

## TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

## PROGRESS REPORT

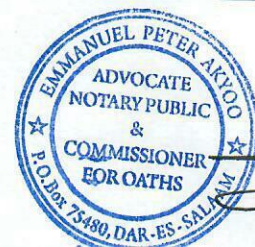
(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned activities for the period
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.

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	Estate of the Late Edmon Van Tongeren, Natherlands, 73%  Deweto Holdings Limited, Isle of Mann, 10%  Estate of the Late Philemon Nathaniel Mgaya, Tanzania, 17%
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	<a href="mailto:info@sgasecucurity.co.tz">info@sgasecucurity.co.tz</a> 0784 446 610 0222 164 800 Plot 12, Block K, Mwai Kibaki Road, Mbezi Beach Street, Kinondoni, Dar es Salaam
3	Contact Person	Name Position Communication details (Email, Mobile and telephone)	Mr. Ebenezer Kaale Human Resource Manager <a href="mailto:ekaale@sgasecurity.co.tz">ekaale@sgasecurity.co.tz</a> 0687 809 720
4	Incorporation	Certificate of Incorporation Number	10319
5	TIN Information	TIN Certificate No.	100-101-742
6	Project Objective	Project Core Activity	Private security service



7	Capacity	Project capacity per year	Revenue of TZS 25.1 billion in 2022.
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	None None 2,019 196
9	Indirect employment	Type/areas of Indirect employment	

#### 4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		-	-
Plant and machinery		1,596,085	1,596,085
Vehicles/Aircrafts		1,425,375	1,425,375
Furniture		153,998	153,998
Office equipment		187,161	187,161
Insurance Cover		41,432	41,432
Pre-operational expenses		-	-
Working sub-total capital		1,378,957	1,378,957
<b>Grand Total</b>		<b>4,783,008</b>	<b>4,783,008</b>

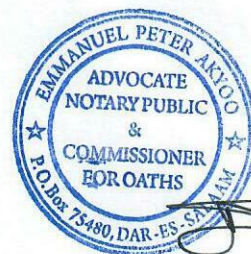
#### 5. Project Financing

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	410,519	Tanzania
Local loans	-	
Foreign equity	2,004,298	Netherlands and Isle of Man
Foreign Loans	-	
<b>Total Investment</b>	<b>2,414,817</b>	

#### 6. Problems and Solutions

- Significant increase of minimum wage in January this year increased our costs of operations consequently we lost customers, the wage increased by 48% and the solution is to increase our prices making it difficult in getting customers.
- Lack of sophisticated technical equipment for installations locally something which forces us to import equipment for installations directly as solution, but this increases our costs of sale.



- The industry is subjected to Tax credit of 5% withhold tax at source but profitability is lower than that hence squeezing us to significant tax credit something which finally affects our cash flow position. Solution is to file request for refund, and we have done that, but it takes long time leaving us with the same hustle on cash flow.
- The industry has two categories of companies; international and local whereas costs of operating an internal company is far much higher than for the local company, this automatically grants competitive advantage to the local company over the internal company. Solution is to become transparent on our costs and pay structure.
- Getting people at the management level with required technical skills going by the changing customer demands has been a challenge since private security industry in Tanzania is still at the infant stage compared to other African countries like South Africa and Kenya. Solution is to recruit non-citizens with the aim of transferring the knowledge to locals.

## 7. Future Plans.

We aim for more expansion in the next six months and resources required is six vehicles costing roughly 700M.

## Recommendations and any other comments

We recommend TIC to change its strategy towards encouraging investments by engaging their customers more to understand the challenges they face time to time and the possible interventions TIC can make to encourage more investments.

