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TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

REPORT ON THE PROJECT VISIT TO M/S ACER LOGISTICS (T) LIMITED, PLOT  
NO.13, GEREZANI INDUSTRIAL AREA, NYERERE ROAD, ILALA  
MUNICIPALITY, DAR ES SALAAM REGION ON 21<sup>ST</sup> DECEMBER, 2020.

DECEMBER, 2020

## COMPANYS' INFORMATION

S/N	Item	Description		
1.	Company Name	Acer Logistics (T) Ltd		
2.	Project Name	Acer Logistics (T) Ltd		
3.	Projects' Location	Plot No. 13, Gerezani Industrial Area, Nyerere Road, Ilala Municipality, Dar es Salaam Region		
4.	Projects' Core Objective	Cargo Transportation		
5.	Company's Communication Information	Mobile: +255 715555111 Email: finance.acerlogistics@ap.co.tz		
6.	Contacts Person	Arvind Pasavaraj (Chief Executive Officer)		
7.	Shareholder's Information	<b>NAME</b>	<b>Nationality</b>	<b>Shares</b>
		Acer Petroleum (T) Limited	Tanzanian	95%
		Sarvesh Jain	Indian	5%
8.	Incorporation	Certificate of Incorporation No. 128855		
9.	TIN Information	131-740-700		

## **1.0 INTRODUCTION**

**M/S ACER LOGISTICS (TANZANIA) LIMITED** is a private owned entity incorporated on 23<sup>rd</sup> August 2016, under Companies Act, Cap 212 of 2002. The Company holds Incorporation Certificate No.128855. The Project is TIC registered with Certificate of Incentives (CoI) No. 071311 issued on 17<sup>th</sup> March, 2020. The Project has been extended CoI once for the implementation period for Cargo Transportation. The Company's Headquarters Office is located at Kamata Road, opposite Bavaria building, Ilala Municipality.

## **2.0 OBJECTIVES OF THE VISIT**

**M/S ACER LOGISTICS (TANZANIA) LIMITED** submitted an application to TIC requesting an extension period for the validity of Certificate of Incentives so as to allow them execute their planned activities as well as utilize the fiscal incentives under the guidance of Investment Act. The extension period will facilitate the project to complete its planned activities. Therefore, the main objective of project verification visit was to verify the project implementation status to date and determine rationale for justification for investor to be granted or not extension of CoI. The Project verification visit (PVV) was conducted on 21<sup>st</sup> December, 2020.

## **3.0 MEMBERS PRESENT**

The following TIC representatives Officers were present during project verification visit as shown below;-

- |                     |   |                     |
|---------------------|---|---------------------|
| 1. Nestory Kissima  | - | (IFO)               |
| 2. Fatma Jumanne    | - | (BRELA OFFICER-TIC) |
| 3. Linda Mutafungwa | - | (NEMC OFFICER-TIC)  |

## **4.0 PROJECT LOCATION**

The Project is located at Plot No. 13, Gerezani Industrial Area, Mandela Road, Ilala Municipality, Dar Es Salaam Region. The project is accessible to Mandela main Road. The project site is located Opposite with KAMAKA COMPANY LIMITED and Azam TV Headquarters Office.

## 5.0 PROJECT PERFORMANCE

The project commenced its implementation activities in the year 2016 with cargo transportation business of selling petroleum/diesel to neighboring countries like Zambia, Malawi, Congo, and Rwanda. PVV team was informed that initially when the project began they targeted to procure 100 Trucks in the year 2016 until 2018. Currently, the project has procured 65 horse and trailers which are parked within the facility. Furthermore, the team was notified when the project is granted extension of CoI, they will be able to procure more horse and trailers for smooth operation of the business. The project has invested minimum capital investment of USD 3,776,663.69 Million. The table below illustrates project performance: -

S/N	Information	Description	Status	
			Amount	Source country
1.	Investment Financing in (USD)	Financing Type		
		Local Loans		
		Foreign Loan	USD3,776,663.69	
		Foreign Equity		
3.	Direct Employment	Foreign	Men: 2	
			Women: NIL	
		Local	Men: 40 (30 Permanent Staffs and 10 Administrative Staffs)	

