

## TANZANIA INVESTMENT CENTRE

## DAR ES SALAAM

## PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

## 1. Panned activities for the period

Kamaka Company Limited planned to construct the industrial park in three phases

## Phase I

| Item                            | Amount (Tsh)      | US\$                 |
|---------------------------------|-------------------|----------------------|
| Construction Cost VAT exclusive | 15,292,016,237.12 | 6,857,406.38         |
| 18% VAT                         | 2,752,562,922.68  | 1,234,333.15         |
| Construction Cost VAT inclusive | 18,044,579,159.79 | 8,091,739.53         |
| Project Equipment               |                   | 6,000,000.00         |
| 18% VAT                         |                   | 1,080,000.00         |
| <b>TOTAL COST</b>               |                   | <b>23,263,479.07</b> |

## Phase II

| Item | Amount (Tsh) | US\$ |
|------|--------------|------|
|------|--------------|------|

|  |                         |                      |
|--|-------------------------|----------------------|
| Construction Cost VAT exclusive        | 4,984,523,522.82        | 2,235,212.34         |
| 18% VAT                                | 897,214,234.11          | 402,338.22           |
| <b>Construction Cost VAT inclusive</b> | <b>5,881,737,756.93</b> | 2,637,550.56         |
| Project Equipment                      |                         | 6,000,000.00         |
| 18% VAT                                |                         | 1,080,000.00         |
| <b>TOTAL</b>                           |                         | <b>12,355,101.13</b> |

### Phase III

| Item                                   | Amount (Tsh)             | US\$                 |
|--|--------------------------|----------------------|
| Construction Cost VAT exclusive        | 33,998,107,298.63        | 15,245,788.03        |
| 18% VAT                                | 6,117,766,612.00         | 2,743,393.10         |
| <b>Construction Cost VAT inclusive</b> | <b>40,117,766,612.38</b> | 17,990,029.87        |
| Project equipment                      |                          | 8,000,000.00         |
| 18% VAT                                |                          | 1,440,000.00         |
| <b>TOTAL</b>                           |                          | <b>45,419,211.00</b> |

### Phase I, II & III

#### PROJECT VALUE VAT EXCLUSIVE

|              | Phase I      | Phase II     | Phase III     | TOTAL         |
|--------------|--------------|--------------|---------------|---------------|
| Construction | 6,857,406.38 | 2,235,212.34 | 15,245,788.03 | 24,338,406.75 |

|                   |               |              |               |               |
|-------------------|---------------|--------------|---------------|---------------|
| Project Equipment | 6,000,000.00  | 6,000,000.00 | 8,000,000.00  | 20,000,000.00 |
| <b>TOTAL</b>      | 12,857,406.38 | 8,235,212.34 | 23,245,788.03 | 44,338,406.75 |

The three Phases make the total construction cost of the industrial including the value of equipment which includes facilities for electricity, gas, water, fire equipment, telecommunication to be as following:

### **KAMAKA COMPANY LIMITED PROJECT VALUE US\$**

| <b>ITEM</b>            | <b>TAX EXCLUSIVE</b> |
|------------------------|----------------------|
| Land and Building      | 27,925,850.75        |
| Plant and machinery    | 20,000,000.00        |
| Motor vehicles         | 700,000.00           |
| Furniture's & fixtures | 100,000.00           |
| Other Coast            | 1,000,000.00         |
| Pre-expenses           | 120,000.00           |
| Working capital        | 1,000,000.00         |
| <b>TOTAL</b>           | <b>50,845,850.75</b> |

2. Achievements made on the project implementation to date

(i.e., from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

- Construction of boundary wall
- Construction of administration building
- Construction of police station building
- Installation of building main gate
- Construction of internal road etc

