

TANZANIA INVESTMENT CENTRE – (TIC)

DIRECTORATE OF INVESTMENT FACILITATION



CENTRAL ZONE

**REPORT ON PROJECT VERIFICATION VISIT TO M/S
KAMUCO INTERNATIONAL CONSTRUCTION COMPANY
LTD ON 05/12/2022**

1. INTRODUCTION

Project Verification Visit is among the operational activities implemented by Central Zonal Office whereby status of registered projects (whether operative, progressing in a pace as required to get either extension or not developed) in our zone, are being conducted on request.

On 05th December 2022, the Zonal Office paid a visit to Kamuco International Construction Company Limited in response to the investor's application to be granted an extension of the Certificate of Incentives Implementation period.

This is the **first application for CoI Extension**, following expiry of the three years Certificate of Incentives granted on 11th October **2019 to October 2022**.

Kamuco International Construction Company Limited with its project (Quarry project) at Nala- Dodoma was registered to TIC on 11th October **2019** and issued with certificate of incentives **No. 024463** for the purpose of establishing and operate a project of production of stone aggregates (quarry project) at Nala ward in Dodoma. The company currently has only demarcated the area with beacons and no any work has started.

Following the outbreak of Covid-19 in late 2019, the project stopped as among other reasons; the company could not be able to ship some machineries and equipment from China and other neighbour countries due to lockdowns in those suppliers' states, causing delays to start the project as planned hence the need to request for extension in implementation period for the certificate of TIC.

2. OBJECTIVES OF THE VISIT

The main objective of the visit was to examine the rationale behind investor's application for extension of the implementation period of the Certificate of Incentives.

2.1 Specific Objectives.

- i. To evaluate the implementation status of the Project in line with TIC granted Certificate of Incentive No.024463
- ii. To examine the rationale (reasons for) of the investor's request for extension through status verification of the project.
- iii. To provide recommendations after physical visit and thorough analysis of the existing situation

2.2 Methodology Used

The PVV team used the following methodologies in order to obtain the real picture for the report.

- i. Conducting physical inspection of the project sites
- ii. Observation of the ongoing activities under the project
- iii. Holding a discussion with Operations Manager (Ms. Batuli Kiula) and two KAMUCO staff; Mr David Minja (Kamuco officer oversee Dodoma Project) and Ms Salome George who is an Administration Officer for KAMUCO.

2.3 Project Verification Visit

The PVV team composed of TIC Central Zone Investment Officer who met the following from KAMUCO International Construction Company Limited;

- i. Ms. Batuli Kiula- Operations Manager
- ii. Ms. Salome George- Administration Officer
- iii. Mr David Minja – KAMUCO Officer at Dodoma

3. THE COMPANY INFORMATION OBTAINED AT SITE

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Anasi Rushengo Kamuzola- 40 shares=4% shares Charter Pacific Limited -920 shares= 92% shares
2.	Company Communication Information	Email address	ray.petermariki@gmail.com
		Mobile Number	+255 718061071
		Land Line Telephone Number	+255222125490
		Physical Address (Plot No., Block No, Street, District and Region	IPS Building 5 th Floor, Azikiwe street Ilala, Dar es salaam P.O.Box 32126 DSM
3.	Contact Person	Name	Rehema Peter Maliki
		Position	General Manager
		Communication Details (Email, Mobile and telephone)	ray.petermariki@gmail.com +255 718061071
4.	Incorporation	Certificate of Incorporation No.	125663
5.	TIN information	TIN Certificate No.	132-903-182
6.	Project Objective	Project Core Activity	Establish and operate a project for production of building materials(stone aggregates-Crushers)

4. ACTUAL PROJECT PERFORMANCE

S/ No	Information	Description	Current Status	
			Amount (USD)	Source Country
1.	Investment Financing amounts in USD	Financing Type		
		Local Equity	1,000,000	Tanzania
		Local Loans	3,090,000	Tanzania
		Foreign Equity	-	
		Foreign Loans	-	
		Total Investment	4,090,000	
2.	Capacity	Project Capacity per Year	-	
3.	Direct Employment	Foreign-Men	-	
		Foreign-Women	-	
		Local-Men	-	
		Local-Women	-	
4.	Indirect employment	Estimated Total No.	-	
		Type/areas of Indirect Employment	-.	

5. PVV FINDINGS AND REASONS FOR THE ISSUES OF CONCERNS

The project's premises were visited at Nala Area in City Council of Dodoma, where by Ms Batuli Kiula-The Operations Manager of KAMUCO (as introduced himself-0769 727 278) was hosting the visit, lead us to the premise where the project will be executed.

The Project is still not operative; the company's project site currently has nothing rather than the rocky hill adjacent to Itracom Fertilizer Company Limited.

The company's core project activity intended at the area has not been established since 2019 when the investor got Certificate of Incentives from TIC, and therefore has not enjoyed any fiscal Incentives. The establishment of the project was not conducted since 2019 due to a number of reasons/challenges. Some of the challenges for the delays were;

- i. Outbreak of COVID-19 affected their overall arrangement and operations as some of the main equipments were not able to be bought and shipped from China to Tanzania for project execution, like wise even members of the project could not travel to supplier countries to buy the main machineries for the project due to Lockdowns in most countries due to the said outbreak.
- ii. Representatives and partners of the project who were to visit the project in Tanzania could not do so due to lockdowns in their countries in fear of the Outbreak.

5. RECOMMENDATIONS

Due to the reasons stated the PVV team recommend as follows:

- i. The company has not utilized incentives of the first phase of the Certificate of Incentives (three years) as the project was not established completely, hence need for active Certificate of Incentives.
- ii. Delays to mobilize, purchase and shipments of main equipments needed to the project caused by COVID-19 outbreak from 2019 to almost 2022 could not be escaped in any way, hence be as reason for extension for one year to see the commitment of the investor.
- iii. Given the company's plan and the availability of the needed requirements for the aim of accomplishing the project, we recommend the last **One-year** extension be granted to cover from October 2022 to Sept 2023.

6. CONCLUSION

Based on the findings at the project site, the project has not been implemented due to mainly delays of shipping the machineries, equipments and the like due to lockdowns caused by the COVID-19 Outbreak in most of the countries in the world. It is evidenced that COVID-19 outbreak stopped most of the multinational transactions. Therefore, Looking on other social-economic impacts of the project such as job creation, future foreseen government revenues through taxes and levies from the project when operationalize, and hence we recommend for consideration to extend Certificate of Incentives(CoI) for another One year (From the expiry date of the first period- October 2022) as it is stipulated by the Investment Act, to enable the investor continue with planned activities as per their plan, Import the said machineries and equipments , though close monitoring is required to the granted extension of the certificate .

We Submit .

Juma Nzima

A rectangular box containing a handwritten signature in blue ink. The signature is stylized and appears to be 'Juma Nzima'.

7. PVV PROJECT PHOTOS

The Pictures bellow show Investment Area located at QDS 162/1 Nala Area



The Area bellow somehow cleared showing some activities to start sooner.





The Pictures above and below show a PVV Team from TIC and KAMUCO INTERNATIONAL CONSTRUCTION COMPANY LIMITED

