



TANZANIA INVESTMENT CENTRE

PROJECT VERIFICATION VISIT REPORT

ON

APPLICATION FOR EXTENSION OF IMPLEMENTATION

PERIOD

BY

M/S AFRICAN SCENIC SAFARIS LIMITED

22ND SEPTEMBER, 2022

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1.0 INTRODUCTION

M/S African Scenic Safaris Limited is a TIC registered project in Tourism sector holding TIC Certificate of Incentives No. 017154 dated 20th December, 2018 granted for purposes of establishing and operating a tourist complex at Plot No. 17 Weruweru Industrial Complex- Hai District in Kilimanjaro Region. This is one of the two projects registered by TIC under the same company; another project has been registered for the purpose of establishing and operates modern tour operations with the Certificate of Incentives No. 031777.

To date, the company has not started the implementation of the project of construction and operating a tourist complex due to failing in being granted the change of Land use for Plot No. 17 Weruweru Industrial complex, Hai District from Industrial use to Tourism uses, another reason being the financial constraints to implement a project.

This month, September, 2022 M/s African Scenic Safaris Limited submitted a letter to TIC to apply for extension of project implementation period for Certificate of Incentives No. 017154 highlighting the main reason for the applying for extension is that the company is in the process of expansion and modernization of its tour and safari operations for the Northern Tourist Circuit, and so, the company intends to revamp its tourism operations with of several tourist designed vehicles, trekking, camping equipments and other amenities needed for tourist operations.

Furthermore, in the progress report, the company mentioned that the company could not implement its project as per granted TIC Certificate of Incentives No. 017154 due to Covid-19 pandemic outbreak, and so, as the part of revamp, a company expects to implement the following after being granted extension of Certificate of Incentives:-

- i. Adding more camping tents due the current influx of tourist in the country.
- ii. Acquire more vehicles for handling tourists and other facilitation services.
- iii. Arranging excursions/ safari tours to Tanzania from all over the world, this includes group tours, individuals, diplomats, businessmen, students, volunteers, etc.
- iv. Providing services to special tours, e.g eco-tourism, educational, wildlife filming

- v. Construction of new tourism facilities and buildings within the present premises, so far have not invested for new buildings as much due to unavailable funds

Based on the above background, Northern Zone Investment Officer (Mr. Gasper Tembo) was assigned to conduct a project Physical Verification Visit (PVV) for the purpose of establishing the facts as presented by an investor regarding the application of extension of project implementation period. On 21st and 22nd September, 2022 PVV was conducted for the same purposes at the company's office located at Plot No. 21 Block 147- II Shanty Town, Moshi- Kilimanjaro and at the project location (Plot No. 17 Weruweru Industrial Area- Hai District in Kilimanjaro) respectively.

2.0 PROJECT VISIT FOR VERIFICATION (PVV)

2.1 Findings

During the visit, our officer observed the following information at the site regarding the project:

- a. **Company's General Information obtained at the site**

Table 1- Company information

S/No.	Information	Description	Current Project Status		
			Name	Nationality	Percentage
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership			
			<i>Elisimbo Natai</i>	<i>Tanzanian</i>	<i>97.5%</i>
			<i>Neema Natai</i>	<i>Tanzanian</i>	<i>2.5%</i>
			Total		100%
2.	Company Communication Information	Email address	info@africanscenicsafaris.com		
		Mobile Number	+255 784 413 801		
		Land Line Telephone Number	NIL		
		Physical Address (Plot No., Block No, Street, District and Region)	P.O. Box 1518, Plot No. 21 Block 147- II Shanty Town, Moshi- Kilimanjaro.		

3.	Contact Person	Name	<i>Elisimbo Natai</i>
		Position	Director
		Communication Details (Email, Mobile and telephone)	ceo@africanscenicsafaris.com +255 784 413 801
4.	Project Location	Physical Address (Plot No., Block No, Street, District and Region)	Plot No. 17 Weruweru Industrial Area, Hai District, Kilimanjaro Region
5.	Incorporation	Certificate of Incorporation No.	7017
6.	TIN information	TIN Certificate No.	109-600-423
7.	Project Objective	Project Core Activity	To establish and operate a Tourist complex
8.	Project Capacity	Project Capacity per Year	Handling 300 tourist per year
9.	Direct Employment	Foreign-Men	0
		Foreign-Women	0
		Local-Men	0
		Local-Women	0
10.	Indirect employment	Estimated Total No.	Statistics has not been given
		Type/areas of Indirect Employment	Potters and the tour operators

b. **Project Financial Expenditure to date (TSH):**

Table 2- Investment Financing

	Amount (Million TSH)	Source Country
Local Equity	10 (Purchase of land plot)	Tanzania
Local Loans	0	N/A
Foreign Equity	0	N/A
Foreign Loans	0	N/A
Total Investment	10	

It was further observed:

