

MINISTRY OF INVESTMENT, INDUSTRY AND TRADE

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



PROJECT VERIFICATION VISIT REPORT

ON

APPLICATION FOR ADDITIONAL EXTENSION PERIOD OF THE CERTIFICATE

BY

SAFARI CREW TANZANIA LIMITED

CONDUCTED ON 23rd JULY, 2022

PROJECT'S PROFILE				
S/N	ITEM	DESCRIPTION		
1.	Company Name	Safari Crew Tanzania Limited		
2.	Project Location	Plot No. 133 & 141 located at Baraa, Arusha		
3.	Projects' Core Activities	To establish tour operations		
4.	Address	P. O. Box 14288, ARUSHA		
	Mobile Number	+255 784 779 977		
5.	Contact Person	Hilal Gadi Mwanga Managing Director		
6.	TIC Certificate of Incentives	Number: 032231		
		Date of Registration: 1st September, 2016		
7.	Present Ownership Structure (Shareholders)	<i>Name</i>	<i>Nationality</i>	<i>Percentage</i>
		Multichoice Safaris Ltd	Tanzanian	60.34%
		Rocco Lastella	Italian	34.48%
		Marsha Mwanga	Tanzanian	5.18%
8.	Total Investment Cost (To-date)	USD 421, 000 equivalent to TZS 795,680,000		
9.	Current Status of the Project	Partially established and operating. The project is expected to be in a full swing by December 2023		
10.	Project Capacity (No. of Vehicles Available)	18		
11.	Manpower Total (Nos.)	24		
12.	Future Investment Plans	Procure more tourist vehicles and camping equipment		

1.0 BACKGROUND

Safari Crew Tanzania Limited (SCTL) is a TIC registered project with Certificate of Incentives No.032231 issued on 1st September 2016 with the sole objective of establishing and operating tour activities.

Recently, the Tanzania Investment Centre (TIC) received a letter with reference number SCTL/PR/TIC/1/22 dated 30th June 2022 from SCTL requesting an extension of the TIC Certificate of Incentives due to previous problems faced during the implementation of the projects. Among the mentioned challenges that faced the company are the COVID-19 pandemic that hit their investment hard, the long illness of one of their company's directors, and financial constraints. Upon receipt of this letter, on 21st July 2022, the Acting Director of Investment Facilitation (DIF) instructed our office to conduct a project's physical verification visit (PVV) to verify the reasons given.

On Saturday, 23rd July 2022 our Zonal Manager, Mr. Daudi Riganda conducted the PVV exercise on SCTL for purpose of generating a PVV Report that would come up with recommendations following investors' request for an additional extension period to accomplish the project implementation.

- **Project Activities**

M/S Safari Crew Tanzania Limited registered its project at Tanzania Investment Centre (TIC) where it was issued with Certificate of Incentives No. 032231 dated 1st September 2016 with the sole objective of establishing and operating tour activities in Arusha.

- **Project Location**

Safari Crew Tanzania Limited project is located on Plot No. 133 & 141 Baraa Area in Arusha, Tanzania.

2.0 VISIT OBJECTIVES

- **Overall Objective**

To examine the rationale behind the investors' application for an additional extension period to accomplish the project implementation

- **Specific Objectives**

- To evaluate the implementation status of the Company's proposed activities as per TIC Certificate of Incentives No. 032231 dated 1st September 2016;
- To analyze the Company's achievements and challenges to date;
- To assess the Company's need for an additional extension of the implementation period.

3.0 PVV METHODOLOGY

The following is the methodology applied in obtaining data/information required for this report:

- a) Physical examination of the project site, observation of the ongoing activities at the site; and determine whether the ongoing activities at the site correspond with the company's proposed activities (as per TIC Certificate of Incentives);
- b) Verify the progress of the project;
- c) Interview Mr. Hilal Gadi Mwanga, collection and analysis of data/information given to verify challenges reported to TIC; and
- d) Review copies of relevant documents submitted to TIC and take site photos.

4.0 INTERVIEW, OBSERVATIONS, INTERVIEW AND FINDINGS

- **Implementation Status of the Company's Proposed Activities**

During our physical visit at the site it was found that the implementation of the company's proposed activities is per TIC Certificate of Incentives No. 032231. This is evident from the project pictures taken on the site which are presented as **Annex I** of this Report. The project however, is partially developed estimated at 70% complete.

- **Project's Achievements**

During our physical visit at the site on Plot No. 133 & 141 Baraa Area in Arusha the following achievements were noted:

- (i) Office building completed and in operation;
- (ii) 8 tourist vehicles were found at the yard while 10 were working with tourists at various areas. All vehicles were not exempted from duties;
- (iii) Small workshop with old-fashion tools and equipment to service the fleet was found at place;
- (iv) About 24 jobs created for Tanzanians, 16 out of these being for drivers.

