

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



**REPORT ON THE PROJECT PHYSICAL VERIFICATION VISIT
CONDUCTED FOR AL HUSHOOM INVESTMENT (T) LIMITED**

IN

DAR ES SALAAM REGION

05TH OCTOBER, 2022

COMPANY BRIEF PROFILE

Company Name	Al Hushoom Investment (T) Limited		
Postal Address	P. O. Box 20831		
Contact Person	Mr. Ally Ameir Munif		
Office Phone	+255 22 2119247		
Mobile Phone	+255789888882		
E-mail	alhusoom@gmail.com		
Project Core Activity	To establish and operate a project for Cargo transportation		
Project Location	PLOT NO. 22, TABATA INDUSTRIAL AREA		
Certificate of Incentives No & Date of Registration	070169 dated on 15 th March, 2005 and 070169-1 dated on 25 th April, 2014		
Present Ownership Structure	Local 100%		
Shareholders	Shareholders	Nationality	Shareholding (%)
	Khalid Munif Nahdi	Tanzania	33.33%
	Said Edha Nahdi	Tanzania	33.33%
	Ameir Munif Nahdi	Tanzania	33.34
Current Status of the Project	Operating		
Manpower Total (Nos.)	Foreign Men: Foreign Women: Local Men: 170 Local Women: 20		
Project Financing Expenditure to-date (USD)	TZS 8,689,817,553.71/=		

1.0 BACKGROUND

Al hushoom Investment (T) Limited is a company established in 1991 with the certificate of incorporation number 19702 and it was issued a certificate of Incentive for expansion number 070169 from Tanzania Investment Centre (TIC) in 2005 for the proposed activities of transportation fleet, Construction of office block and modernization of supporting facilities with the Investment Capital amounted to USD 9.415 million and in 2014, it had been also issued a certificate of incentives for expansion number 070169-1 for the project of cargo transportation.

The company have four divisions (Transport, Stone quarry, Real Estate and ICD - Inland Container Depot) to serve logistics within East, Central and Southern Africa. Transport division is what Al-hushoom investment started with and registered the project to TIC. Oilcom is a sister's companies operate its own petroleum storage depots in and outside Tanzania but it's served by Al Hushoom Investment (T) Ltd in transportation services.

The Certificate of Incentive was expired in 2017 and within that period, they managed to procure only three (3) trucks out of 200 trucks granted by TRA. The company submitted a request to TIC to be granted an extension of project implementation period effective from October 2022 so as to accomplish the project implementation and enjoyed the remaining granted balance of Capital and Deemed Goods.

On 05th October, 2022, TIC conducted a Project physical Verification Visit (PVV) in order to verify the eligibility of the investor's request.

, 1.1 Project Location

The project is located on PLOT NO. 22, TABATA INDUSTRIAL AREA

1.2 Objective of the Visitation

The main objective of the site visit was to conduct a physical verification of the development of the project so as to verify the eligibility of the investor's request for extension of the project implementation period and to advice TIC on approval decision based on the site findings.

1.3 PVV Team

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|-------|--------------------|--------------------|
| (i) | Marcela Kimaro | Investment Officer |
| (ii) | Deusdedit Hokororo | Investment Officer |
| (iii) | Gift J. Kamfuko | TRA-TIC |

2.0 Methodology

The following methodology were used to conduct the PVV

- (i) To review the submitted request documents and the company file so as to get the historical background of the project and strong reasons for extension of implementation period.
- (ii) Interview with Mr. Ahmed Omary (Operation Manager) to get the progress report of the project and the challenges hindering effective implementation of the project.
- (iii) Physical site visitation to verify the progress of the project

3.0 Interviews, Observations and Findings

On 05th October, 2022, the PVV team visited the company and had a consultative conversation with Mr. Ahmed Omary (Operation Manager) to acquire important information on the progress of the project development and challenges hindering effective implementation of the project. The following are the key issues observed.

3.1 Findings from Investor's request

- (i) Currently the Government has been striving to recover our economy through creating the conducive business environment via good policies and business promotion hence the importation of goods has been increased for both locally and transit to land locked countries.
- (ii) As a result, these has been an overwhelming increase in demand of service for transportation of goods by road for both local and transit due to increase fleet at Dar es salaam port, leading to the deficit of service providers in the market to meet the required demand.
- (iii) The investor decided to import more trucks in order to meet the market demands of transportation service for both locally and transit to land locked countries.

3.2 Physical Findings

- (i) The project has been issued a certificate of incentive for expansion number 070169 from Tanzania Investment Centre (TIC) in 2005 for the proposed activities of transportation fleet, Construction of office block and modernization of supporting facilities with the Investment Capital amounted to USD 9.415 million.
- (ii) It also be issued a certificate of incentives for expansion number 070169-1 in 2014 for the project of cargo transportation.
- (iii) There are 19 trucks found at Company's yard during PVV exercise and both branded oilcom brand name (See appendix no.1)
- (iv) There is a warehouse for the storage of stare parts for the trucks. (See appendix no.2)
- (v) There is office building for the project. (See appendix no. 3)

3.3 Interview Operation Manager- Mr. Ahmed Omary

- (i) The project is initial financed by local Equity amounted to USD 6.068M but the current status of the Project Financial Expenditure is TZS 8,689,817,553.71/=
- (ii) The company managed to increase a number of strategic clients across SADC and EAC which stimulated the need for the trucks for transportation services.
- (iii) Shipments of trucks are on progress and they need extension for the certificate of incentive inorder to apply for the exemption from TRA.
- (iv) They now have enough fund to implement the project.

