# TANZANIA INVESTMENT CENTRE

## DIRECTORATE OF INVESTMENT FACILITATION

**EASTERN ZONE**

**REPORT ON PROJECT VERIFICATION VISIT (PVV) TO CONNECTIONS INVESTMENT LTD CONDUCTED ON 21ST FEBRUARY 2023**

**FEBRUARY, 2023**

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## 1.0 PROJECT PROFILE

| Company Information | | | | |
|---|---|---|---|---|
| **S/N** | **Item** | **Description** | | |
| 1. | Company Name | Connections Investment Ltd | | |
| 2. | Project Location | Plots No's 1Block F located at Zinga area, Bagamoyo District Council, Coast Region | | |
| 3. | Projects' Core Activities | To establish and operate a warehouse facility for lease | | |
| 4. | Address & Mobile Number | P. O. Box 66637<br>Dar es salaam<br>+255715418961 | | |
| 5. | Contact Person | Jonathan Mbasha<br>Group Chairman<br>+255715418962 | | |
| 6. | Shareholders | **Name** | **Nationality** | **Shareholding** |
| | | Jonathan Mbasha | Tanzanian | 40% |
| | | Caroline Constantine | Tanzanian | 30% |
| | | Johnson Usiri | Tanzanian | 30% |
| 7. | Employment | Foreign Men 01 | Local Men 35 | |
| | | | Women 10 | |

## 2.0 INTRODUCTION

### 2.1 History of the Company

Connections Investment Ltd of P. O. Box 66637, Dar es Salaam (hereinafter referred as investor) is a Private Company Limited by shares with Certificate of Incorporation number 48703 dated 16th April 2004.The Company is registered with TIC and granted Certificate of Incentive No.017139 dated 2nd May 2018 valid up to April 2021. Investor did not apply for extension, though CoI is under-fives years term, but only three months remained so far. The Company principal business is to establish a warehouse facility though for now it is operating woven bags manufacturing.

According to progress report submitted on January 2023, the Investor has implemented the following activities;

i. Factory was completed since January 2021 and start production;
ii. As part of implementation and as per approved list of capital goods, total of three pre-fabricated have been procured as per order.
iii. The construction of the garage/ parking yard facilities is geared to be completed, thus need of extension.
iv. Company provided cumulative employment of more than 80 Tanzanian staffs.
v. Utility vehicles (pickups) and staff busses are on the way to be ordered.

### 2.2 Geographical location

The project is located at plots No.1 in Zinga area, Bagamoyo District Council, Pwani region, along Dar es Salaam – Bagamoyo road.

## 3.0 PROJECT VERIFICATION VISIT (PVV)

No visit has been made due to the fact that, the project is within five years implementation period, the investor submitted progress report, pictures of the completed factory and documents showing reasons for delay of the completion of the project and list of enjoyed and remaining incentives.

## 4.0 FINDINGS AND/OR OBSERVATIONS

After documents perusal, the following have been observed,

i. The project was registered in May 2018 and investor was required to ask for extension on April 2021. But they didn't apply for extension till January 2023.

ii. Legally, investor request is within five years of implementation, but its valid until April 2023, thus any extension granted will exceed beyond normal time limit for certificate of incentives.

iii. Due to Covid 19 pandemic, experts came in october 2020 to fix the machineries. These experts came from India, namely Mr. Sandeep Kumar Saxena and Mr Omkumar Shukla, both arrived on 8th October 2020. (Emirates tickets and invitation letters attached).

iv. Investor purchased PP woven bags plant from LOHIA CORP INDIA, and the aforementioned experts came from LOHIA CORP to overseen installation of the same.

v. Project investment cost was projected to be USD 6.5millions and project has already expended USD 3,566,800 and implementation is continuing.

vi. Company is expecting to finance its activities by both equity and long-term debt, in proportions of 55% and 45% respectively.

vii. Company's development plan in 2023/2024 will be on expanding project capacity and strengthening of the bag's productions and other packaging activities to connect the country with other countries in the East African region.

### 4.1 Major Challenges towards failure to timely completion of the project

Discussion between PVV team and Mr. Elias J. Wasonga (Investors Legal Secretary) supported by documents submitted, it was revealed that, the pandemic was responsible. It caused travel restriction imposed by countries hence delays of experts for installations.

## 5.0 RECOMMENDATIONS

i. Connection Investment (T) Ltd is registered to establish and operate warehouse facility for lease, but on their extension request they mentioned existence of woven bags manufacturing plant on the same premises.

ii. Investor ha enjoyed exemption on some of the items but still there are other important items not utilized as shown on the attached letter and list of incentives from TRA.

iii. Manufacturing is the second phase implementation plan of the Company, though was not mentioned specifically for woven bags, but was highlighted in Feasibility Study Report submitted for the registered project.

iv. Without affecting the investor's intention for the request of extension of Certificate of Incentives, should be advised to apply for a new certificate of incentives on the manufacturing project.

v. Since the warehouse is existing and ongoing project, I recommend Connection Investment (T) Limited be granted extension of their Certificate of incentives for one year.

## 6.0 CONCLUSION

Based on the discussion with company representatives and the documents presented and considering the findings, including recommendations described above thus reasons provided by the investor for not completing the project can be considered logical therefore, Connection Investment (T) Ltd can be considered for extension of Certificate of Incentives number 017139.

I humbly submit,

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**Mr. Fidelis Obanga**

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