

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT ON PROJECT VERIFICATION VISIT TO M/S ACER LOGISTICS (T)
LIMITED CONDUCTED ON 2nd DECEMBER, 2021**

DECEMBER, 2021

1. INTRODUCTION

Acer Logistics (T) Limited is a private company incorporated on 23rd August 2016 with Certificate of Incorporation number 128855 under the laws of the United Republic of Tanzania. The company has the project which operates cargo transportation, and this project is registered at TIC with Certificate of Incentives number 071311 issued on 16th February 2021. This replaced the previous certificates issued on 28th December 2016 and 17th March 2020. The project implementation period is December 2016– February 2022. The company is located at Plot No.13 Gerezani Industrial Area, Ilala, Dar-es-salaam.

2. COMPANY PROFILE

S/No.	Item	Description		
1	Company Name	ACER LOGISTICS (T) LIMITED		
2	Shareholder's Information	NAME	Nationality	Shares (%)
		Acer Petroleum (T) Limited	Tanzania	95.00
		Sarvesh Jain	India	5.00
3	Company Communication Information	Phone	+255 712547388	
		Physical Address	Gerezani Industrial Area Ilala – Dar-es-salaam	
		Postal Address	P. O. Box 78845 Dar-es-salaam	
4	Contact Person	Vishal Mehta (Chief Executive Officer)		
5	Incorporation	Certificate of Incorporation No. 128855		
6	TIN	131-740-700		
7	Project Objective	To establish and operate cargo transportation project		

3. OBJECTIVE OF THE VISIT

This company submitted an application for extending the implementation period of the certificate of incentives no 071311. The certificate will expire 11th February 2022 which is approximately to two months from now. Major purpose of requesting the certificate earlier is to be granted incentives for the road tractors which will arrive right after existing certificate has expired. Thus the aim of this visit was to check the current implementation status and to secure more justifications on the challenges that hampered the project to carry out desired goals.

4. PROJECT PERFORMANCE

S/No.	Information	Description	Current Status	
1.	Investment financing amount	Financing type	Amount (USD)	Source Country
		Local Equity	2,600,000	Tanzania
		Local Loans		
		Foreign Equity		
		Foreign Loans		
		Total Investment	2,600,000	
2.	Capacity	Project capacity per year	80,000m ³ p.a	
3.	Direct Employment	Foreign Men	10	
		Foreign Women		
		Local Men	100	
		Local Women	8	
4.	Indirect Employment	Estimated Total No.		
		Type/areas of Indirect Employment	As per multiplier/spillover effect which is replicating to the neighboring community through trading as a result of existing operations of the project	

3. PRESENTS

- | | | |
|------------------------|---|--------------------|
| 1. Mr. Vishal Mehta | - | CEO ACER LOGISTICS |
| 2. Mr. Patrick Kissaka | - | ACER LOGISTICS |
| 3. Mr. Abdulkadri Kadu | - | ACER LOGISTICS |
| 4. Privata Simon | - | TIC |
| 5. Steven Mkama. | - | TBS |
| 6. Leonard Mapunda. | - | TRA |

4. FINDINGS

Investor applied for duty incentives for project deemed capital good which were approved in 2017. The quantities approved have been imported except 49 trucks designed for the transport of goods with carrying capacity of more than 20 tones (see

Appendix 1). The Investor believes that one year will be enough to utilize the remaining balance. The company need more road tractors. So far they have 75 road tractors (Some owned and some leased).

The company deals with transportation of both transit and local cargoes. Management's main target is to strengthen transit business which will enable a large market share for shipment destined to the neighboring countries like Zambia, Malawi, and Congo. And in the future, they plan to invest on Technology to have comprehensive system of tracking management.

5. CHALLENGES

The project encountered the following challenges

5.1 Business Slow Down

Covid-19 pandemic outbreak disrupted business globally. Both cross border and local businesses were significantly affected. As global trade went down, transportation sector similarly distorted because during such period the sector experienced NO or a very limited quantity or level of cargo that were available for transportation. Also due to pandemic, countries/Nations instituted strict measures or controls in order to limit spread of viruses. Drivers were required to produce medical clearance report for Covid-19 and/or be tested at the border and wait result for couple of days. This prolonged cargo clearance time.

