

CONNECTION INVESTMENT (T) LIMITED

**Progress Report for the Period
2018 - 2021 June**

**Submitted to Tanzania Investment Centre
Jan 2023**

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1.0 Planned Activities for the period

Company Details & Registration:

M/s CONNECTION INVESTMENT (T) LIMITED was registered with the Registrar of Companies on 16th April of 2004 as a limited liability company. The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 48703

Since the core business or the object clause remains manufacturing and all other packaging activities, then during the period, the company planned to invest and undertake the following activities:

Proposed activities included:

- Building/Constructing sizeable yard for parking and services purposes.
- Purchasing of light ton trucks, staff busses, and other supporting utility vehicles necessary for the implementation of the project
- Construct garage facilities and service bays for all utility vehicles.
- Procuring additional machineries and necessary equipments in supporting the implementation.
- Leasing other premises wherever need arise.
- To apply some additional funds from commercial banks in fulfilling the project missions.
- As part of the implementation, additional labour will be needed.

2. Achievements made towards Implementation

During implementation, a number of planned activities were implemented as follows:

- 1.1. As part of the implementation and as per approved list of capital goods, total of 3 pri fabricated have been procured as per oder.
- 1.2. Also utility vehicles (pick ups)and staff busses are on the way to be odered
- 1.3. The construction of the garage/parking yard facilities is geared to be completed, hence need for extension is obvious.
- 1.4. Employment: During the period, the company provided cumulative employment to more than 80 Tanzanians.
- 1.5. Main yard is at plot 1, block F, Zinga area, Bagamoyo.,

2.0 Company Details:

- Shareholders Information's : 1. Jonathan Mbasha, 40%
2. Caroline Constantine 30%
3 Johnson Usiri, Tanzanian 30%
- Company communications: Emails: info@connectioninv.co.tz
Mobiles: +255715418961
Physical Address: Coast region, plot 1, Bagamoyo
- Contact Person : Jonathan Mbasha
Group Chairman, +255767418962
- Incorporation: : COI 48703
- TIN information : TIN 102-583-620
- Project Objective : Project core activity : Manufacturing
- Capacity : Project capacity per year: 12,000,000 bags
- Direct employment : Foreigners, one
Local Men 35
Local women 10
- Indirect Employment:

4. 0 Project Financial Expenditure

During the implementation period, the company has incurred significant expenditure on the purchase of steel structures and prefabs and other supporting equipments as summarized here below:

ITEM	US (\$)	TSHS
Prefab structures	1,692,800	3,114,752,000
Machineries and others	1,850,500	3,404,920,000
Office equipments	18,100	33,304,000
Computers	5,400	9,936,000
Grand total (Exchange rate Tshs 1,840/\$)	3,566,800	6,562,912,000

5.0 Project financing

The company activities have since been and still being financed by equity. And in the coming period, it is expected that the company activities will be financed by both equity and long term debt, in proportions of 55% and 45%, respectively

6.0 Problems and Solutions

In the implementation period at various stages, pile of problems affected both our projections of costs and contributed to some delays. The major problems encountered are:

6.1 With the invasions by pandemic ,that Covid 19,the one that capture the world at unexpectedly and untimely,moments,that till today some of the major businesses has collapsed,also affects our projections and plans as most experts expected to fix the machines and structures run away and fled back to their countries and find a severe lockdowns.

So we remains calm and waiting for the situation to stabilize and we are now ready with the experts and they are read to accomplish the fixing.

6.2 Excise and import duties on imported capital/deemed capital goods.

We understood from the Income Tax Act of 1973 and as per VAT and Customs Tariffs Act, 1976 and VAT Act, 1997 and as Income Tax Act, 1973 that the companies would be exempted from excise and import duties on the above mentioned during the implementations period. However the Tanzania Revenue Authority (TRA) officers are delaying in honouring these exemptions and this has made project costs to go up significantly, deviating materially from initial estimates due to storages at the port.

7.0 Future Plans (Planned activities for the Coming Period)

The development focus in 2023/24 will be on expanding the project capacity and strengthening of the bags productions and other packaging activities to connect the country as a whole and surroundings, and the rest of East and Southern Africa regions

Together with local, regional and national government agencies and NGOs, CONNECTIONS INV has developed and adopted codes of conduct and operations practices that allow the company to execute upstream activity programs while protecting these vibrant working environments, creating a minimal footprint by employing the highest environmental standards in all aspects of operations.

The financial requirements for the extension period are projected as follows:

ITEM	US (\$)	TSHS
Project Structures for prefabs	950,000	2,232,500,000
Plant and Machinery	300,000	705,000,000
Office equipment	20,000	47,000,000
Grand total (exchange rate 1 usd = tshs 2350)	1,270,000	2,984,500,000

8.0 Comments/Recommendations

We humbly appreciate the TIC management tireless efforts in enabling both local and foreign investors enjoy the facility through different session of discussions and negotiations with Governments departments especially the Ministry of Finance and TRA all aiming at increasing the country GDP growth and as well as putting the country in WTO trade map.