

25

**TANZANIA INVESTMENT CENTRE**

**DIRECTORATE OF INVESTMENT FACILITATION**



**EASTERN ZONE**

**REPORT ON PROJECT VERIFICATION VISIT TO M/S BNBM BUILDING  
MATERIALS INDUSTRY (TANZANIA) LIMITED CONDUCTED ON 28<sup>th</sup> OCTOBER,  
2021**

**OCTOBER, 2021**

## 1. INTRODUCTION

BNBM Building Materials Industry (Tanzania) is a private company incorporated on 8<sup>th</sup> February 2018 with Certificate of Incorporation number 141123 under the laws of the United Republic of Tanzania. The company is located at Plot No. 1, 14, 15, 16, 17, 18 and 19 Block D, Zegereni, Kibaha, Coast Region. It has the project for manufacturing gypsum boards and gypsum powder, and this project is registered at TIC with Certificate of Incentives number 018149 issued on 23<sup>rd</sup> November 2018. Furthermore, the project implementation period was July 2018 – June 2021.

## 2. COMPANY INFORMATION

S/No.	Item	Description		
1	Company Name	BNBM BUILDING MATERIALS INDUSTRY (TANZANIA) LIMITED		
2	Shareholder's Information	<b>NAME</b>	<b>Nationality</b>	<b>Shares (%)</b>
		BNBM Public Ltd. Co.	China	70.00
		Sunshine Group Ltd.	China	30.00
3	Company Communication Information	<b>Phone</b>	+255 658032008	
		<b>Physical Address</b>	Zegereni Kibaha– Coast Region	
		<b>Postal Address</b>	P. O. Box 31299 Kibaha	
4	Contact Person	Prosper Ernest		
5	Incorporation	Certificate of Incorporation No. 141123		
6	TIN	136-139-479		
7	Project Objective	To establish a project for manufacturing gypsum boards and gypsum powder.		

## 3. ACTUAL PROJECT PERFORMANCE

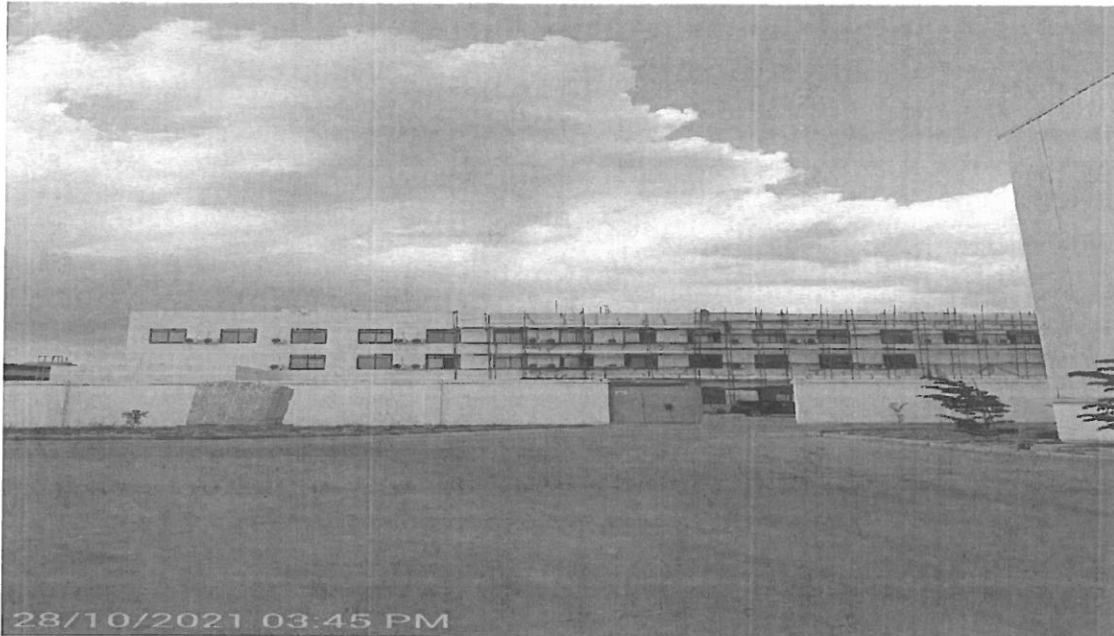
S/No.	Information	Description	Current Status	
1.	Investment financing amount	Financing type	Amount (USD)	Source Country
		Local Equity		
		Local Loans		
		Foreign Equity	1,000,000	
		Foreign Loans		
		Total Investment	1,000,000	
2.	Capacity	Project capacity per year	15m Square meter per year	
3.	Direct Employment	Foreign Men	11	
		Foreign Women	1	

