



BUSINESS PLAN

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EXECUTIVE SUMMARY

Who We Are

Giga group was incorporated on the 12th of May 2018 as a company limited by share under the respective Company Ordinance Act, (Cap 212) and has expanded rapidly to become one of the leading Companies in the Regional OIL & Transportation business. It is headquartered in Temeke municipal, in Dar es Salaam, Tanzania. Taking advantage of this strategic location Giga has spread its wings of investment to the neighboring countries of Zambia, Kenya, Uganda, Malawi, Rwanda, Burundi and Democratic Republic of Congo.

The company was found by Mr. SALMIN AMAR ABDALLAH who has several years of experience in the field of Mining and Logistic because it was always his dream to create a company that delivers the best service to the mines and firms in Tanzania by using the state-of-the-art technologies and methods.

Why Choose Us

We are a company of entrepreneurs who are hungry to prove themselves, thus we are more in tune with the latest development in mining, transport and logistics industry we can serve you the customer with the most modern technologies. We hire experienced staff to balance the passion with experience and we have available to you the customer necessary vehicles and machinery.

Our Vision

To be a market leader in African Petroleum & Transportation market through innovation, commitment, Service, Efficient, and Consumer satisfaction.

Our Business Principles

The commitments to meeting its corporate and social responsibility is based on ethical principles and business practices. Our commitments are formally expressed in our code of conducts and based on support for and application of universal rules. Across our entire organization, in a variety of sensitive business environments, we uphold human rights and transparent and fair business practices and we reject all forms of bribery and corruptions.

- i. Combating Bribery and corruption:** the nature of our business activities exposes us to the risk of corruption. To protect against these risks, we conduct intra group discussions within the organization and apply the derived internal rules and procedures.
- ii. Apply our Code of Conduct:** GIGA Petroleum & transportation Ethics Committee oversees and coordinates our ethics principles and practices, which are formally expressed in the Code of conduct and deployed through real-world procedures.
- iii. Upholding Human Rights:** upholding human rights is fundamental to our commitment to ethics principles and practices. We strive to promote proactive initiatives and heightened awareness in sometimes -sensitive business environments.
- iv. Purchasing and Competition:** The nature of our activities requires great vigilance in the way we conduct our business. We take measures to ensure full compliance with the rules of free competition, and our relations with our suppliers are governed by ethics principles and practices.

Our Ethics and Practices

- To serve the national interest in Oil and related sector in accordance and consistent with Government polices
- To ensure maintenance of continues and smooth supplies of petroleum & transportation service by way of refined petroleum products, transportation and marketing activities and to provide appropriate as assistance to consumes to conserve and use petroleum products efficiently. To further enhance marketing

infrastructure and reseller network for providing assured service to customers throughout the country.

- To maximize utilization of the existing facilities for improving efficiency and increasing productivity
- To earn a reasonable rate of return on investment
- To avail of all viable opportunities, both national and global, arising out of the government of Tanzania policy of liberalization and reforms.
- To achieve higher growth through integration and diversification by harnessing new business opportunities in petroleum & transportation products and downstream opportunities within Tanzania and overseas.
- To inculcate strong 'core values' among the employees and continuously update skill sets for full exploitation of the new business opportunities
- To develop operational synergies with subsidiaries and joint ventures and continuously engage across the hydrocarbon value chain for the benefit of the society at large

Our Goals

- i. Towards customers and dealers: To provide prompt, courteous and efficient services and quality products at competitive prices
- ii. Towards suppliers: To ensure prompt dealings with integrity, impartiality and courtesy
- iii. Towards employees: To develop their capabilities and facilitate their developments through appropriate training and career panning
- iv. Towards community: To import and market techno economically viable and environment friendly products

Our Core Values

- Safety, compliance, quality (priorities)
- We find the ways
- Trust every step on the way

COMPANY OVERVIEW

Company Ownership and Legal Entity

GIGA Oil & Transport Co. LTD has been registered with Tanzania Revenue Authority and assigned the Taxpayer Identity Number (TIN) 136-550-152. It has also been registered with a certificate of incorporation of a company as a private business that is solely owned by two shareholders Mr. SALMIN AMAR ABDALLAH and SAID AMAR ABDALLAH.

Management

Giga Oil & Transport Co. LTD has two directors Mr. SALMIN AMAR ABDALLAH and SAID AMAR ABDALLAH. Both directors have robust experience, qualifications and skills in transport industry, that will help to grow the business to the profitability within the shortest time possible.

