

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

MIRACLE EXPERIENCE TANZANIA LIMITED

CONDUCTED ON 29TH NOVEMBER, 2022

PROJECT'S PROFILE				
S/N	ITEM	DESCRIPTION		
1.	Company Name	Miracle Experience Tanzania Limited		
2.	Project Location	2706 Engira Road, Plot No. 45 Block LDA located in Arusha City		
3.	Projects' Core Activities	To establish a project for provision of hot air balloon tour operations		
4.	Address	P. O. Box 2706, ARUSHA		
	Mobile Number	+255 754 331 820		
5.	Contact Person	Donald D. Tindamanyire Director		
6.	TIC Certificate of Incentives	Number: 018178		
		Date of Registration: 3rd November, 2021		
7.	Present Ownership Structure (Shareholders)	Name	Nationality	Percentage
		Hassanain S. Sajan	Tanzanian	40%
		Rakesh K. Gokhroo	Indian	40%
		Donald D. Tindamanyire	Tanzanian	2%
		Sajida S. Mohammed	Tanzanian	18%
8.	Total Investment Cost (To-date)	USD 1.8 Million		
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 Balloons and Tour Vehicles Available)	<ul style="list-style-type: none"> • 6 Balloons • 32 Tour Vehicles 		
11.	Manpower Total (Nos.)	100 employees (all permanent) including 6 expatriates		
12.	Future Investment Plans	Procure 3 balloons, more tourist vehicles and camping equipment		

1.0 BACKGROUND

Miracle Experience Tanzania Limited is a TIC registered project with Certificate of Incentives No.018178 issued on 3rd November, 2021 with the sole objective of hot air balloon tour operations.

Recently, the Tanzania Investment Centre (TIC) received a letter from Miracle Experience Tanzania Limited requesting an extension of the TIC Certificate of Incentives. 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 Thursday, 24th November 2022 our Zonal Manager, Mr. Daudi Riganda conducted the PVV exercise on Miracle Experience Tanzania Limited 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 Miracle Experience Tanzania Limited registered its project at Tanzania Investment Centre (TIC) for the first time on 17th September 2018 where it was issued with Certificate of Incentives No. 018178 with the sole objective of establishing and operating balloon tour activities. The company applied on 3rd November 2021 and was granted an additional extension of the implementation period for 12 months to accomplish the project.

- **Project Location**

Miracle Experience Tanzania Limited project is located on Plot No. 45 Block LDA located at Engira Street, in Arusha.

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. 018178 dated 3rd November 2021;
- 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. Hamza Indorewala, collect, analysis and verify information submitted to TIC by M/S Miracle Experience Tanzania Limited in relation to their application; and
- d) Review copies of relevant documents submitted to TIC and take site photos.

4.0 INTERVIEW, OBSERVATIONS, INTERVIEW AND FINDINGS

4.1 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. 018178 dated 3rd November 2021. 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 as per project promoters estimated at 70% complete.

4.2 Project's Achievements

During our physical visit at the site the following achievements were noted:

- (i) One (1) Office building completed and in operation;
- (ii) One (1) Office building still under construction;
- (iii) Hot air balloons have increased from 5 to 6 in a period of two years and others are waiting for shipment;
- (iv) 32 vehicles imported for tour operations;
- (v) Three (3) permanent bases and two (2) mobile bases are in operations;
- (vi) Operations have begun at Kirawira, Serengeti National Park since June 2021 and Tarangire National Park since July 2021
- (vii) 100 employees (all permanent) including 6 expatriates;
- (viii) Small workshop with tools and equipment to service the fleet was found at place;
- (ix) Investment capital to-date estimated at USD 1.8 million, and it is still increasing;
- (x) The company is ranked No. 1 in things to do in Serengeti on Trip Advisor for 2019, 2020 and 2021 respectively.

4.3 Interview Mr. Hamza Indorewala, collect, analysis and verify information submitted to TIC by M/S Miracle Experience Tanzania Limited in relation to their application

During the interview with **Mr. Hamza Indorewala**, Sales Analyst from Miracle Experience Tanzania Limited we explored the challenges that faced the implementation of the project between 2019 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) *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 Absa Bank Tanzania Limited (formerly Barclays Bank Tanzania Limited) of USD 1,000,000 (*One Million United States Dollar Only*). The same was registered by the Bank of Tanzania (BoT) on 14th September 2021. Evidence is presented in **Annex II** of this Report.

