



TANZANIA INVESTMENT CENTRE

PROJECT VERIFICATION VISIT REPORT

ON

**APPLICATION FOR EXTENSION OF IMPLEMENTATION PERIOD AND AMENDING
THE CERTIFICATE TO INCLUDE A NEW PIECE OF LAND**

BY

FRUITTANZ LIMITED

23/10/2020

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1.0 INTRODUCTION

M/S FruitTanz Limited is a TIC registered project holding a TIC Certificate of Incentives No.043264 dated 13th June 2017 granted for purposes of establishing and operating a fruit processing project in Korogwe District.

The project is located at Plot No. 13-16 Block "A", Korogwe Industrial Area within Korogwe Town Council.

On September 30, 2020 FruitTanz submitted to TIC an application for extension of implementation period to facilitate the setting up of a new fruit juice processing factory and Derivative Right application, as the extended certificate will be added with new plots of land.

The TIC Northern Zone Manager conducted a project physical verification visit (PVV) recently for purpose of generating PVV Report that would enable the Executive Director to make a decision on the investors' request.

2.0 PROJECT VISIT FOR VERIFICATION (PVV)

2.1 Findings

During the visit, our Zonal Manager observed and discussed with the company's Managing Director, Ms. Rachel Tocklu some developments on the site as follows:

2.1.1 Company's General Information obtained at the site

Table 1- Company information

S/N	Information	Description	Current Project Status		
			Shareholder	Nationality	Percentage
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Rachel Tocklu	Dutch	98%
			Lidia T. Belay	USA	2%
			Total		100%
2.	Company Communication Information	Email address	<i>info@fruittanz.com</i>		
		Mobile Number	+255 785 080044; 620 856973		
		Landline Telephone Number	N/A		
		Physical Address (Plot No., Block No, Street, District and Region)	Plot No. 13-16, Block "A" Industrial Area, Korogwe Town Council, TANGA		
3.	Contact Person	Name	Rachel Tocklu		
		Position	Managing Director		
		Communication Details (Email, Mobile and telephone)	+255 785 080044; 620 856973 <i>info@fruittanz.com</i>		
4.	Incorporation	Certificate of Incorporation No.	135010 dated 8 th May 2017		
5.	TIN information	TIN Certificate No.	134-149-272 dated 26 th July 2017		
6.	Project Objective	Project Core Activity	Fruit processing and packaging		
7.	Project's Capacity	Project's Production Capacity per Year	1,500 MT in the 1 st Year, 3,000 MT in the 2 nd Year to reach 11,000 MT in the 5 th Year		
8.	Direct Employment	Foreign (Men)	1		
		Foreign (Women)	1		
		Local (Men)	4		
		Local (Women)	21		
9.	Indirect Employment	Estimated Total No.	70-100		
		Type/Areas of Indirect Employment	Harvesters, Farm Cleaners, Pruners, Transporters, etc		

2.1.2 Project's Financial Expenditure

Table 2- Financial Expenditure

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		3,176	3,176
Plant and Machinery	410,461		410,461
Vehicles/Aircrafts		5,542	5,542
Furniture		5,416	5,416
Office Equipment			
Insurance Cover			
Pre-operational Expenses		220,377	220,377
Working Capital		78,854	78,854
Total	410,461	313,365	723,829

2.1.3 Project Financing

The project has been financed as shown in the table below.

Table 3- Financing

	Amount (USD)	Percentage	Source Country
Local Equity			
Local Loans			
Foreign Equity	147,134	20%	USA
Foreign Loans	576,692	80%	The Netherlands
Total Investment	723,829	100%	

2.2 Challenges

It was further observed and briefed that the project had experienced some challenges that to some extent slowed down the pace of project's business. These are such as:

- 2.2.1 The current rented building for fruit processing business situated at Plot No. 13-16, Block "A" Industrial Area in Korogwe Town Council is not very suitable for fruit juice production activities.
- 2.2.2 The rented building owned by Korogwe Anglican Church is found within the railway reserved area something that puts the investment at risk. The law requires that all structures erected within 30 metres either side of the railway to be demolished to enable smooth train operation as well as implementing expansion programmes. *See a Letter from Korogwe Town Council and TRC respectively presented as Annex I with this report.*

It is in this context that the project promoters decided to purchase a piece of land where they plan to set up a new fruit juice processing factory.

3.0 CONCLUSIONS

In view of the findings above, the following are our conclusions regarding the objective of the PVV:

- 3.1 The investors appear to be serious with the proposed project. The reasons provided for the need for extension period seem to be genuine;
- 3.2 The implementation of the company's proposed activities is per TIC Certificate of Incentives No. 043264. *See Project Pictures presented as Annex II with this report.*

- 3.3 Challenges reported by project promoters are sound;
- 3.4 This is the investors' first application for extension of implementation period;
- 3.5 The investors have already injected about US\$ 723,829 in their project in the first three years of implementation which is above the investment capital threshold required for projects which are wholly owned by foreign investors. This is a healthy investment effort;
- 3.6 From economic point of view, grant of the requested extension of the implementation period for this company will generate substantial benefits to the community and project promoters.