- i. The company has two different TIC registered projects, one which the company has applied for extension is not operating under the hotel subsector, and in fact the construction has not been started because of waiting to be granted the changes in land use from Industrial use to tourism uses for the project location (plot No. 17 Weruweru Industrial area), (***the process of changing land use started immediately after buying the land on 11th November, 2014 from M/s General Pharmaceutical Limited***), and another project is well operating under the tour operator subsector.
- ii. The project location (plot No. 17 Weruweru Industrial area) is barely land with little development has been made by installing the water pump and wire fencing the boundaries of the plot, no more development has been made (***see Annex I***).
- iii. The company has mixed the activities for tour operator project with Certificate of Incentives No. 031777 and the activities for hotel project with Certificate of Incentives No. 017154 in the application of extension of project implementation period for Certificate of Incentives No. 017154 whereby the company has stated that its expecting after being granted Certificate of Incentives the company will add more camping tents, acquire more vehicles and revamp its tour and safari operations for Northern Zone Tourist Circuit, these activities falls under the tour operation project not Hotel as per Certificate of Incentives No. 017154 as per application letter. Copies of two Certificates of Incentives have been attached (***See Annex II and Annex III***).
- iv. The investor has confirmed that the process of changing land use for Plot No. 17 Weruweru Industrial Area is still ongoing which stalls the company's plan to proceed with construction intended tourist complex and finally start operations, these delays also negatively affects the efforts of the company to seek for funds to finance the project.

From what was observed from the site and investor's explanation at the company's office, it's clearly the project for establishing and operate the tourist complex has not

started apart developing the land plot by fencing and having the electrical water pump pending the granting of land use from industrial uses to hotel uses.

2.2 Challenges

During the conversation with the management, the company has admitted that the delays in being granted changes of land use is main challenge toward the commencement of the construction activities, the granted changes of land use could also complement the efforts of the company to access funds to finance the project.

3.0 CONCLUSION

In view of findings above, the following are our conclusions regarding the objective of the PVV:

- 3.1** The investor has developed the land plot (Plot No. 17 Weruweru Industrial Area, Hai- Kilimanjaro) by only wire fencing the whole plot and installing the water pump infrastructure within the plot (**See Annex IV**);
- 3.2** No other developments of the plot (including the construction of the tourist complex) has been done, this is due to waiting for being granted the change of land use from industrial use to hotel use from the relevant authorities (Ministry of Lands, Housing and Human Settlements Development);
- 3.3** That there was no need for an investor to apply for extension while the project still faces unresolved challenge of not being granted change of land use to allow commencement of construction process and finally operations;
- 3.4** An investor has submitted to TIC the details of development/ progress for another project in the progress report, the details of progress/ development submitted are of tour operator project which has been registered under TIC through Certificate of Incentives No. 031777 (**its implementation period ended on February 2015**) which completely different project to the one

that the company has applied for extension (Tourist complex project with Certificate of Incentives No. 017154);

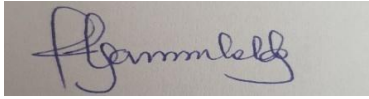
- 3.5** That with no doubt, the project which is well operating/ progressing is of tour operations under Certificate of Incentives No. 031777 while the project of tourist complex with Certificate of Incentives No. 017154 under hotel subsector has not implemented, not even constructed.

4.0 RECOMMENDATIONS

From the above findings and conclusions above, I wish to recommend the following

- 4.1** That, the TIC should not grant extension of Certificate of Incentives No. 017154 because the project of establishing and operating a Tourist complex still faces the unresolved challenge of not being granted the change of land use from industrial use to tourism/ hotel use to allow the company to proceed with the construction of the tourist complex and finally operate.
- 4.2** That, the TIC should advise an investor to finalize the process of changing the land use for the plot (Plot No. 17 Weruweru Industrial Area, Hai-Kilimanjaro), then to proceed with the application for extension of Certificate of Incentives No. 017154 to TIC by explaining the challenge that has caused the delays for the commencement of the project.
- 4.3** That, the TIC should inform an investor not to mix/ combine the details of two TIC registered projects implemented under the same company (Tour operator project with Certificate of Incentives No. 031777 and Tourist Complex project with Certificate of Incentives No. 017154) because the Tour operator project's implementation period ended on February, 2015 and the records from the investor's file we have is that an investor already enjoyed the fiscal incentives as per TRA letter with reference number **TRA/CE/C/P20/8/2234** dated 05th June, 2012 (**See Annex.V**).

I humbly submit

A rectangular box containing a handwritten signature in blue ink. The signature is cursive and appears to read "Gasper T. Tembo".