3. Provide updated information on the following aspects:

| S/No.                 | Information                       | Description   | Current Project Status   |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
|-----------------------|-----------------------------------|---|--|-------------|----------|---------------|-----------------------|-----------|-----------|---------------------|--------|-----------|-----------------|----|-----------|----------------------|----|---------|--------------------|---|---------|----------------------|----|---------|-----------------------|-----|-----------|-----------------------|----|-----------|----------------------|-----|------------|------------|-----|---------|
| 1                     | Shareholder's Information         | Current Shareholders names, nationality and percentage of ownership   | <table border="1"> <thead> <tr> <th>Name</th> <th>Shares %</th> <th>Nationality</th> </tr> </thead> <tbody> <tr> <td>Yussuf Suleiman Manzi</td> <td>6.6</td> <td>Tanzanian</td> </tr> <tr> <td>Jurijs A. Martinovs</td> <td>21.2</td> <td>Tanzanian</td> </tr> <tr> <td>Akif Halit Kara</td> <td>27</td> <td>Tanzanian</td> </tr> <tr> <td>Aleksandrs Naumovics</td> <td>15</td> <td>Latvian</td> </tr> <tr> <td>Svetlana Martinova</td> <td>5</td> <td>Latvian</td> </tr> <tr> <td>Andzejs Starovoitovs</td> <td>10</td> <td>Latvian</td> </tr> <tr> <td>Maryna A.Artsikhovich</td> <td>4.8</td> <td>Tanzanian</td> </tr> <tr> <td>Anatolijs N.Martinovs</td> <td>10</td> <td>Tanzanian</td> </tr> <tr> <td>Yauheni Artsikhovich</td> <td>0.2</td> <td>Belarusian</td> </tr> <tr> <td>Halit Kara</td> <td>0.2</td> <td>Turkish</td> </tr> </tbody> </table> | Name        | Shares % | Nationality   | Yussuf Suleiman Manzi | 6.6       | Tanzanian | Jurijs A. Martinovs | 21.2   | Tanzanian | Akif Halit Kara | 27 | Tanzanian | Aleksandrs Naumovics | 15 | Latvian | Svetlana Martinova | 5 | Latvian | Andzejs Starovoitovs | 10 | Latvian | Maryna A.Artsikhovich | 4.8 | Tanzanian | Anatolijs N.Martinovs | 10 | Tanzanian | Yauheni Artsikhovich | 0.2 | Belarusian | Halit Kara | 0.2 | Turkish |
| Name                  | Shares %                          | Nationality   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Yussuf Suleiman Manzi | 6.6                               | Tanzanian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Jurijs A. Martinovs   | 21.2                              | Tanzanian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Akif Halit Kara       | 27                                | Tanzanian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Aleksandrs Naumovics  | 15                                | Latvian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Svetlana Martinova    | 5                                 | Latvian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Andzejs Starovoitovs  | 10                                | Latvian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Maryna A.Artsikhovich | 4.8                               | Tanzanian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Anatolijs N.Martinovs | 10                                | Tanzanian   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Yauheni Artsikhovich  | 0.2                               | Belarusian  |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Halit Kara            | 0.2                               | Turkish   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
|                       | Company communication Information | Email address<br>Mobile Number<br>Land Line<br>Telephone<br>Number<br>Physical Address (Plot No. Block No. Street, District and Region) | <p>Main Office: Nyererre/Pugu Road Opposite JuLIUS Nyerere International Airport, P.O. Box 78570, DAR ES SALAAM</p> <p><a href="mailto:info@kamak.co.tz">info@kamak.co.tz</a><br/>+255758222022/656222022</p> <p>www.kamaka.co.tz</p> <p>Branch Office: Plot No.35, Block No.E, House No.35, Mndela Road, Tabata, Ilala, Dar es Salaam</p>   |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 3                     | Contact Person                    | Name<br>Position<br>Communication details (Email, Mobile and telephone)   | <p>Irshad.Sirguroh<br/>Public relation Manger<br/><a href="mailto:irshad.sirguroh@kamaka.co.tz">irshad.sirguroh@kamaka.co.tz</a><br/><a href="mailto:irshadsirguroh@gmail.com">irshadsirguroh@gmail.com</a><br/>+255677115192</p>  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 4                     | Incorporation                     | Certificate of Incorporation Number   | 33981  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 5                     | TIN Information                   | TIN Certificate No.   | 102158008  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 6                     | Project Objective                 | Project Core Activity   | To develop industrial park   |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 7                     | Capacity                          | Project capacity per year   | 4,000,000 square meter (221 factories)   |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 8                     | Direct Employment                 |   | <p>Direct employment by industrial park is 17,690 from 221 industrial to be located in the park.</p> <table border="1"> <tbody> <tr> <td>Foreign Men</td> <td>1000</td> </tr> <tr> <td>Foreign Women</td> <td>769</td> </tr> <tr> <td>Local Men</td> <td>5921</td> </tr> <tr> <td>Local Women</td> <td>10,000</td> </tr> </tbody> </table>   | Foreign Men | 1000     | Foreign Women | 769                   | Local Men | 5921      | Local Women         | 10,000 |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Foreign Men           | 1000                              |   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Foreign Women         | 769                               |   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Local Men             | 5921                              |   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| Local Women           | 10,000                            |   |  |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |
| 9                     | Indirect employment               | Type/areas of Indirect employment   | 106,080, drivers, vendors, food suppliers, technicians etc   |             |          |               |                       |           |           |                     |        |           |                 |    |           |                      |    |         |                    |   |         |                      |    |         |                       |     |           |                       |    |           |                      |     |            |            |     |         |