- **Interview Mr. Hilal Gadi Mwanga, collection and analysis of data/information given to verify challenges reported to TIC**

During the interview with Mr. Hilal Gadi Mwanga, the Managing Director of SCTL we explored the challenges that faced the implementation of the project between 2016 to date and noted that:

- (i) *The COVID-19 pandemic that hit their investment hard:* The pandemic caused unprecedented disruption to tourism, with a massive fall in international demand amid widespread lockdowns and travel restrictions

put in place by countries to contain the spread of the virus. This caused their investment/business to nearly collapse but with the ongoing recovery and introduction of the Royal Tour Documentary by H.E. President Samia Suluhu Hassan the doors have opened to attract more tourists to Tanzania, consequently, the number of tourists coming to Tanzania is on the rise. This challenge was confirmed to be valid and sound;

- (ii) *The long illness of one of their company's directors:* Project promoters reported that due to the long illness of one of their company's directors who is an Italian their business was shaken. However, we have failed to prove this argument due to the lack of evidence from the patient's hospital certificates; and
- (iii) *Financial constraints:* Our Team has been able to confirm that there was a period when this company faltered due to insufficient funds to run the project. This situation led the directors to request a loan from CRDB Bank of USD 61,077.31 in January 2021 through their shareholder Multichoice Safaris Limited for purpose of running the company's activities. However, the financial situation became more difficult due to the COVID-19 pandemic and in November 2021, the company's directors wrote again to the CRDB Bank to request consideration of loan repayment terms for Multichoice Safaris Limited. Evidence is presented in **Annex II** of this Report.

- **Evaluate the Investor's need for an additional extension period of the TIC Certificate**

Investors have a basic reason to request an extension of the implementation period of their project. However, the time of three (3) years they requested in their letter is long compared to the remaining activities to complete the project. We are of the opinion that an extension of one year period will be enough to complete this project by importing more vehicles and other tourist equipment to

enable them to also compete with other companies in serving tourists who have increased a lot during this period. The bottom line to accepting their request is the COVID-19 pandemic and financial distress reported.

- **Review copies of relevant documents submitted to TIC and take site photos**

During our physical visit to the site on Plot No. 133 & 141 Baraa Area in Arusha the following relevant documents were reviewed:

- Investor’s TIC Certificate of Incentives;
- Application letter from the Investor addressed to the TIC EXD stating why they need an additional extension period of the TIC Certificate;
- Investor’s Progress Report;
- List of Import Duty and VAT Exemptions on the Capital/Deemed Capital Goods granted by the TRA Commissioner for Customs & Excise;
- Bank Facility Offer Letters;
- Site pictures presented to TIC.

Type of Document	Status	Remarks
<i>Investor’s TIC Certificate of Incentives</i>	Presented	It suffices TIC’s Requirements
<i>Application letter from the Investor addressed to the TIC EXD stating why they need an additional extension period of the TIC Certificate</i>	Presented	It suffices TIC’s Requirements
<i>Investor’s Progress Report</i>	Presented	It suffices TIC’s Requirements
<i>List of Import Duty and VAT Exemptions on the Capital/Deemed Capital Goods granted by the TRA Commissioner for Customs & Excise</i>	Not Presented	They never applied for Import Duty/VAT Exemption
<i>Bank Facility Offer Letters</i>	Presented	It suffices TIC’s Requirements
<i>Site pictures presented to TIC</i>	Presented	It suffices TIC’s Requirements

5.0 CONCLUSIONS

Given the interview, observations, and findings above, the following are our conclusions regarding the objectives of our visit:

- 5.1 The investors seem to be committed and serious with the proposed project. The reasons provided for the delay of the project and why they need for an extension period to a large extent seem to be genuine;
- 5.2 The implementation of the Company's proposed activities is in line with the TIC Certificate of Incentives No. 032231 dated 1st September 2016;
- 5.3 Benefits accrued from the projects in terms of employment generation, increase in government revenue through payment of taxes and foreign exchange earnings are not unquestionable;
- 5.4 Investors never applied and enjoyed any Fiscal Incentive such as Import Duty/VAT Exemptions;
- 5.5 From an economic and social point of view, the grant of the requested extension of the implementation period for this particular project will generate substantial benefits to the community and nation to support the Sixth Phase President H.E Samia Suluhu Hassan in promoting and developing Tanzania's tourism position among other African destinations to the global audience then raise travel and tourism awareness for recovery from the impacts of the COVID-19 pandemic;

6.0 RECOMMENDATIONS

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

- 6.1 That the Company's efforts in investment and challenges encountered justify approval of the additional extension of the implementation period applied for. We recommend approval of their application to be granted;
- 6.2 Based on the current status, reasons provided for the delay of the project and why investors need an extended period, we are of the opinion that an extension of the

implementation period for 12 months will be adequate and sufficient to serve their purpose. This will enable them to complete the project by:

- Increasing a fleet of vehicles by importing 4WD Land Cruisers and other tour vehicles to curb the influx of tourists entering the Northern Circuit;
- Procure camping tents and other tour equipment; and
- Expand the current workshop with modern tools and equipment to service and repair the fleet instead of sub-contracting it.

