

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM**

**PROGRESS REPORT FOR M/S EUROPLAST LIMITED
FOR THE PERIOD BETWEEN MAY 2017 AND APRIL, 2020**

1. PLANNED ACTIVITIES FOR THE PERIOD:

The initial stage was that of setting up the factory & office and plans for the business. We are glad to report that the Company managed to conduct all the initial setup and requirements for the business and the factory is now running.

The subject factory is now manufacturing the PVC Profile as intended and meet Tanzania market except there is unfinished work that requires about one year to set up machines for other lines of production to meet export business particularly East Africa (EA) Market and help the Tanzanian Government to earn foreign currency.

**2. ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION
TODATE:**

We wish to report that the Company has already set up the factory on Plot Number 169, Block A, Economic Zone, Bagamoyo, Coast Region and started the manufacturing of PVC Profiles.

The Company has also managed to set all essential machines and facilities that meet the requirements of the factory. The PVC profile under production, meets the country demands except for export business particularly EA market. The factory is producing averagely of 1,800,000kg per annum.

The owners of the factory also managed to set out and start producing other line of production for other commercial products, namely (i) Karibu shoe polish, (ii) Caps and Handles, (iii) Electric Switch Tap-Top, (iv) Wet wipes, (v) Baby Shampoo & Pocket Shampoo, (vi) Hygienic Baby Oil, (vii) Dish Washing Liquid and Lili Cleaning Bleach and (viii) Liquid Soap

The Company created employment to the locals and increase revenue to the individual level and the nation as well. The multiplier effect on setting up this factory is beyond and far than expected. We also have long-term plans that relate to developing Bagamoyo area with its

wards in infrastructure, education and all sects of development as part of our Corporate Social Responsibility (CSR) resolution.

We have managed to get cooperation from the Local authorities and locals around the area, and this has gained us welcoming and good working environment. Hence this brings us prosperity in our business operations.

3. PROJECT FINANCIAL EXPENDITURE TODATE:

During the period under review, a total of **Tzs. 8,300,000,000** equivalent to **USD 3,608,695.65** was injected for PVC Profile business. The projected investment cost was too high as compared to the actual amount invested into the business because the Company managed to get machinery and other factory equipment at a lower cost as compared to the initial estimated cost.

The invested amount comprises of funds for initial operational cost, cost for the purchase Machinery and Equipment. Please note that other cost for other products mentioned in this report were not included as they are not part of the subject project.

4. PROJECT FINANCING

The project was financed through Equity.

5. PROBLEMS AND SOLUTION

The Company face some challenges in our daily encounters. In summary, currently Tanzania Bureau Standards (TBS) has been one of our challenging places in terms of time. Our products' analysis and results delay to be provided due to the merger that happened between TBS and other Authorities. In minimizing this challenge, we have been trying to provide whatever needed by TBS on time and request this to be looked at.

There is also a challenge from the merger that also took over between the Tanzania Medicine and Drugs Authority (TMDA) and the Food authority (TFDA) that has made most of our products to delay from the tests and experiments. This has caused us not to be able to deliver products timely to the market for consumer demands. We are now working closely with the Authority to resolve the sitting challenge.

The other challenge is on acquisition of Work and Residence permits. As the law states, foreign workers or experts need to acquire work permit before engaging in any activity within the country, therefore this has been a challenging situation as the application for such permits take longer to be granted. Taking an example, the Labour

commission has set that permits will be out in seven (7) days from the day it has been applied for but it may take a month or even longer. In our nature of operations, we need experts to assist to run machines and repair them time to time, and they cannot do that since they do not have permits, hence makes our operations lagged down and cause inefficiency.

There have been multiple compliances that we need to abide to apart from the mentioned earlier, and these are like OSHA, Municipality's just to mention a few. We would not say that they are not important, but we would kindly ask for your discretion to at-least rank them that which can just allow operations pending others. Sometimes, we are unable to operate just because of the compliance that could be put in a little wait but in result makes us slow in operation at entirety. These compliances, if they were made in an expeditious way, then they could not be a problem, but since they take long in their completion, then this has caused us always when complying to them be in delay to many of our operations.

6. FUTURE PLANS

The Company plans to expand its PVC Profiles to meet EA Market and that's why we are requesting TIC to grant the Company 1-year extension for the same.

Apart from other line of production mentioned above, the Company intends to expand its operation in Tanzania and start manufacturing furniture and fittings starting year 2020.

7. RECOMMENDATIONS AND ANY OTHER COMMENTS

We appreciate the work that TIC is doing and looking forward to receive more guidance and advice so that the Company runs efficiently and for the benefit of the Company.

For nature of our operations, we could advise the Government to at least find incentives and exemptions to facilitate our operations and maximize productions to cover demands all over the country and outside territories. We are manufacturers with the aim to bring Tanzania to the industrialisation map and compete in the market as any other local company.

We wish also to notify the Authority that on 07th of January, 2020 we changed the Company name from Europlast Limited to **M/s. Instablue Industries Limited** for business purposes. See the attached copy of a certificate of change of name for TIC records.

8. ETC.

We apologise for late submission of the report and assure you on timely submission of report as directed and guided by your respectable office.

We once again request the Authority to accept our request for extension of time for twelve (12) months period from the operative date.

In case of any clarification, we are available to avail. Thank you.

Yours Sincerely,



Huseyin Gerçek
MANAGING DIRECTOR

