

ALKO VINTAGES COMPANY LIMITED

PROGRESS REPORT

1. Planned Activities for the period

In the first phase of constructing and expanding our grape wine/juice and brandy factory, we depicted several key activities to mark this stage. These activities include the procurement of equipment, the construction and setup of the facility, and the development of a quality assurance and control plan.

2. Achievements made on the project implementation to date:

As of now, the structural framework is complete with installation of essential utilities such as water, electricity and waste management system. The production line equipment and quality control systems has been installed ensuring smooth transition into the next phase of operations. Among the equipment that have been imported include; cooling system, injection mould delivery vehicles/pickups and laboratory equipment for brandy and wine analysis.

Overall, the project is on schedule despite some challenges faced, and the factory is set to begin production within the next few months, promising to contribute significantly to the local economy and grape juice market.

3. Project Financial Expenditure to date:

	Foreign	Local	Total
<i>Land and Buildings</i>	-	590,000,000.00	
<i>Plant and machinery</i>	-	1,650,000,000.00	
<i>Vehicles/Aircrafts</i>	-	250,000,000.00	
<i>Tanks/Storage</i>	-	250,000,000.00	
<i>Working sub-total capital</i>	-	350,000,000.00	
GRAND TOTAL		3,000,000,000.00	

4. **Project Financing**

The project financing for the factory has been strategically structured to ensure a robust financial foundation for its development and operations. The total project cost is estimated at 3,000,000,000.00, funded through a combination of equity investment and loans. The investors have contributed TZS 900,000,000.00 in equity providing not only the necessary capital but also valuable industrial expertise. Additionally, the project secured 2,100,000,000.00 loan from commercial bank which offers favorable terms due to the factory's potential economic impact on the community.

5. **Problems and Solution**

Problem;

The unavailability of up-to-date machinery locally posed a significant challenge in implementing the project, impacting investment costs considerably. Since all the required equipment had to be imported, the project faced not only higher purchase prices but also additional shipping and customs fees, and instability in foreign currency markets which have strained our budget. Moreover, reliance on international suppliers led to some delays in procurement and installation, hindering the overall timeline of the project.

Solution;

To mitigate these issues in the future, we plan to engage in bulk purchases and collaborate with local stakeholders to encourage the development of a domestic machinery supply chain.

6. **Future Plans**

Our future plan is centered around sustainable growth, innovation and community engagement. To accomplish this,

- we aim to invest in state-of-art machinery that increases production capacity and improves efficiency.
- We plan to forge strong partnerships with local vineyards, suppliers and research institutions to ensure a consistent supply of high-quality grapes while fostering community development.
- To expand our distribution channels both locally and internationally.

Through these initiatives, we are confident that the grape juice factory will not only thrive in the market but also contribute positively to the local economy and community well-being.

7. **Recommendations and any other comments**

To facilitate the successful implementation of the project, it is essential to acquire favorable support from relevant authorizes including engagement with regulatory bodies, government agencies and local stakeholders to ensure compliance with all necessary permits and regulations.

By fostering relationships with the respective authorities, we can enhance the project's viability backing for its successful establishment and operation.