



ILLOVO DISTILLERS (TANZANIA) LIMITED
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Ref. No. IDTL/CA/03/2025

10 February 2025

Executive Director
Tanzania Investment Centre
P.O. Box 938,
DAR ES SALAAM

Dear Sir,

RE: APPLICATION FOR CERTIFICATE OF INCENTIVE FOR THE CONSTRUCTION OF A NEW 50KL/DAY DISTILLERY

The above subject refers.

Illovo Distillers (Tanzania) Limited (IDTL), an ABF Sugar company, is a company registered by the Tanzania Investment Centre (TIC) under Certificate of Incentives No. 04213 dated 20th December 2011. The Company deals with manufacturing of ethanol.

We are pleased to inform you that the company, has been granted an approval by its shareholders to expand its potable alcohol (ENA) production from the current 14m k /L per annum to 28m k/L per annum.

This follows the construction of Kilombero Sugar Company's new \$263 million K4 mill which will result in doubling of molasses production from 50 k'tons to circa 100 k'tons. Molasses is a by-product of the sugar manufacturing process and is the main feedstock in IDTL's alcohol production process. Utilizing the additional molasses to expand IDTL's potable alcohol production was considered to be the most beneficial use of the molasses.

The total capital investment required to execute the project will be approximately US\$ 61.3 million.

Project implementation is expected to take 21 - 24 months starting from January 2025, with commissioning of the plant expected from June – August 2026 and handover to operations scheduled for August 2026.

DIRECTORS: C. Jensen** A. Lubbe* G.H. Williams*

COMPANY SECRETARY: L.M. Smith *

* South African ** British



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The project is expected to have various social economic benefits to the Tanzanian economy, including, but not limited to;

- a projected increase in corporate taxes payable by IDTL to GoT of over TZS 9.4 billion per annum (once a steady state is achieved at the new distillery).
- additional revenue collection by GoT from VAT of TZS 26.4 billion.
- an anticipated saving of Tanzania foreign exchange outflows of around US 11.3 million per annum by displacing imported alcohol with locally produced IDTL product.
- creating an additional 40 (forty) full time highly skilled technical jobs in the Kilombero Valley and an increase in personal income taxes collected by GoT;
- production of a local liquid fertiliser, rich in potassium, for use by Kilombero Growers and others.

In consideration of the significant benefits to the economy highlighted above, we hereby submit our application for project registration to enable us secure access to incentives offered by the Government through your entity.

We have attached the project write up that describes among other things; the project itself, the social economic benefits to the Tanzanian economy as well as our request for support from the Government of Tanzania. Should further information be requested in respect to this application, please don't hesitate to contact us.

We hereby submit, in anticipation of your support and collaboration.

Yours Sincerely,

Guy Williams
MANAGING DIRECTOR

DIRECTORS: C. Jensen** A. Lubbe* G.H. Williams*

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