

## Media Release

### Tanga Cement Commissions its New Mill and Packer

**November 24, 2009** – The first phase of Tanga Cement’s expansion project is now complete and the company is proud to announce the commissioning of its new state-of-art mill and packing plant. This is the first expansion project the Company has done since its commissioning in 1980.

The first cement from the new facility came out on the 11<sup>th</sup> of November. A total of 450 people were hired to complete this project over a period of two years.

With this development, Tanga Cement’s capacity output increases from 750,000 tons to 1,250,000 tons of cement per year. This is an increase of 67% which puts the Company in a strong position to meet the increasing demand of cement in Tanzania and neighbouring countries.

The addition of new capacities by Tanga Cement has now taken the current capacities of Tanzania cement plants to 3million tons which is more than enough to meet the current domestic demand of 2million tons per year.

Speaking about the investment, the Managing Director of Tanga Cement said “This USD46million investment is an affirmation of Tanga Cement’s commitment to the industrialisation of Tanzania and to the growth of both the Tanzanian and East African economies”.

Tanga Cement embarked on this expansion project two years back based on the suspended duties put on cement at that time. However, in the 2008 budget, the Government removed the suspended duties on cement allowing imported cement to enter the country in a big way. The average cement imports, which used to be around 1,000 tons per month, have now reached more than 20,000 tons per month.

This huge inflow of imported cement has caused local cement producers to cut down production. The management of Tanga Cement is not sure if the new capacities it just commissioned will be fully utilised. Due to this uncertainty, the second phase of expansion to increase clinker production capacity has been put on hold.

Speaking about this the Managing Director of Tanga Cement, Mr. Juerg Fluehmann said, “The unpredictable import policies, the importation of subsidized cement and the uncertainty surrounding power supply makes it impossible for us commit to any further expansion at this time”.

The company is in dialogue with the Ministry of Industries, Trade & Marketing to see that the suspended duties on cement are restored as committed earlier so that the current expansion can be fully utilised and the second phase of the expansion is revived.

Tanga Cement Company Limited is the manufacturer of the well known Simba brand of Cement. It is Tanzania’s first publicly listed cement company. It employs 300 people directly and 5,000 indirectly. Last year, the company paid over 30 billion Tanzanian Shilling in taxes.

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