

EAST AFRICAN BORN WOOD COMPANY LIMITED

P.O. BOX 2040

DARES SALAAMI

PROGRESS REPORT

Introduction:

EAST AFRICA BORN WOOD COMPANY LIMITED is a Foreigner Company incorporated under the companies Act 2002. The Certificate of incentives was issued on 9th February 2018 by Tanzania investment Centre with main objective to establish facilities for plywood, medium density fiber board (MDF), timber sawmill and related products production

Project sought to improve timber sub sector by investing in timber value addition in Tanzania by introduction new facilities with technology from India that are consistent with the requirement of Tanzania and global standard

1. Planned Activities:-

Some of the activities expected to take place include the following:-

- Providing necessary soft landing for the capital to be invested in realizing the project the Company
- The company managed to acquire at Luganga approximately 100 acres of land where the industrial building and other facilities have been constructed and other to be completed within 5 years by 2026

2. Achievement made on the project:-

EAST AFRICA BORN WOOD COMPANY LIMITED vision is to increase availability of company products locally and globally with high quality, in ensuring this the company has implemented the followings:

- **Constructions of industrial building:**

The company has commenced construction of industrial building with 10,000 square meters costing US\$ 300,000

- **Procurement Machines**

The company is planning to produce medium density fiber board (MDF) 1mCBM, Plywood 10M CBM and timber saw mill, the total machines to cost US\$ 400,000

- **Employment**

Currently 70 Tanzanians women's 40 and Men 30 have been employed temporally and in the near future the company is planning to employ more than 100 Tanzanians on the completion of the project, our mission is to make sure the project is completed within 2 years from now.

- **Capacity**

The factory will be open from 08 to 06pm some of raw materials used capacity utilization 75% for 4590 quantity per year

3. Project Financial Expenditure todate:

	US\$	Local	Total
	Foreign		
Land and Buildings	300,000		
Plant and Machinery	400,000		
Vehicles/Aircrafts	150,000		
Furniture & Fittings	20,000		
Pre expenses	45,000		
Others	5,000		
Working capital	<u>130,000</u>		
GRAND TOTAL	1,050,000		

4. Project Financing:

The project is financed by shareholders contribution.

5. Problems and Solution

- Failure to get capital investments: As per plan all capital investment is expected to be done by shareholders contribution through cash generated from business invested in China however the business operated in China was not doing well as it was expected to various reasons but currently the business is stable

and it is generating cash flows enough to be injected in Tanzania business

- Power cut: Power cut and unstable power supply has always been a big problem because machines cannot function without reliable power supply.
- Availability of raw materials: For sustainability of project the company has been applying allotment of wood from Tanzania Forest Services (TFS) without any success, the management is very optimistic in near future the government will think and give priority to investors who add value timber products.

6. Future Plans

- Provision to training to local staffs our next three years plan is ensuring we improve training to local staffs and employ more employees to reach the target of 100 Tanzanians
- Promotions of local contents they will ensure we localize the contents and promote the local produced timber related products

- Increase of exports The company is planning to increase exports by introducing company products in Kenya, South Africa, Rwanda, Uganda, Burundi etc

7. Recommendations and Comments

Less delay in issuing respective licenses in Ministries and Division concerned

Submitted by:

EAST AFRICA BORN WOOD CO.LTD



HAOXU FU
DIRECTOR