Gasper T. Tembo

22.09.2022

ANNEXES

ANNEX I: VIEW OF THE PROJECT LOCATION (PLOT No. 17 WERUWERU INDUSTRIAL AREA, HAI DISTRICT- KILIMANJARO REGION)





TIC Investment Officer (Mr. Gasper Tembo) during the visit at the project's site (Plot No. 17 Weruweru Industrial Area, Hai District- Kilimanjaro Region)

ANNEX II: CERTIFICATE OF INCENTIVE NO. 031777 FOR TOUR OPERATION PROJECT

Certified True Copy
of The Original
Signature: *[Signature]*
Date: 16/04/2012
For: Executive Director
Tanzania Investment Centre



THE UNITED REPUBLIC OF TANZANIA 00218623

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 031777

This is to certify that

AFRICAN SCENIC SAFARIS LIMITED

of address P.O. BOX 1518
MOSHI

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion~~
~~XXXXXXXXXX~~ enterprise known as
AFRICAN SCENIC SAFARIS LIMITED

Which is located at PLOT NO. 54, BLOCK A AND FARM NO. 181/182
MOSHI - KILIMANJARO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

[Signature]
Ag. Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 30TH MARCH 2012



GPDSM

ANNEX III: CERTIFICATE OF INCENTIVE NO. 017154 FOR TOURIST COMPLEX PROJECT



THE UNITED REPUBLIC OF TANZANIA

0223840

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 017154

This is to certify that

AFRICAN SCENIC SAFARIS LIMITED

P. O. BOX 1518

of address.....
MOSHI

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation & expansion~~
~~or equity of the~~ enterprise known as

AFRICAN SCENIC SAFARIS LIMITED

Which is located at.....
PLOT No. 17 WERUWERU INDUSTRIAL AREA - MOSHI
KILIMANJARO

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.


Executive Director

Tanzania Investment Centre
P.O.Box 938, Dar es Salaam

Dated 20TH DECEMBER 2018



This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:-

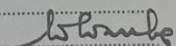
1. Shareholders

	Nationality	Shareholding (%)
Elisimbo Natai	Tanzania	97.5
Neema Natai	Tanzania	2.5
2. Proposed Activities: To establish and operate a Tourist complex
3. Sector: Tourism Subsector: Hotel
4. Investment cost:

	Foreign USD 0.279m.	Local USD 0.236m.	Total USD 0.515m
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5. Project Financing:

	USD 0.369m.	USD 0.146m.	USD 0.515m.
Equity	Loans	Total	
6. Source, terms and conditions of loan
7. Assets to be invested:

Capital items:	Foreign USD 0.279m.	Local USD 0.236m.	Total USD 0.515m.
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8. Technology Agreement None
9. Date of TIC Registration: 20th December 2018
10. Implementation period December 2018 - November 2021
11. Operative date December 2021
12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 EAC Customs management Act. 2004 and VAT Act. 2014
 - (i) Applicable Import Duty As per Income Tax Act. 2004 (as amended)
 - (ii) Applicable with-holding Tax As per Income Tax Act. 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act. 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or ammended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv). Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate
None

Signed 
Executive Director

ANNEX IV: DEVELOPMENT AT THE SITE (PROJECT LOCATION)



Wire fencing surrounding the plot's boundary



Electrical water pump at the project location(Site)

ANNEX V: TRA LETTER TO GRANT EXEMPTION THROUGH CERTIFICATE OF INCENTIVES NO. 031777 ON 05TH JUNE, 2012



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P20/8/2234

05.06.2012

The Managing Director,
African Scenic Safaris limited,
P. O. Box 1518,
Moshi

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-
CERTIFICATE OF INCENTIVES NO.031777 OF 30.03.2012**

We are writing in response to your letter dated 19.04.2012 and letter with ref. TICC/PP.10/031777/6 of 10/05/2012 from Tanzania Investment Centre regarding the captioned subject.

We hereby approve and submit single-page list of deemed capital goods for facilitation of your project with Certificate of Incentives mentioned above. It should be noted however that, other item in your list could not be approved because are not among allowable items in your project. Please further note that, the vehicles are approved on understanding that are of age less than ten years from the year of manufacture.

1. *The approved vehicles should conspicuously and permanently be marked with the name and logo of the company on both sides of the motor vehicles*
2. *These vehicles should be used solely for tour operations and not Car Hire*
3. *The vehicle should be registered as a commercial vehicle*

The approved goods will be subject to 0% import duty and VAT relief under the 3rd Schedule to the VAT Act, Cap 148. You will however be requested to complete VAT forms 224 and submit the same to the Commissioner for Customs and Excise for all imported items before clearance through customs; For locally procured items the completed VAT form 224 should be submitted to the commissioner for Domestic Revenue.

Sincerely Yours

A handwritten signature in black ink, appearing to read 'Said Athumani', is written over a horizontal line.

Said Athumani

For: Commissioner for Customs and Excise

RS/
c.c. Manager - Customs Service centre,
c.c. Manager -Tax Exemption,
c.c. Executive Director,
Tanzania Investment Centre,
P. O. Box 938,
Dar es Salaam,

ISO 9001:2008 Certified
CUSTOMS & EXCISE DEPARTMENT
Sokoine Drive PO Box 9053 Dar es Salaam Tanzania