

Invest with Impact

Invest in a Tanzanian all-rounder

From basic material to value added product

In Tanzania, more than a quarter of the gross national product comes from the agricultural sector. This sector accounts for 85% of exports and 80% of employment. The sector is fairly diverse; next to the production of coffee, sisal, tea, cotton and cashew nuts there are various types of livestock farms. Tanzania's other income comes mainly from gold and tourism to for example Lake Victoria and the Kilimanjaro. Increasingly income is generated from export of end- and semi-finished products. The government of Tanzania sees this as a good addition to continue the development of the country and has made stimulation of the value-add sector a focus point within its policies.

Restoring a sustainable product

In 2014 FMO and Mohammed Enterprises Tanzania Ltd signed an agreement to finance the rehabilitation and expansion of her sisal plantations. Mohammed Enterprises is a large and diverse family business with activities in agriculture, trade and processing of agricultural products, energy generation and transport. This makes the 40-year-old company a major employer in Tanzania and it plays an important role in development of the country.

One of the products of Mohammed Enterprises is sisal. Sisal is an agave plant and is used for making fibers that are traditionally used for rope, carpeting, brushes, but increasingly also for furniture, the automotive industry and construction, including as a replacement of asbestos.

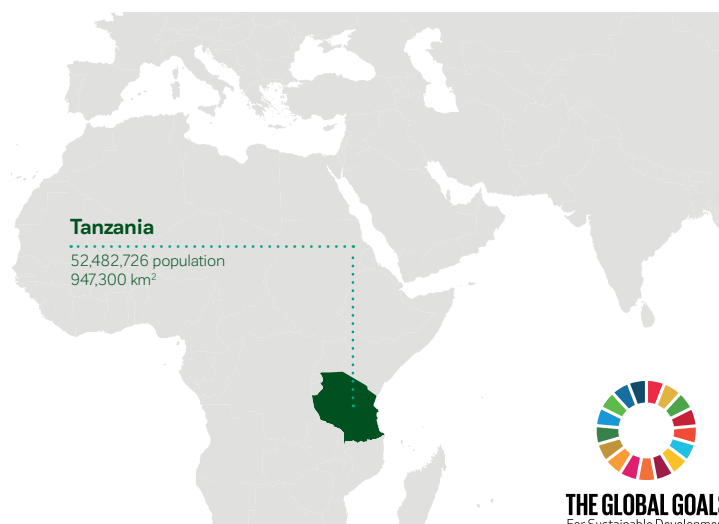
Sisal is a particularly ecological responsible plant; it grows throughout the year and does excellent without irrigation in hot and dry places where few other plants thrive. Growing them is a labor-intensive process due to, among other things, the harvesting of the leaves which must be cut off every few weeks. This does provide a stable source of employment.

The FMO loan

The USD 20 million loan to Mohammed Enterprises provided in December 2014 for a period of 8 years, has the purpose of replanting the existing sisal areal and expanding with new sisal plantations. Mohammed Enterprises will not only manage the plantations and transport of the produce, it is also well-equipped to add value to the base material and process the sisal into semi-finished products.

With approximately 25,000 people in employment, distributed over the various parts of its businesses, Mohammed Enterprises makes a significant contribution to the gross national product of Tanzania. It is also an organization with a mission that goes beyond economic growth. It sees great value in the ecological and social progress of Tanzania and invests for example in education, training, healthcare and access to water.

The FMO Primum Impact Fund has taken USD 2.5 million part in the FMO loan which was fully disbursed in in 2016.



THE GLOBAL GOALS
For Sustainable Development

A broader perspective



Since Tanzania became independent in 1961 from Great Britain it has been able to avoid big conflicts. This makes it one of the most stable countries of Africa. Although stability generally has a beneficial effect on economic growth, it is a country which remains among the poorest worldwide. About half of the population lives under the poverty line of less than USD 2 per day.

Until 1961, Tanzania was the world's largest producer of sisal. In the years that followed almost half of the fiber production was replaced by synthetic fiber. The sisal plantations often fell into despair.

However, since there is more demand for natural and recyclable materials with less negative impact on the environment, sisal is again attractive and old plantations are restored and adjusted to modern standards. New processing methods ensure that sisal can now be used more widely than before, for example as a replacement for asbestos or in paper for wallpaper and plastering. This contributes to the growing demand for this sustainable product. For Tanzania, currently the third producer after Brazil and Kenya and exporter of sisal, the product contributes to the sustainable economic development of the country.



The development of

Mohammed Enterprises Tanzania Ltd		2016
	Average # employees	~ 25,000
	Sisal production	10,000 ton
FMO investment		
FMO		USD 20 mln
Fund participation		USD 2.5 mln

“A versatile fibre that contributes to the sustainable development of one of the poorest countries worldwide.”



The Fund Manager

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The Investment Advisor

FMO Investment Management BV ('FMO IM') is a MiFID licensed Dutch investment firm and 100% subsidiary of the Dutch development bank FMO NV. FMO IM advises on the loan portfolio at the request of the Fund Manager. All loans offered to the fund have successfully completed the investment process of FMO and have thus been added to FMO's own loan portfolio.

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Don't take any unnecessary risk. Read the Key Investor Information Document.

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