3.2 Challenges faced the project.

- (i) During 2014 to 2017, the company failed to fully implement the project for the period provided due to lack of sufficient fund which resulted in the postponement of several activities planned to be executed and therefore failed to complete the project as planned.

- (ii) The company also suffered the competition due to cancellation of many projects which are key for the sustainability of transportation sector.

4.0 Conclusions

Tanzania ports has strategic advantage location in East Africa enabling a sustainable choice to all customers in East Africa, SADC and Worldwide to be guaranteed with quickly and safely delivery of Cargo from the Port to their destination, these emphases the growth of transportation sector. Despite of all other factors, Al hushoom Investment (T) ltd, shown significant commitment in implementing the project and the imported trucks will create employment opportunities in the country.

5.0 Recommendations

This project had been registered by TIC for more than 17 years ago, and it had been 5 years since the expiration of last certificate. We recommend the Centre to adhere the laws and regulations on extension of implementation period for the projects, with high consideration of the important of Transportation sector for the Economic growth of the Country.

We are hereby submitting this report for your further action,



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Deusdedit Hokororo
Investment Officer



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Marcela Kimaro
Investment Officer



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Gift J. Kamfuko
TRA- TIC

Appendix No. 1



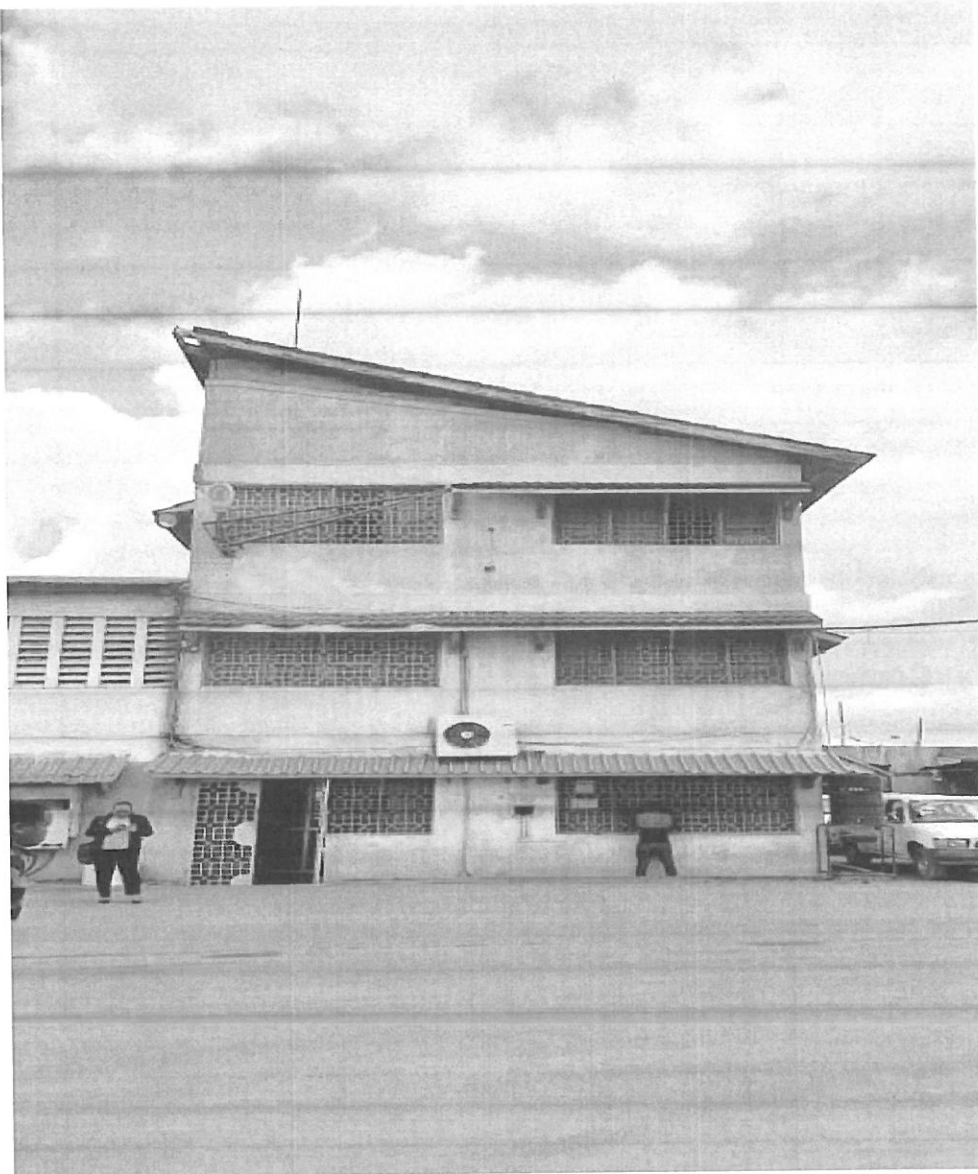
Trucks available at Company's Yard

Appendix 2



Warehouse for Trucks Spare parts

Appendix 3



Office building for the project