4. Project Financing Expenditure to date (USD)

|                           | Foreign (USD) | Local (USD)   | Total (USD)   |
|---------------------------|---------------|---------------|---------------|
| Land and Buildings        | -             | 10,762,331.00 | 10,762,331.00 |
| Plant and machinery       | 3,750,000.00  |               | 300,000.00    |
| Vehicles/Aircrafts        |               | 300,000.00    | 2,988,000.00  |
| Furniture                 | 134,000.00    |               | 134,000.00    |
| Office equipment          | 40,000.00     |               | 40,000.00     |
| Insurance Cover           | -             |               | -             |
| Pre-operational expenses  | 40,000.00     |               | 40,000.00     |
| Working sub-total capital | -             | 1,000,000.00  | 1,000,000.00  |
| <b>Grand Total</b>        | 3,964,000     | 12,062,331    | 15,264,331    |

## 5. Project Financing

Explain how the project is being financed e.g equity, loans, sources of loans, conditions etc. see table below:-

|                         | Amount (USD) | Source Country               |
|-------------------------|--------------|------------------------------|
| Local equity            | 5,000,000    | Tanzania                     |
| Local loans             | 6,000,000    | Tanzania                     |
| Foreign equity          | 4,264,331    | Latvian, Belarusian, Turkish |
| Foreign Loans           | NIL          |                              |
| <b>Total Investment</b> | 15,264,331   |                              |

## 6. Problems and Solutions

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them

- Land acquisition process is too long and very costing
- Poor infrastructure to industrial park (Road, water, power)
- Difficulties in obtaining fiscal incentives to operators who will be located to the industrial park
- Nonexistence of policy and guideline which attract investors to construct and operate industrial park
- Rise of construction cost
- Competition to get clients to be located in industrial park instead of operating outside the industrial park

The management is planning to request some of the challenges to be resolved the Government, and the one within the management have been resolved

## **7. Future Plans**

Explain future plans for the next coming six months and planned financial commitments

The company is planning to do the followings

- To apply for investor strategic status
- To submit Draft MoU to TIC Management regarding the best practice in managing industrial park
- To buy furniture and fittings

## **8. Recommendations and any other comments**

- The Government should set aside dedicated land for industrial parks and investors be allocated at reduced cost
- The Government should provide basic infrastructure to facilitate accessibility to industrial park
- The Government should put very friendly policy, laws, guidelines etc. with specific fiscal and non-fiscal incentives in order to attract investors to develop industrial parks
- Factories should be allowed to be only in industrial area and industrial parks