Some countries adopted curfew and lock downs which strictly restricted movement of people and cargo. During all this time (2020 – 2021) cargo transportation sector/business seriously interrupted and even halted.

The pandemic created business uncertainty that halted project implementation schedule/plan.

5.2 Inflation due to COVID-19 pandemic. The operational cost for fuel got raised. Also the price for purchasing the spare parts went up. This resulted to the higher expenditure of running the project during that time.

5.3 General Economic slow down

For the period of 2016-2018 the country experienced some business slow down due to some tax reforms. During this period Tanzania introduced VAT on transit cargo which made transiting through Dar es Salaam port became non-competitive. Importers opted for alternative ports (Mombasa & Beira).

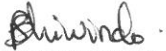
6. FUTURE PLANS

The company intends to procure more trucks and trailer.

7. PVV RECOMMENDATIONS AND CONCLUSION

The team is satisfied with the project progress Nonetheless it has faced many difficulties, services are executed well in the market. The company needs to increase the trucks and expand the project so as to cope with the market demand. Therefore, the team recommends extension of implementation period for one year

We submit,



.....
Ms. Privata Simon
TIC



.....
Mr. Leonard Mapunda
TRA



.....
Mr. Steven Mkama
TBS

Date _____

ACER LOGISTICS (T) LIMITED - EXEMPTION UTILIZATION STATUS									
Item No	Unit	TRA Reference No	Qty Imported	Qty Balance	HS Name	HS Code	APC	Qty Approved	
1	NMB	TRA/CE/C/P20/8/5728	0	5	Pumps	8413.81.00	476	5	
2	NMB	TRA/CE/C/P20/8/5728	0	5	Mobile lifting frames on tyres and straddle carriers	8426.12.00	476	5	
3	NMB	TRA/CE/C/P20/8/5728	0	10	Other self-propelled trucks	8427.20.00	476	10	
4	NMB	TRA/CE/C/P20/8/5728	0	2	Other:Machines and mechanical appliances ha:Other machines and mechanical applia	8479.89.00	476	2	
5	NMB	TRA/CE/C/P20/8/5728	0	0	Of an output>75 kVA but<= 375 kVA:Electric generating sets an:Of an output<=75 k	8502.12.00	476	0	
6	NMB	TRA/CE/C/P20/8/5728	0	0	Television cameras,digital cameras and video camera recorders. "	8525.80.00	476	0	
7	NMB	TRA/CE/C/P20/8/5728	55	0	Other:Tractors (other than tractors of heading 87.:Road tractors for semi-traile	8701.20.90	476	55	
8	NMB	TRA/CE/C/P20/8/5728	0	0	Other:Motor cars and other motor vehicles principal:Of a cylinder capacity>3,000	8703.24.90	476	0	
9	NMB	TRA/CE/C/P20/8/5728	0	2	Other:Motor vehicles for the transport of goods.:g.v.w.<=5 tonnes	8704.21.90	476	2	
10	NMB	TRA/CE/C/P20/8/5728	1	49	Other:Motor vehicles for the transport of goods.:g.v.w.>20 tonnes	8704.23.90	476	50	
11	NMB	TRA/CE/C/P20/8/5728	0	2	Crane lorries	8705.10.00	476	2	
12	NMB	TRA/CE/C/P20/8/5728	0	6	Other:Special purpose motor vehicles, other than those principally designed for t	8705.90.00	476	6	
13	NMB	TRA/CE/C/P20/8/5728	0	6	Other:Trailers and semi-trailers; other vehicles,:Other trailers and semi-traile	8716.40.90	476	6	
14	NMB	TRA/CE/C/P20/8/5728	0	2	Machines for balancing mechanical parts	9031.10.00	476	2	