Currently, the company has sufficient funds to undertake all these activities if the approval for their request is granted by TIC.

I humbly submit,



.....
Daudi Riganda

DATE: 28.07.2022

ANNEX I: SITE PICTURES



Part of Tour Vehicles operated by Safari Crew Tanzania Limited



Safari Crew Tanzania Limited's MD, Mr. Hilal G. Mwanga (Left) posing with the TIC Zonal Manager, Mr. Daudi S. Riganda (Right)



The current workshop at Safari Crew Tanzania Limited that needs to be expanded with modern tools and equipment to service and repair the fleet



Front View of Safari Crew Tanzania Limited's Office Building located on Plot No. 133 & 141 at Baraa Area in Arusha

ANNEX II: A LETTER FOR LOAN REPAYMENT CONSIDERATION

MULTICHOICE
Safaris

22 Nov 2021

THE MANAGER
CRDB BANK
P.O. BOX 3150
ARUSHA

Dear Sir/Madam,

RE: CONSIDERATION OF LOAN REPAYMENT TERMS FOR MULTICHOICE SAFARIS LTD

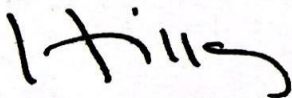
Kindly refer to the above subject

Due to the Covid – 19 pandemic and the impact on the economic situation throughout the world, we wish to inform your good office with deep regret of the financial difficulties we are still facing in the tourism industry.

For 2019, Multichoice Safaris's gross income was Tshs 3.4 billion while for the same period in 2021 the gross income was Tshs 373, 703 million ~~Le representing a drop of~~ about 88% in gross income. Statistically, the drop in income on the tourism industry in Tanzania in 2020 is about 72%. However, with the increasing vaccination programs going on in America and Europe, which are our source markets, we are seeing more interest and confidence to travel again in 2023 although it will take longer for business to return to the level it once was in 2019. The increase in number of tourists will be gradual if covid – 19 is contained at the source market and in Tanzania as a destination.

Through this letter, we hereby requesting to pay USD 2000 per month effective 01/01/2022 and double the loan repayment amount once business improves considerably.

Yours sincerely,



Hillary MWANGA
MANAGING DIRECTOR

Multichoice Safaris Ltd.
Founded in 1995 • Registration No. 28512

ANNEX III: LOAN FACILITY LETTER BY THE CRDB BANK PLC

**LOAN FACILITY LETTER
(SECOND DEED OF VARIATION)**

FROM

CRDB BANK PLC

TO

**MULTICHOICE SAFARIS LIMITED
P.O. BOX 14288
ARUSHA**

(Hereinafter called "the Borrower")

**Drawn by:
CRDB Bank PLC
Head office
Azikiwe Street,
P.O Box 268
Dar Es Salaam**

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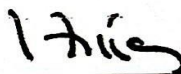

RESOLUTION OF THE BOARD OF DIRECTORS OF MULTICHOICE SAFARIS LIMITED
(the "Company")

The Board of Directors of the Company who at the date hereof are entitled to receive notice of a board of directors meeting of the Company,

HAVING CONSIDERED a Second Deed of Variation of the Facility Agreement entered between the Company and CRDB Bank Plc (the Bank);

IT WAS RESOLVED THAT:-

- (1) The Second Deed of Variation is in the interest of the Company.
- (2) The terms and conditions of, and the transactions contemplated by, the Second Deed of Variation are hereby approved.
- (3) Any two directors of the Company be and are hereby authorized in the name and behalf of the Company to jointly execute and/or deliver the Second Deed of Variation and any deed, agreement, instrument, amendment, variation, notice or other document required to be executed or delivered by the Company under or in connection with the Facility Agreement (collectively, the "Transaction Documents").

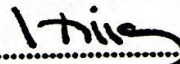
S/N	Full Name	Position	Signature
a)	HURRAY GADI MWANGA	DIRECTOR	
b)	MARCOLIN HURRAY MWANGA	DIRECTOR	
c)			

- (4) The execution of the Second Deed of Variation or any other of Transaction Documents by the two directors of the Company jointly shall be conclusive evidence to all persons that the relevant document has been entered into in the form and substance approved by the board of directors of the Company.

IT IS HEREBY CERTIFIED that the above is a true extract from the Minutes of the Meeting of the Board of Directors and that such resolutions will not infringe any restrictions on borrowing of monies and/or the creation and issue of any security or guarantees.

