

Land at Babati for Depot operations

Company Profile:

SBC Tanzania Limited (SBC) a limited liability company duly incorporated under the Companies Act, Cap. 212 R.E. and licensed to carry on the business of franchised bottler and distributor of PepsiCo Inc. products in United Republic of Tanzania with its registered office at Plot 54/57, P O Box 4162, Nyerere Road, Kipawa Industrial Area, Ilala Municipality, Dar es Salaam. The Company's Taxpayer Identification Number is 100-793-717 and has been one of the large taxpayers in Tanzania.

SBC Tanzania LTD has a national manufacturing and distribution footprint, consisting of 4 Plants and 9 Depots, with our manufacturing plants being strategically located in Dar, Arusha, Mwanza, and Mbeya. Our sales strategy is to be “# 1 at Customer” thus have brand and cold product availability and visibility at the point of purchase (Duka), across Tanzania, thus our go to market (GTM) strategy is equally focused to both Urban and Rural territories across the country.

Our GTM approach is via Stockists, we distribute to roughly 6,048 Stockists & 83 Distributors across the country, who then deliver to retail/duka's. Our ambition is to cover all accessible areas/ villages across Tanzania, therefore making our product range available everywhere.

Company's Strategy:

Key growth levers to support our volume growth and market expansion are,

- Quality, affordable product portfolio
- People/ investing in training and capability
- Expansion of Route to Market
- Driving consumer engagement through marketing initiatives
- Product innovation and new product launches
- Investing in enhancing manufacturing capacity

SBC is currently operating through 4 production facilities located at Dar es Salaam Arusha, Mbeya, and Mwanza and 9 depot locations situated at Upanga in Dar es Salaam, Morogoro, Dodoma, Moshi, Singida, Iringa, Songea, Shinyanga and Igogo in Mwanza.

Depot Operations at Babati:

One of the key levers to support volume growth for SBC Tanzania Limited is expansion of Route to Market. Considering the increasing demand for Carbonated Soft drinks (CSD) in Manyara region and to have an effective distribution model for better customer service, the company has evaluated various options to improve the footprint in the interior markets of Tanzania.

With a view to service its customers timely and create indirect employment opportunities, SBC Tanzania is looking for to set up its own depot at Babati. This will involve an investment as mentioned below before the Company commences its operations out of the proposed depot premises.

The target markets for SBC that are planned to be serviced from the proposed depot include Babati Urban, Bashnet, Katesh, Hydom and other interior locations. SBC in these regions compete with players like Coca-Cola, Sayona, Jambo, Azam, and MO of the beverage industry to grow sales and market share.

The shareholders of SBC Tanzania limited have witnessed a stable growth opportunity in Tanzania including an increase in the customer demand for CSD products.

In pursuant to its mission and commitment “to grow the beverage business ethically, manufacturing and distributing world class brands whilst serving its customers and trade partners with uncompromising integrity and striving to create evermore employment opportunities for citizens of Tanzania and add value to the country’s economy whilst generating fair returns to shareholders”, the company’s shareholders, as part of their medium to long-term business strategy have expressed their interest to pursue and expand the footprint of SBC in Arusha and Manyara regions.

Investment Details:

To service the markets mentioned above, SBC has plans to invest in Babati operations including but not limited to market expansion, as follows:

Babati	Amount in Tzs 000
Land	43,000
Buildings	85,000
Sales Trucks	72,000
Total	200,000

Sources of Funds:

The source of funds to execute the project and meeting the working capital requirements shall be through overdraft facility availed from the local banks.

Value addition:

The Company’s activities in Babati is expected to create direct / indirect employment for 10 aspirants from year 1.

The Company will perform and capture transactions through an ERP system, Microsoft Dynamics Navision and all its operating locations are connected and integrated to its central server at the Head office in Dar es Salaam.