

# PROGRESS REPORT

## SAN HAO GOUP COMPANY LIMITED

### **INTRODUCTION**

#### **Name of the Project- Establish a Plant for Gypsum Production**

San Hao Company Limited is a company limited by shares, and registered under the Companies Act of 2002 with certificate of Incorporation Number 83261. The Company is registered with Tanzania Investment Centre vide the Certificate of Incentive Number 043219.

This Progress report gives an outlined detail of the improvements made on the crushing operations at its gypsum site located in Mkuranga District in Pwani, Mwanambaya Village Mkuranga Pwani.

This is majorly because these areas are hot spots in the market and have large areas and markets of sufficient raw materials. The aim is to keep transportation costs low. Basic constituents for gypsum are limestone and clay which are readily available in these coastal areas.

#### **Activities & Progress in the Period upto 2023**

##### **Establishment of the Gypsum manufacturing plant**

The company has established a modern plastics and gypsum powder manufacturing plant in Kisemvule Mkuranga Pwani. The company has acquired all the necessary regulatory permits. There is always an ever increasing demand for gypsum materials for construction and related activities in Tanzania. This is due to the fact that there is a growth in the construction activities while the existing production capacity does not meet the demand.

##### **Diversification into other Gypsum related products**

Due to high demand of its existing contracts the company ventured into other products production such as manufacturing of gypsum powder, gypsum boards which are high value products and whose market has grown in the country, particularly in the building construction sub-sector

##### **Mining & Processing**

The mining process we employ involves stripping of waste to expose the layer of gypsum ore which is loosened by ripping by a dozer or by excavation with a back-hoe mini-excavator. blasting is also used to loosen the bedrock. Gypsum ore processing has been involving by feeding the raw material ore into a crusher to produce gypsum aggregates, which are then to be transported to the gypsum powder and board manufacturing plants on site.

##### **Project development Objectives:**

Production commenced at the manufacturing plant in the early April 2017. A lot of consideration has been given on the technology to be adopted in making this production plant to be

successfully. After considering various options, a proven technology was chosen that is not only energy efficient but also is environmental friendly. The project shall have complete independent manufacturing plant from raw materials mixing to packing and loading station. The latest technology crushing unit has been installed (adopted) and this kind of technology make very less noise and vibration comparing to the older method. It is the latest model of Ball Mill, inside of this machine in which raw materials will be mixed and crushed.

**The major benefits from the project would be:**

There is always an ever-increasing demand for plastics and gypsum materials in Tanzania for construction purposes and other related activities; this is due to the fact that the existing production capacity does not meet the demand requirements notwithstanding the high price in local and international market. Thus, it is anticipated that the establishment of plant in Mkuranga industrial area will increase supply and reduce competition and high price in the local market. In view of that, the company has established the manufacturing plant in the area to cure this shortage. Also through this the company is be able to generate profits, benefit communities surrounding the project and also creation of additional revenues to the government through payment of royalty, corporate taxes, import duties and many other taxes that are resulting from various business transactions within the industry. Increase in foreign currency earnings hence a positive fiscal impact.

**Achievements made on the Project Implementation to date:**

The project has undergone various rehabilitation and expansion project to broaden and modernize the manufacturing plant by providing state of the art products that will save local markets from the reliability of foreign market and lose of foreign exchange. The company is seeking to boost foreign exchange generation and developing the national economy policy industrialization. With these objectives at hand the company went through:

- Project site selection phase;
- Constriction and Installation phase;
- Purchasing new modern manufacturing plant equipment;
- Addition of gypsum powder and gypsum board machines

**Problems and Solution:**

Source of the raw materials are secured locally in the southern region of Tanzania. The region produces abundant high quality raw material of gypsum and it has increasingly becoming more economically viable for local industries secure it from there than importing the material from abroad. However the accessibility of the region has become a major setback because of the poor infrastructure that a deterrent for ordering raw material from these parts.

### **Future Plans**

The company is intending to expand its project we are planning to create new employment opportunity of 700(directly and indirectly) during the coming year of 2021, local employees to work under the different departments that are being established. As a company, we are looking to improve the domestic manufacturing sector by getting the financial, technological and management resources to spearhead this local market to a global economy on its own.

### **Recommendations and any other comments:**

Notwithstanding the positive development the manufacturing sector in the country, as manufacturers we are still facing difficulties. The sector is picking up slowly and is expected to do so for the foreseeable future. The problems of inadequate infrastructure and adjusting to globalization which could be said to constitute an internal and external dimension respectively are intimately related. Hence, the fact that the cost of electricity currently exceeds that of most countries in some Africa is the main barrier to investors to Tanzania.