SEALED with the COMMON SEAL of MULTICHOICE SAFARIS LIMITED and Certified by:

Name: Hurway Gadi Mwangi

Signature: 

Designation: Chairman

Name: Marcolin Hurray Mwangi

Signature: 

Designation: Secretary

I, **GLADNESS SWAI**, being a guarantor under the Facility Letter hereby confirm that I have read this Second Deed of Variation and fully acknowledge and understand the contents thereof and agree to be legally bound by its content thereof:-

SIGNED by the said
GLADNESS SWAI
who is known to me
personally/identified to me by
in my presence this

HILARY MWANGA
21 day of **JANUARY** 2021

[Signature]
.....
Guarantor's Signature

Full Name:

HILARY BAKARI SHEDATA

Signature:

[Signature]

Full Address:

P.O. BOX 1844 ARUSHA

Position:

NOTARY PUBLIC AND COMMISSIONER FOR OATHS



Third Party Acknowledgments and Undertakings

I, **HILLARY GADI MWANGA** being a guarantor under the Facility Letter hereby confirm that I have read this Second Deed of Variation and fully acknowledge and understand the contents thereof and agree to be legally bound by its content thereof:-

SIGNED by the said
HILLARY GADI MWANGA
who is known to me
personally/identified to me by
in my presence this 29th day of JANUARY 2021

} Hillary
.....
Guarantor's Signature

Full Name: HILARY BAKARI SHEDAFFA
Signature: [Signature]
Full Address: P.O. BOX 1844 ARUSHA
Position: NOTARY PUBLIC AND COMMISSIONER FOR OATHS



I, **MALCOLM HILLARY MWANGA**, being a guarantor under the Facility Letter hereby confirm that I have read this Second Deed of Variation and fully acknowledge and understand the contents thereof and agree to be legally bound by its content thereof:-

SIGNED by the said
MALCOLM HILLARY MWANGA
who is known to me
personally/identified to me by HILARY MWANGA
in my presence this 29th day of JANUARY 2021

} Malcolm
.....
Guarantor's Signature

Full Name: HILARY BAKARI SHEDAFFA
Signature: [Signature]
Full Address: P.O. BOX 1844 ARUSHA
Position: NOTARY PUBLIC AND COMMISSIONER FOR OATHS



If you accept the terms and conditions outlined in this Deed of Variation, please execute the acceptance clause below, sign all the pages of this Second Deed of Variation and return three original copies to the Bank.

ACCEPTANCE CLAUSE

We, **Multichoice Safaris Limited** having reviewed and understood the terms and conditions contained in this Second Deed of Variation, hereby accept the said terms and conditions.

SEALED with the COMMON SEAL of the said
MULTICHOICE SAFARIS LIMITED and
DELIVERED in our presence
this _____ day of _____, 2021

SEAL



Full Name:

Murleen Hillary Mwanza

Signature:

Murleen

Address:

P.O. Box 14288 Dar es Salaam

Designation:

DIRECTOR

Full Name:

HILARY GAD. MWANZA

Signature:

Hilary

Address:

P.O. Box 14288 Dar es Salaam

Designation:

DIRECTOR/COMPANY SECRETARY

Date: 08th January, 2021

Dear Borrower,

We refer to the Facility Agreement dated 28/06/2018 and the First Deed of Variation dated 24/04/2020 (the Facility Agreement), and confirm that CRDB Bank Plc (the Bank) is pleased to inform you that it has agreed to amend the Facility Agreement on the terms indicated in this Second Deed of Variation.

1. **Clause 1 of the Facility Agreement is amended to read as follows:-**

S/No.	Type	Amount
1.	Term Loan Facility	USD 61,077.31 /- (Say United State of Dollars Sixty One Thousand Seventy Seven Cents Thirty One Only)

2. **Clause 2, 3 and 5 of the Facility Letter is amended to read as follows:-**

a)	Tenor	13 month from the first date of this Second Deed of Variation
b)	Purpose	To restructure the term loan Facility that was granted to the Borrower pursuant to the Facility Agreement by granting Grace period of six (6) months
c)	Grace Period	Grace period of six (6) months (end of grace period is 30.06.2021). Interest accruing during the grace period shall be capitalized then repaid with the principal repayment.

3. The Borrower shall pay to the Bank the following fees (which shall be debited to the Borrower's loan account/current account with the Bank, exclusive of VAT :-

S/No	Type of Fees	Type of Facility	Amount in TZS
a)	Restructuring Fees (0.5%)	Term Loan Facility	305.38
	TOTAL		305.38

4. Unless otherwise amended by this Second Deed of Variation, all terms and conditions of the Facility Letter shall continue in full force and effect

Yours Faithfully,

(Signature)
(Name)
(Position)

(Signature)
(Name)
(Position)

For and on behalf of CRDB Bank Plc

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