



# TanzSolar Ltd.

November 2010 Newsletter

Edition 3

## *Lighting Homes of Villagers in the Mara Region*

TanzSolar is the only Tanzanian organization that is reaching rural villagers in Tanzania with quality solar products. The poorest segment of the population here is benefiting greatly through the introduction of solar lighting in their homes. Thanks to you, our donors, for making it possible for us to sell these lights at a price the villagers can afford.

The TanzSolar crew is going out to surrounding villages for their monthly market day several times each week. We have a list of 20 village markets with an average distance from Musoma Town of about 65 km. This is a time-consuming effort, expensive in fuel and vehicle costs as well as employee expenses. On average we only sell a few lights at each market, although this is increasing as they get to know the products and to trust our organization. TanzSolar is the only vendor they have ever dealt with that offers a warranty, repairs and service. Most of the products available here are very low quality while ours are very high quality.

TanzSolar has distributed over 4,000 solar lights throughout the Lake Zone of Tanzania since our first container of equipment was delivered in December 2008. The first year was very slow as we learned about the market and determined how villagers of very limited means were able and/or willing to pay for this new product. As they have gained experience with our products the demand has grown very quickly, and most recently we have sold as many as 400 lights/month. We are limited by the amount of money we can raise to subsidize the price. If we raise the price we see that sales drop off dramatically as the village residents just cannot come up with enough money to cover the actual cost of the quality solar lights, even

though they will be saving the cost of the light in reduced kerosene purchases over just a few months. With an income of less than \$300/year the upfront cost is still prohibitive, even if it is only \$40.

TanzSolar is working on educating the villagers here about solar electric products while at the same time we are offering products for sale. As the residents in these small villages come to accept and demand solar products rather than the expensive, polluting and hazardous kerosene lanterns the market will grow. As people benefit economically from reduced expenses as a result of using solar energy rather than kerosene, their willingness and ability to pay for these products will increase. And as the price of solar products continues to decline, it will hopefully not be long before this will be a natural market where subsidies are not required.

This is a transitional time when the world is learning a new way of providing support to the developing countries in a sustainable and socially responsible way, not simply giving handouts. We are proud to be a part of that, and thank you for making our work possible.

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