

ACER LOGISTICS (T) LTD

P.O. BOX 78845 Dar es Salaam Tanzania

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1. Introduction:

Acer Logistics (T) Ltd is a private owned entity incorporated on 23rd August 2016 under companies act, 2002. The company operates cargo transportation project which is a TIC registered and issued with Certificate of Incentives Number 071311 of 28th December 2016.

2. Planned Activities

Following the objectives to establish cargo transportation project, the following are the planned activities:

- (i) Acquire or lease packing yard and office space
- (ii) Acquire/import Trucks, trailers and transportation equipments
- (iii) Workers recruitment and development

3. Current Status (updated information)

S/N	INFORMATION	Description	Current Project status
1	Shareholder information	Current Shareholders names, nationality and percentage of ownership	Acer Petroleum (T) Ltd 95% (Tanzanian) Sarvesh Jain 5% (Indian)
2	Company communication information	e-mail address:	finance.acerlogistics@ap.co.tz
		Mobile No.	+255715555111
		Physical Address:	Plot No. 13, Gerezani Industrial Area, Ilala – Dar es Salaam
3	Contact Person	Name:	Arvind Pasavaraj
		Position:	Chief Executive Officer (CEO)
		Communication Details:	arvid@ap.co.tz +255692540205
4	Incorporation	Certificate of Incorporation No.	128855
5	TIN Information	TIN certificate No.	131-740-700
6	Project Objective	Project Core Activities	TRANSPORTATION
7	Capacity:	Project Capacity per year	60 Million Litres
8	Employment	Foreign: Men	6
		Foreign: Women	NIL
		Local: Men	99
		Local: Women	5
9	Indirect Employment		N/A

4. Project Financial Expenditure to date (USD)

Since its establishment the company has invested sum of USD 3,776,663.69 (USD Four million, eighty hundred seventy four thousand, six hundred forty and four cents) as follows:

	Foreign (USD)	Local (USD)	Total (USD)
Land and Building	-	-	-
Plant and Machinery	76,737.96	-	7,6737.96
Vehicles	3,626,290.44	-	4,724,864.79
Furniture		11,138.59	11,138.59
Office Equipment		27,496.70	27,496.70
Insurance Cover		35,000.00	35,000.00
GRAND TOTAL			4,875,238.04

5. Project Financing

The project has been financed by shareholders own equity and loan as follows:

	Amounts (USD)	Sources Country
Local Equity		
Local Loans	3,776,663.69	
Foreign Equity		
Foreign Loans		
Total Investement		

6. Problems and Solution

During project execution, the company experienced an acute slowing down of the business in the transportation. Business deterioration in this sector was the result of

- (i) General economic slowdown in the country for the period of 2016 - 2018
- (ii) Tax reform which introduced VAT on Transit Cargo which made transiting cargo through Dar es Salaam port became non-competitive compared to neighbouring ports (Mombasa and Beira). The situation turned things to worse as the importers of transit goods opted for alternative transit corridors.
- (iii) The outbreak of Covid-19 pandemic which totally disrupted businesses and trade globally.

As a temporary measure the Company had to cut down operation below the planned level with expectation to resume when the business environment goes back to normal. During the time of business slowdown, the company had to suspend importation of trucks and equipment.

7. Future Plan

The company intends to

- Acquire 30 Trucks (Tractors and their Trailers)
- Enhance value added services
- Increase investment which will provide more employment to the community

8. Recommendations and Comments

Despite global business slow down due to Covid-19 pandemic, the company predicts that business will come to normal, therefore further investment should be encouraged. We experience the opening up of various borders, this is among the indicators that cargo transportation business both transit and local will improve significantly.

The company has plans to bring operations back to normal; however it came to our notice that the Certificate of Incentives has expired such that we cannot make use of the duty and tax incentives approved by the commissioner for customs vide letter referenced TRA/CE/C/P.20/8/5728 of 2nd January 2017.

We therefore recommend your good office to extend implementation period for the certificate of incentives No. 071311 so that we can utilise the incentives already approved.



**DIRECTOR
ACER LOGISTICS (T) LTD**









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