S/No.	Information	Description	Current Status
		Local Men	280
		Local Women	120
4.	Indirect Employment	Estimated Total No.	200
		Type/areas of Indirect Employment	Materials supply, transport of materials and goods, goods selling agents, cafeteria services

#### 4. FINDINGS

Project Verification Visit (PVV) aimed at assessing project's status, evidence of delayed implementation and planned activities. The team managed to visit the premise of the investor and it discovered that, on average the project currently implementation is **95%**. Before March, 2018 they bought the Factory (Plot No. 1, Block D) from Sunshine gypsum Limited. They then added 6 plots on November 2018 (Plot No. 14, 15, 16, 17, 18, and 19) so as to upgrade the machine which was used by Sunshine gypsum Limited. After that, they planned their project implementation in four phases: 1<sup>st</sup> phase was for land acquisition (completed), second phase was for construction of office building and production line building (95% completed), 3<sup>rd</sup> phase was for machine installation (95% completed), and 4<sup>th</sup> phase was for machine testing and initialization (continuous). Therefore, currently they work on the remaining 5% of construction of office building and production line and machine installation, plus they will finalize testing the installed machines (once imported) for quality production.

**Pictures which show the office building, production line and raw materials.**



Office building



Production line



Raw materials (Gypsum stones)

## 5. CHALLENGES

The project encountered the following challenges which amongst them were the main reasons for delay to implement project as planned:-

5.1 Closure of industry. An industry was closed for one year due to COVID 19 Pandemic, from March 2020 to March 2021. This resulted to decrement in stocks as there was zero production, also there was decrement in staffs' payment as they were paid Gross salary only with zero allowances (See attached payments for evidence)

5.2 Delay in securing Labor permit. They had faced difficulties to secure Labor permit for the person who had to run key machine in the production line. They were told to look for the expert from local universities, where as they tried without success. Then they had to appeal more than three times, until when they were granted the permit. (See appeal letter and responses for evidences)

5.3 Price change due to COVID-19 pandemic. During project implementation, COVID-19 pandemic caused significant adverse impacts in the business since price of containers from China rose for more than three times. (See attached letters and invoices which show how they experienced such hindrances).

5.4 Definition of different machines at TRA. While importing machines, they had to pay full amount of tax to some machines because it was difficult for custom officer to understand them. This is due to the fact that those machines were imported in pieces and not as the whole machine.

5.5 Unsuitable machineries. During installation and testing phase, some machinery and their accessories underperformed and yielded insufficient results (technical incompatibility). Therefore, they have to change parts of their machines, (For example, motor and generator) so as to have machines with good performance and accuracy.

## 6. FUTURE PLANS

The company's plan is to finalize installation of machines, training of staff and increase production which they plan to start exportation.

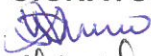
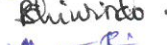


## 7. PVV RECOMMENDATIONS AND CONCLUSION

The team is satisfied with the project progress because; despite the fact that it has faced many challenges, it is almost full developed within a short period of time (three years). Therefore, the team recommends extension of implementation period for one year so as to enable BNMB accomplishes the remaining 5% of its project plan. Nevertheless, it should also be noted that, the project has already exploited the list of machines from TRA list, but they currently want to change few machines which have been underperforming from the list.

## PRESENTS

1. MS. JULIE MURO	TIC
2. MS. PRIVATA SIMON	TIC
3. MR. NOEL A BOMANI	LABOUR
4. MR. STEVEN MKAMA	TBS
5. MR. PROSPER ELNEST	BNBM
6. LIU JING JING	BNBM

## PREPARED BY

S/NO.	NAME	SIGNATURE
1.	MS. JULIE MURO	
2.	MS. PRIVATA SIMON	
3.	MR. NOEL A BOMANI	
4.	MR. STEVEN MKAMA	

Date \_\_\_\_\_