## **6.0 PROJECT PROGRESS STATUS AND ACHIEVEMENTS**

### **6.1 OVERALL ACHIEVEMENT**

Since its inception, the Company has engaged into cargo transportation business of selling petroleum and diesel to neighboring countries like Zambia, Congo, Rwanda and Malawi. The Company has successfully managed to meet its project objective through cargo transportation business as stated accordingly;-

- (i) Acquired or leased parking yard and Administrative office building
- (ii) Acquired/imported Trucks, Tankers and Transportation Goods
- (iii) Enhanced Employment Opportunities

### **7.0 FIELD FINDINGS AND ANALYSIS**

PVV team visited the project site and held consultative meeting with the management of the Company including Mr. Francis Kephass (Incharge of Logistics), Mr. Boniphase Macha (Clearing Department), Mr. John Mgaya (Operations Department) & Mr. Jimmy Chacha (Operations Officer) who informed the team about the project progress as stipulated herein below;-

- (i) The project plot has been leased from Mt. Meru Petroleum whereby the location is for operational activities while the headquarters office is located at Kamata Road in Ilala Municipality.
- (ii) The project since commencement has procured 65 horse and trailers for cargo transportation business. (The brand name is Howler 371 Horse Power they are importing from China).
- (iii) The project has managed to employ 40 staff; 30 being drivers, and 10 being mechanical, operations and finance staff.

Cargo transportation business of selling petroleum/diesel to outside neighboring countries has faced obstacles/challenges during project execution this can be evidenced through the CoI which was issued on February 2020. During this time, the project failed to implement their activities as intended during outbreak of COVID 19 which affected trade business within and globally. The Certificate of Incentive was first issued on 28<sup>th</sup> December, 2016 for three (3) years of implementation period and was extended for one year duration until November 2020. The Company submitted for an application letter which required another extension period in 25<sup>th</sup> November 2020.

Despite the challenges, the project encountered in execution of their implementation activities their major reasons being COVID 19, which triggered down slow economic growth of doing business across borders. Further note, the team was notified that during the epidemic the project used local dealers such as CINOTURN, CINOTRUCK when purchasing tracks and cargo equipment's using cash rather than credit. Moreover, the Company resorted to use local dealers from within and not China to avoid timely delay.

In spite of the global business slow down due to COVID 19 the company predicts that the business will come to normal, therefore further investment should be encouraged. The project has experienced more opportunities through opening up of various borders that signifies positive indicators that cargo transportation business both transit and local will significantly improve. Thereby this would attract the project to enhance job opportunities hence increase income level and tax base to our economy.

## 8.0 CHALLENGES ENCOUNTERED

During the project visit, the team was informed of the challenges that the project experienced resulting into slow growth of business in cargo transportation sector as referred below;-

- (i) The Outbreak of COVID 19 pandemic which disrupted the trade business within and globally. The project was affected during the course of doing business most especially through crossing borders. In this respect, drivers before crossing borders were required to have legal documents for clearance in cargo transportation, not only that but also they were required medical inspection report clearance for COVID 19, with consideration of all factors during the period of Covid epidemic cargo transportation business was interfered. Moreover, the team was informed that this business has time limit of loading and offloading from one country to another. This business delayed time limit set for cargo transportation to neighbouring countries whereas during COVID 19 worsen the situation of business meeting its target.
- (ii) General economic slowdown in the country for the period of 2016-2018. During this period is where Tax reform which introduced VAT on Transit Cargo which made transiting cargo through Dar 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.


**9.0 FUTURE PROSPECTS**

The project future plans anticipated is to procure more 30 trucks/trailers and other transportation goods if granted approval of CoI in order to progress in cargo transportation business reaching out to open borders that have been locked down. Further to this project, PVV team was informed that more employment opportunities will be enhanced whereby 100 workers will be employed of which 80 staff will be drivers and 20 staffs of administrative workers.

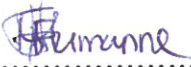
**10.0 CONCLUSION AND RECOMMENDATIONS**

Considering the circumstances that made it impossible for the project to fully enjoy the incentives, we recommend that the investor be granted the extension. This will enable the investor to proceed and complete the project's planned activities.

We Submit.

  
.....  
**Mr. Nestory Kissima**

  
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**Ms. Linda Mutafungwa**

  
.....  
**Ms. Fatma Jumanne**

