costs in order to survive. Now that things are more stable. We plan to go ahead.

## 6. Future plans

After having succeeded in establishment of the project, we are now in a process to expand our business in accordance to the operating business requirements to make it profitable and sustainable. In the coming near future we plan to venture into the transporting and rental of heavy machinery.

- 6.1. Adding more equipment for renting to support the ongoing strategic projects of Tanzania for instance the MwalimuNyerere Hydro Power in Rufiji, the Standard gauge rail way from Dar esSalaam to Mwanza and the other infrastructure construction in the country.
- 6.2. To expand the business transportation of heavy duty equipment to the remote sites
- 6.3. To expand the workshop to support the transportation services of the heavy duty equipment to sites where they are needed.
- 6.4. To do all these we need to pump in more funds and co-opt personnel with expertise in the two areas for achievement of the objective. As such we need to add a shareholder to the company who apart from pumping in funds is expert in Mechanical engineering and therefore will make achievement of the target certain. The shareholder is expert is a graduate in Mechanical Engineering who is experienced in the field and therefore the company badly need this individual now.
- 6.5. The shareholder among other things will be in charge of transport and rental section services to ensure that the pumped in capital attain the expected internal rate of return to the project.

## 7. Recommendations

As investors we need support from the Government in order to be able to sustain our projects, create more employments for Tanzanians, pay taxes and bring new technology for improved work environment. Currently Hotait Group need external support in form of adding a **shareholder** to be able to revamp the project activities.

IMAGES OF THE PROJECT SITE AND EQUIPMENT



*Customer vehicles waiting for diagnosis (Annex I)*



*Modern Fuel pump diagnostic machine( Annex II)*



*Diagnostic and repair section(Annex III)*



*Heavy equipment for hire (Annex IV)*



*Another heavy equipment for Hire (Annex V)*



*Low bed Heavy duty motor vehicle (Annex VI)*