4.4 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. We are of the opinion that an extension of one year period will be enough to complete this project by importing more hot air

balloons, vehicles and other tourist equipment including tents 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.

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

During our physical visit to the site 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;
- Registration of a foreign loan in favor of M/S Miracle Experience Tanzania Limited (USD 1,000,000) by the BoT;
- 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>Investor’s Progress Report</i>	Not Presented	It MUST be presented before the approval is granted the TIC’s EXD
<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</i>	Not Presented	N/A

<i>Exemptions on the Capital/Deemed Capital Goods granted by the TRA Commissioner for Customs & Excise</i>		
<i>Registration of a foreign loan by the BoT</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 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. 018178 dated 3rd November 2021;
- 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 unquestionable;
- 5.4 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 increasing 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 need of extension 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;*
- *Increase a number of hot air balloons from 6 to 9 in the next two years;*
- *Complete the new office building on Plot No. 45 Block LDA located at Engira Road in Arusha City;*
- *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. However, the approval should be subject to submission of the Investor's Progress Report.



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Daudi Riganda

DATE: 01.12.2022

ANNEX I: SITE PICTURES



Front View of the Entrance Gate of office building on Plot No. 45 Block LDA located at Engira Road in Arusha City.





Part of a fleet operated by Miracle Experience Tanzania Limited





Some of the hot air balloons operated by Miracle Experience Tanzania Limited



Front View of Miracle Experience Tanzania Limited's Office Building located on Plot No. 45 Block LDA located at Engira Road in Arusha City

**ANNEX II: REGISTRATION OF A FOREIGN LOAN IN FAVOUR OF
MIRACLE EXPERIENCE TANZANIA LIMITED BY BANK OF TANZANIA**

Benki Kuu ya Tanzania
2 Mtaa wa Mirambo
S.L.P 2939
11884 Dar es Salaam - Tanzania
Simu ya mdomo: 2233378/2233379
Nukushi: 2234056



Bank of Tanzania
2 Mirambo Street
P. O. Box 2939
11884 Dar es Salaam - Tanzania
Phone: 2233378/2233379
Fax: 2234056

GF.56/354/01/82

14 September 2021

Managing Director,
Absa Bank Tanzania Limited,
Ohio Street,
P.O. Box 5137,
DAR ES SALAAM - Attn: Irene Sengati-giattas/Genade Mzee

Dear Sir/Madam,

**RE: REGISTRATION OF FOREIGN LOAN IN FAVOR OF MIRACLE
EXPERIENCES TANZANIA LTD USD 1,000,000**

Reference is made to your letter with reference number ABT/CRED/BOT/2021/29, dated 30th August 2021, regarding the above captioned subject.

We are pleased to inform you that the above-cited loan worth **USD 1,000,000** in favor of Miracle Experiences Tanzania Limited, of Tanzania from Rivag General Trading LLC, of the United Arab Emirates has been assigned Debt Registration Number **(DRN) 2021049**.

In accordance with the provisions of the Foreign Exchange Act, 1992 and subsequent Regulations and Circulars, you are required to comply with the following conditions:

- i. Report to the Bank on debt service payments on this loan as per debt service schedule;
- ii. All transactions relating to this loan should be made through the approving bank;
- iii. The borrower should inform the Bank in case of change of name, physical address, termination and/or any other change(s) in relation to the loan agreement; and
- iv. Ensure in future that all foreign loans are registered within 14 days after signing the loan agreement.

Please quote the above DRN in all your correspondences with the Bank relating to this loan.

Yours faithfully,
BANK OF TANZANIA

Moses L. Mwizarubi
Sep 14 2021 3:24 PM

DocuSign

Jeremiah Henry MUNUO
Sep 14 2021 3:48 PM

DocuSign

Fiscal and Debt Management Department,
DIRECTORATE OF ECONOMIC RESEARCH AND POLICY

CC: Miracle Experiences Tanzania Ltd,
Plot 45, Engira Road, Corridor Area,
P.O Box 2706,
ARUSHA.