

**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**

(i) Building structures

Completion of building structures:

- External works and landscape
- Building exterior finishing and paint works

(ii) Machine installation

- Completion of machine installation
- Importation and installation of coal boiler
- Installation of CNG for power generation

**2. ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION**

(i) Building structures

Building of structures has been completed to an overall percentage of 90% as per the following details.

<b>Building</b>	<b>Works in Progress</b>	<b>Percentage Progress</b>
<b>Factory Warehouse</b>	Finishing works on progress	95%
<b>Storage Godown</b>	Finishing works on progress	95%
<b>Office Block</b>	Finishing works on progress	95%
<b>Hostel &amp; Cafeteria</b>	Finishing works on progress	100%
<b>Waste Water Treatment Tank</b>	Foundation works	100%
<b>Boiler House</b>	Finishing works on progress	95%
<b>Changing Rooms (2nr)</b>	Finishing works on progress	100%
<b>Fence &amp; Gates</b>	Skimming and paint works	85%
<b>1000m<sup>3</sup> Water Tank</b>	Interior paint	100%
<b>Power House</b>	Roofing and gas piping	90%
<b>Security House</b>	Skimming and paint works	85%

(ii) Machine installation

Machine installation started in September 2020 against scheduled time of February 2020 due to corona pandemic. Engineers from IVEN PHARMATECH ENGINEERING COMPANY are carrying on with machines installation at 90% completion. Ongoing works involves installation of:

- i. Completion of coal boiler
- ii. Preparation for construction of CNG

- iii. Importation of Pharmaceuticals Pelletizer Machine
- iv. Procurement of coal boiler
- v. Securing of GMP registration

### 3. UPDATED INFORMATION

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	(i)KAIRUKI HEALTH AND EDUCATION NETWORK (TANZANIAN).....98% (ii)MRS KOKUSHUBILA KAIRUKI (TANZANIAN).....2%
2.	Company Communication Information	Email address	info@kairukipharmaceuticals.org
		Mobile Number	0759088563
		Land Line Telephone Number	
		Physical Address (Plot No., Block No, Street, District and Region)	Plot no. 190-196, Block A, Zegereni Industrial Area, Kibaha, Coast Region
3.	Contact Person	Name	Dr. Muganyizi Clemence Kairuki
		Position	Principal Promoter
		Communication Details (Email, Mobile and telephone)	info@kairukipharmaceuticals.org
4.	Incorporation	Certificate of Incorporation No.	122371
5.	TIN information	TIN Certificate No.	137-508-001
6.	Project Objective	Project Core Activity	Manufacturing of Pharmaceuticals
7.	Capacity	Project Capacity per Year	43,200,000 I.V. Bottles
8.	Direct Employment	Foreign-Men	2
		Foreign-Women	0
		Local-Men	75
		Local-Women	34
9.	Indirect employment	Estimated Total No.	500
		Type/areas of Indirect Employment	Food supply, transport, accommodation

### 4. PROJECT FINANCIAL EXPENDITURE TODATE (USD):

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	0.00	4,996,300.05	4,996,300.05
Plant and machinery	9,021,957.61	0.00	9,021,957.61

Vehicles/Aircrafts	63,953.19	0.00	63,953.19
Furniture	0.00	10,391.66	10,391.66
Office equipment	12,355.27	0.00	12,355.27
Insurance Cover	0.00	17,936.50	17,936.50
Pre-operational expenses	0.00	1,180,672.49	1,180,672.49
Working sub-total capital	98,437.50	0.00	98,437.50
<b>GRAND TOTAL</b>	<b>9,196,703.57</b>	<b>6,205,300.70</b>	<b>15,402,004.27</b>

## 5. PROJECT FINANCING

Information of Project financing are:

	Amount (USD)	Source Country
Local Equity	5,543,061.46	Tanzania
Local Loans	9,858,942.81	Tanzania
Foreign Equity	0.00	
Foreign Loans	0.00	
<b>Total Investment</b>	<b>15,402,004.27</b>	

## 6. PROBLEMS AND SOLUTION

### (i) Lack of steady and adequate power supply.

Though regionally designated as an industrial area, the Zegereni area, in which our factory is located and which already boasts the presence of more than 15 factories, does not have steady and adequate power supply.

#### **Recommendations**

TANESCO to provide reliable and affordable Electric power

### (ii) Lack of natural gas

There are four natural gas generators at site with 350Kw each but can't operate while waiting on construction of daughter station.

#### **Recommendations:**

TPDC should look into the possibility of supplying the Zegereni Industrial area with ample natural gas which should lower production costs as it is a least costly energy and environment friendly option.

### (iii) Challenges with regard to securing loans from our local banks.

Most our local banks prefer to lend their money to ongoing/established projects rather than start-ups or green field projects, especially high-risk pharmaceuticals manufacturing projects in their attempt to minimize risk.

**Recommendations**

Our commercial banks should lower their interest rates following the example of BOT and they should also give long – term loans to local pharmaceutical investors. On the other hand, the government should offer loan guarantees to local pharmaceutical manufacturers following the examples of Ethiopia, Ghana, Tunisia, Egypt etc. Moreover the government should ensure TIB is sufficiently capitalized so as to enable it to offer substantial loans for capital intensive projects especially of the pharmaceuticals factory type.

**7.0 FUTURE PLANS**

The following are plans for the coming for the coming **12 months**

- (i) Completion of Building structures and external landscape
- (ii) Procurement and installation of diesel generators
- (iii) Procurement and installation of pressure reducing station for gas generators
- (iv) With cooperation of TPDC, installation, testing, commissioning of compressed natural gas daughter station at site.
- (v) Procurement of power generation turbine