

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

PROGRESS REPORT

(Information required for the project's report after every six months or for amendment of Certificate of Incentives)

1. Planned Activities for the period from **5th August, 2022** to **4th August, 2027**
2. Achievements made on the project implementation to date;
(i.e. from the date the project was approved to the date writing the report)
Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc.

The following are the achievements that we got since installation of the project;

- i. The Company has achieved to install latest production machines for hygienic sanitary pads (**Heavy Machines**) that makes us to lead to the good and quality products. Due to this made us to the development of business/industrial entities which can create a strong industrial base for faster economic and industrial development including promotion of forward and backward industrial linkages in the country.
- ii. Start production and leads to a market of hygienic products.
- iii. Through this project the company have bring all about better standard of living to our employers and employees. The company produce goods at lower cost and supply quality goods at lower price to the community according to their requirements. When the price of commodities decreases the consumers get the power to buy more goods for their satisfaction. Also, we'll promote competition in the country through constant improvement of products and services.
- iv. Produce good and quality products that making us a sale of products for the quantity of **36,000,000PCs** of baby products diapers per year

3. The updated information as provided below;

S/NO.	INFORMATION	DESCRIPTION	CURRENT PROJECT STATUS
1.	Shareholder's Information	Current Shareholders Names, Nationality and percentage of ownership	1. -MOHAMMAD NAZEEH KOUKASH -SYRIAN -5%
			2. -MOHANAD DADOUCH -TURKISH -25%
			3. -CEMAL RAMADAN -TURKISH -70%
2.	Company Communication information	Email Address	info@drafcogroup.com
		Mobile Number	+255621696977
		Land Line Telephone Number	N/A
		Physical Address (Plot No., Block No, Street, District and Region	Plot No. 2184, Block No. D, Street Kisemvule, District Mkuranga, Region Pwani.
3.	Contact Person	Name	Michael Venance Nkonyani
		Position	Administration Officer
		Communication Details	m.venance@drafcogroup.com +255625 232 748
4.	Incorporation	Certificate of Incorporation No.	136590871
5.	TIN Information	TIN Certificate No.	136-590-871
6	Project Objective	Project Core Activities	Establish a project for manufacturing hygienic products
7.	Capacity	Project Capacity per Year	36,000,000PCs
8.	Direct Employment	Foreign-Men	9
		Foreign-Women	0
		Local-Men	29
		Local-Women	16
9	indirect Employment	Estimated Total No	10
		Types/areas of Indirect Employment	Sales and Promotions

4. Project Financial Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	0	0	0
Plant and Machinery	0	950,000	950,000
Vehicles/Aircrafts	0	45,000	45,000
Furniture	0	26,000	26,000
Office equipment	0	25,000	25,000
Insurance Cover	0	0	0
Pre-Operational Expenses	0	211,000	211,000
Working sub-total capital	0	2,023,000	2,023,000
GRANT TOTAL	0	3,280,000	3,280,000

5. Project Financing

(Explain how the project is being financed e.g. equity, loans, loans, sources of loans, conditions, etc. see table below.)

Consider the table below;

	Amount (USD)	Source country
Local Equity	2,500,000	Tanzania
Local Loans	0	Tanzania
Foreign Equity	0	
Foreign Loans	0	
Total Investment	2,500,000	

6. Problems and Solution

(Explain problems, which the management is encountering in executing the project and the steps being taken to solve them).

The following are **problems**

- i. Raw material for the industry is very limited which some needs imports from china and other industrial developing countries
- ii. To get local expert is very difficult that leads us to find outside Tanzania especially in productions and industry manufacturing
- iii. VAT on imported raw materials is killing the company's capital ability as the government does not practically refunding the VAT later on when they produce.
- iv. Long delay in clearing goods at a port or airport
- v. High competition for the companies that deals with sanitary products that's are importing from outside, there cost and us is different that leads market to be difficult.
- vi. There is no proper facilitation to investors
- vii. There is no proper development areas with infrastructures where factories can be installed.

The **solutions**

- i. To provide industrial education like Mechanical engineering, industrial machines at a low level.
- ii. To regulate tax in all environments in business
- iii. Increase the area of incentive so as to stimulate industrial installation in our country
- iv. Improve technologies, business environment's within Tanzania.
- v. We suggest the government to make the factory postpone VAT on raw material and pay VAT

7. **Future Plans**

Our future plans to the twelve (12) months is to purchase new production line (**machine**) which will specifically for produce Adult Diapers which until now there is no alternative manufacture in Tanzania. The expected investment will help to the country to reduce adult diapers importation by twelve million (12mil) diapers per years.

8. **Recommendations and any other comments**

Drafco Group Limited is committed to be a world class company in establishing and manufacturing of hygienic products. So, our recommends is to improve and stimulate working environment's especially industry, agriculture for raw materials that will enables industries to get raw material within a country and not all time importing.