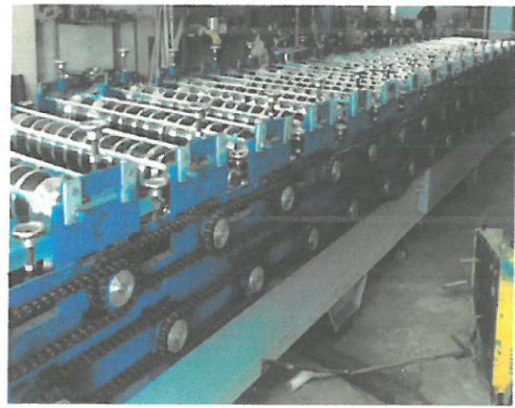


PROGRESS REPORT - 2021



P.O BOX23432
DAR ES SALAAM
Date: 2021



**PROGRESS REPORT
BATI BOMBA TANZANIA LTD.**

Introduction.

Bati Bomba Tanzania Ltd is a private owned registered under companies *Act of 2002* with Incorporation Certificate Number **138003175** issued in **October 2018**. The Company is based in Mbozi Road, Temeke – Dar es Salaam Tanzania.

Planned Activities and its status

Metal Roof manufacturing involves several processes and steps. It is imperative to be careful and give utmost attention to every process to ensure the highest level of quality standards are achieved in the final product.

So far we have invested in latest Chinese high-tech roll forming machines for manufacturing of Aluzinc roofing sheets to trade them in the local market with desire to expand the business more following an extensive market potential for the Aluzinc roofing sheets in both rural and urban areas with huge desired to capture the **EAST AFRICAN** regions.

Our core objectives

- a. To foster the growth of Aluzinc roofing sheets business in Tanzania.
- b. To reduce dependence of external sources for importation of Aluzinc roofing sheets.
- c. To promote the local market for Aluzinc roofing sheets
- d. To promote export market for locally produced Aluzinc roofing sheets
- e. To promote growth and expansion of private sectors and manufacturing sector
- f. To provide employment opportunity to majority Tanzanians and few high skilled foreign workforces.
- g. To promote skill development (Human resources development) through on job training and SDL
- h. To promote the industrialization policy and transfer of technology.
- i. To ensure income generation, poverty alleviation and improvement of social economic welfare
- j. To contribute and facilitate government revenue collection through paying different direct and indirect Tax including DL, WHT, P.A.Y.E etc.

Achievements made on the project implementation to date:

1. Profit generation of **110,000 USD** in 2019 to **120,000 USD** in 2020
2. Fostering growth of Aluzinc roofing sheets business in Tanzania.
3. Promotion of local market for Aluzinc roofing sheets
4. Provision of direct and indirect employment opportunity to locals and few high skilled foreign workforces.



5. Promotion of on-job training and technological transfer i.e skill development and production of quality Aluzinc roofing sheets using high tech machines.
6. Promotion of the industrialization policy and transfer of technology.
7. Generation of government revenue and facilitate revenue collection through paying different direct and indirect Tax including DL, WHT, P.A. Y.E etc.

Project Financial Expenditure to date:

	Foreign	Local	Total
Land and Buildings	-	50,000 USD	50,000 USD
Plant and machinery	300,000 USD	-	300,000 USD
Vehicles/Folk Lift		50,000 USD	50,000 USD
Furniture	-	-	-
Office equipment	-	-	-
Insurance Cover	-	25000 USD	25000 USD
Pre-operational and other expenses	-	25,000 USD	25,000 USD
Working sub-total capital	-	50,000 USD	50,000 USD
GRAND TOTAL	300,000 USD	200,000 USD	500,000 USD

Project Financing

There are a wide variety of funding sources available for this project including: -

- **300,000 USD** - Equity/Share Capital - from the owner/shareholders of the company which is raised through the company shareholders. In exchange for their investment they receive a share of the profits through a dividend.
- **200,000 USD** - Loan - generally have higher rates of interest and are less flexible as payments need to be made for a pre-agreed amount and at a pre-agreed time. Loans can be repaid in stages or at the end of the loan period

Future Plans

- a) To increase production volume and capacity
- b) To extend market to neighboring countries i.e exportation
- c) To install new advanced technology
- d) To invest in local staff training and localization
- e) To buy ram material from local producers



Problem to manufacturing sector,

The constraints and challenges facing the manufacturing sector particularly BATI BOMBA (T) LTD were analyzed in progress report. The report highlighted five broad categories of the major challenges facing the country's manufacturing sector including us and these are:

i) **Technical challenges:** unreliable power supply, use of old machines and equipment; lack of proficient manpower; and inadequate information and communication technology were the most important issues.

ii) **Administrative challenges:** issues range from the macro level (policy dimension) to the micro level (firm-specific administrative conditions). With regard to the policy arena, manufacturing is constrained by ineffective policies, particularly because of poor enforcement of laws, complex legal and institutional frameworks, as well as a disapproving attitude towards the use of locally produced goods which has led to overconsumption of foreign products.

iii) **Financial challenges:** difficulties in accessing financial resources and the high cost of capital, which can be explained by the fact that firms operate largely on borrowed capital acquired at high interest rates; raw material and other inputs are expensive; depreciation of the nominal exchange rate that adversely affects the cost of imported inputs; and unbearable cost of energy.

iv) **Market challenges:** competition from products produced abroad. Some imported goods, which are more price-competitive than those made in Tanzania are low-quality counterfeits.

v) **Policy challenges:** policy hindrances include tax laws, local government bylaws, environmental legislation requirements, etc., payable to both the central and local governments. Among other concerns is the waste disposal question which has not been addressed adequately. Weaknesses in firm-specific policies, comprising among others, the lack of human resource incentives and motivation.

Solutions - What our noble government should do?

Following our conclusions of this report, some important policy implications are to be emphasized. The outstanding policy issues are focused on addressing the observed challenges and constraints to Tanzania's manufacturing sector:

- i. **Power generation** should be expanded to build confidence in the reliability of electricity supply to manufacturers. Gas and other reliable sources of energy, those not susceptible to weather changes like hydro-generation, have to be prioritized. Speeding up the implementation of the national Power Systems Master Plan is of utmost importance for the growth and development of the manufacturing sector.
- ii. **Enhanced investment in science and technology** should be given greater weight to stimulate industrial development. On this front, allocation of more funds to



postgraduate education on specialized manufacturing programmes and applied research are a prerequisite. This will promote knowledge and skills development as well as a wider application of ICT.

- iii. **To foster competition in the market**, targeted action to control the import of cheap counterfeits should be put in place and enforced across all types of imported goods.
- iv. **Further modification to tax reform is recommended.** Tax rates have to be reviewed and synchronized to reduce multiple procedures, to lower compliance costs, and to eliminate all nuisance taxes.
- v. Measures need to be taken **to promote the consumption of domestic goods** so as to build a tradition of consuming Tanzanian-made products and thus expand the market for local articles.
- vi. **Financial reforms have to be continued.** Attention needs to be directed on lowering financial risks in the market to help reduce interest rates. This is pertinent to decreasing the cost of capital.
- vii. Monetary policy, and in **particular exchange rate management**, have to be implemented for greater price stability. This is necessary for controlling the costs of machinery/equipment and intermediate inputs procurement.
- viii. **Regulatory agencies have to be reorganized.** Efforts are needed to guide the regulatory process so that the multiplicity of the regulators is eliminated. This is essential for reducing costs, and enhancing regulation effectiveness and coherence.

Thank you,

BATI BOMBA (T) LTD.

