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Obtala Resources Limited
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Obtala Resources Limited
("Obtala" or the "Company")
(AIM: OBT)

EPZ Awarded to Morogoro Farm, Tanzania

Obtala Resources Limited (AIM:OBT), the emerging agri-processing, farming and timber company, is pleased to announce the award of an Export Processing Zone ("EPZ") Certificate for its farm project near Morogoro, Tanzania.

The Export Processing Zone Authority ("EPZA") is an autonomous Government agency governed by a Board of Directors. It operates under the Ministry of Industry and Trade. EPZA is responsible for steering and implementing government policy on promotion of Special Economic Zones (SEZs) in Tanzania, and is a programme contributing towards the achievement of economic objectives and goals of Vision 2020 aiming of transforming Tanzania into a globally competitive country.

Among the incentives that come with the grant of the EPZ certificate are:

Fiscal incentives:

- 10-year Corporate Tax Holiday
- 10-year Withholding Tax holiday
- Duty and VAT exemption on
    - Raw materials
    - capital goods
    - Administrative vehicles, ambulances, fire fighting equipment and two staff buses
- VAT exemption on Utilities and wharfage
- Exemption on taxes and levies charged by Local Government authorities

Procedural incentives:

- Operation under one license issued by EPZ Authority
- Visa at point of entry to key technical staff
- Unconditional transferability of profits, dividends and royalties
- On-site customs documentation and inspection

Managing Director's comment

Simon Rollason, Managing Director, commented: "the award of this certificate from the authorities in Tanzania is highly significant due to the fiscal incentives that will ultimately improve our margin from products farmed at Morogoro. Also, this now gives us the ability to actively pursue our previously stated intention of building a cannery facility on the Morogoro project to enhance the product range from the farm and drive new revenue opportunities. Finally, the EPZ certificate will allow us to import capital goods duty free and provide additional benefits as we ramp up operations in Tanzania."

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About the Export Processing Zone Authority

Export Processing Zone Authority (EPZA) is an autonomous Government agency governed by a Board of Directors. It operates under the Ministry of Industry and Trade. EPZA is responsible for steering and implementing government policy on promotion of Special Economic Zones (SEZs) in Tanzania.

The EPZ programme in Tanzania was established in 2002 following the enactment of the Export Processing Zones Act, 2002. The scheme provides for the establishment of export oriented investments within the designated zones with the views of creating international competitiveness for export led economic growth.

The Authority also assists investors in logistics for clearing and forwarding of merchandise at the port, provision of useful contacts of key public and private organization, identification of potential suppliers and partners for joint ventures as well as in post - investment support. These services are offered under the one stop service centre at the EPZA's offices in Dar es Salaam.

Other functions of EPZA include the development of EPZ/SEZ infrastructure, provision of business services to EPZ/SEZ investors and issuing of EPZ/SEZ licenses. The Authority functions as a one stop service centre for all prospective and existing investors.

The EPZ scheme promotes investment in manufacturing sector mainly for export while SEZ scheme involves other sectors includes other sectors such as Agriculture, Trade, Tourism, Mining and Forestry.

Special economic zones include:

i) Export Processing Zones
ii) Free ports
iii) Free Trade Zones, Industrial Parks
iv) Regional Headquarters
v) Science and Technology parks
vi) ICT Parks
vii) Agricultural Free Zones
viii) Tourism Development Zones and Business Incubation

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