4.0 RECOMMENDATIONS

From the above findings and conclusions, I wish to recommend the following:

- 4.1 That, the company's efforts in investment and challenges reported above justify approval of the additional extension of the implementation period applied for. This will assist investors to reallocate from Plot No. 13-16 Block "A" Industrial Area to a new purchased site area located at Plot No. 138 Block "A" New Korogwe Area within Korogwe Town Council;
- 4.2 That, based on the Land Act of 1999 Section 20 which requires foreign investors to obtain land for investment through Tanzania Investment Centre, where a "Derivative Right" is granted, we are of the opinion that TIC approves the extension of one (1) year in order to facilitate amendment of their Certificate of Incentives and Derivative Right processing.

I humbly submit,



.....
Daudi Riganda

ANNEX I



KOROGWE TOWN COUNCIL

(All Correspondence letters should be addressed to Town Director)
P.O.Box: 615, Telephone: 027-2650050 Fax: 027-2650075
E-Mail: info@korogwetc.go.tz/korogwetowncouncil@gmail.com
Website: www.korogwetc.go.tz
KOROGWE, TANGA, TANZANIA

Ref. Na:KTC/I.1/02/58

Date:25/06/2018

THE DIRECTOR
FRUIT TANZ LIMITED,
P O BOX 223,
KOROGWE.

REF: THE ASSURENCE TO USE ANGLICAN GODOWN LOCATED AT KOROGWE
TOWN COUNCIL FOR ESTABLISHMENT OF AN INDUSTRY.

Here with we refer to the letter sent by the RAHCO dated 12 May 2017 regarding
demolishing of the Godown (Industry area plot 13-18) Block 'A'

Korogwe Town Council has received a latter from Director General of TRC. with
reference No. CA. 278/293/199/O1B dated 19th June 2018 regarding to the assurance
that will not demolishing the Godown for two years starting from 1st July. 2018 up to 30th
June 2020.

With this letter please find an attached letter from TRC for your reference

Thank your for your continuing cooperation.


Jumanne K. Shauri TOWN DIRECTOR
Town Director KOROGWE TOWN COUNCIL
KOROGWE TOWN COUNCIL. KOROGWE

Copy: Secretay,
Anglican Church
KOROGWE

SHIRIKA LA RELI TANZANIA

Simu: +255 22 2112695
Nukushi: +255 22 2116525
+255 22 2127404
Barua pepe: md@rahco.go.tz

Ofisi ya Mkurugenzi Mkuu
S.L.P. 76959
Dar es Salaam
TANZANIA

Unapojibu tafadhali taja:
Kumb. Na.
CA.278/293/199/01E

Tarehe: Juni 19, 2018

Ndugu Jumanne K. Shauri,
Mkurugenzi Halmashauri ya Mji,
S.L.P. 615,
KOROGWE.

**YAH: OMBI LA KUMRUHUSU MWEKEZAJI WA KIWANDA CHA MATUNDA
KUTUMIA GHALA LA ANGLICAN LILILOJENGWA KWENYE HIFADHI
YA NJIA YA RELI**

Nimepitia barua yako Kumb. Na. HMK/J.I/VOL.02A/13 ya tarehe 24.05.2018 pamoja na muhtasari wa kikao cha timu iliyotembelea Korogowe tarehe 24.05.2018.

Halmashauri ya Mji ihakikishe kuwa eneo lililokuwa sahihi kujenga ghala linaainishwa kwa "Becon" ili Kanisa lichukue jukumu la kuanza mchakato wa kulisogeza kabla ya TRC kulibomoa.

Hata hivyo kwa maombi yako maalum kwa ajili ya Mwekezaji na kuzingatia maslahi mapana ya wakulima wa matunda Tanga, bila kusahau Tanzania ya Viwanda, natea kibali cha muda wa miaka miwili (2) tu kuanzia tarehe 1 Julai, 2018 ili kiwanda hicho kianzie hapo na baadae kihamishwe eneo muafaka ili kutoa nafasi ya ujenzi wa reli ya kisasa toka Tanga-Arusha-Musoma kufanyika. Tunategemea ujenzi huo uanze baada ya miaka miwili (2).

Nashukuru kwa ushirikiano wako,

SHIRIKA LA RELI TANZANIA


Masanja K. Kadogosa
MKURUGENZI MKUU

ANNEX II
PROJECT PICTURES