Job Creation

Giga Oil & Transport Co. LTD intends to grow big in order to compete favorably with leading oil and coal transport in Tanzania. We are aware of the importance of transport sector in building the economy of the nation. That is why we are committed to employ more qualified workers in each area including transport officers, managers, drivers, mechanicals and others. We intend to employ more than 70 drivers, 4 transport and logistic officers, 2 supervisors and 2 managers. We are intending to provide employment opportunities to Tanzania youth who are talented, hard workers, and creative.



Giga workers

PRODUCTS AND SERVICES

We offer transport services for all major cities and center within East, Central and Southern Africa. We have centers in Uganda, Kenya, DRC (Congo Kinshasa) Malawi across East, Central and Southern Africa. We have trucks and trailers that are available to serve our customers. The range of cargo transport:



- ⇒ Cargo contained into 20' 40', Flat Rack and other types of carrier's containers
- ⇒ Full truck load: curtain sides
- ⇒ Break Bulk & Bagged Cargo (Rice, cement, maize, fertilizer, flour etc)

- ⇒ Bulk cargo (steel bar, cement, steel coil, pipes etc)
- ⇒ Fuel by tankers



- ⇒ Abnormal sized cargo (for mining, gas, and construction industries)
- ⇒ Groupage & less truckload (LCL, LTL)
- ⇒ Heavy machine equipment's, motor vehicle



STRATEGY AND IMPLEMENTATION

Marketing Plan



Giga Oil & Transport Co. LTD intends to maintain a marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of Giga Oil & Transport Co. LTD.

- i. Establish relationships with mining companies in need of transportation services within targeted market
- ii. Develop an online presence by developing a website and placing company's contact information
- iii. **Positioning:** the company strategy is to consolidate excellent customer service with timely deliveries and a competitive pricing structure
- iv. **Pricing:** the company will seek to position itself not necessarily as the most inexpensive carrier, but as a carrier with best service and on-time record
- v. **Promotion:** Web presence, on-time reputation, target market, emphasis on service and build a relationship -oriented business
- vi. **Distribution:** low distribution costs, fast delivery, optimal payload utilization, quick turnaround times, proper route planning and analysis, fuel efficiency

Milestones

Milestone	Due Date	Details
Obtaining funds	End, January, 2023	Loan applications to the financial institutions to purchase the trucks and Landcruiser pickups
Purchase Trucks	End, March, 2023	Purchase trucks necessary to make first delivery
Make first delivery	End, April, 2023	Contracts will be quickly established to make deliveries

SWOT Analysis

<p>Strength</p> <ul style="list-style-type: none"> i. Extensive owner experience and knowledge in transport industry ii. Competitive pricing iii. Contracts with buyers iv. Premium quality services and on-time delivery 	<p>Weakness</p> <ul style="list-style-type: none"> i. Start-up funding needed ii. Currently limited to few trucks iii. Initially limited to independent contracting with larger coal buyers
<p>Opportunities</p> <ul style="list-style-type: none"> i. Increase sales opportunities beyond Tanzania ii. Ability to grow quickly because of increase in market demand 	<p>Threats</p> <ul style="list-style-type: none"> i. Likely entry potential new competitors ii. Possible new regulations iii. Rising costs of fuel, maintenance and repairs

GROWTH STRATEGY

The Giga Oil and Transport Co. LTD pursues innovation to fundamentally change its approaches and philosophies to realize its long-term vision. Become a corporate group that creates new value through innovation, is the company of choice among customers around the world, and has a strong presence in the global logistic market.

- i. **Business growth strategy** will involve promoting three-dimensional (customer, business and enhancement). Develop a current customer base in Tanzania and develop businesses in Dubai that we believe to be our strengths into global level.



Priority Measures

Approach based on customer (industry)

- One-stop business promotion / account sales promotion, account management
- Responding to changes due to the rapidly expanding coal global market
- Expanding sales to global market

Approach based on business

- Transport and logistic business
- Clearing and forwarding
- Network transport business

Approach based on area

- Dubai
- European countries
- Asian countries

- ii. **Control functions and mechanisms to support the three sales approach** will involve establishing a system to support sales activities based on sales and operational data. Also, introducing Key Performance Indicators (KPIs) to the sale process and reinforcing group sales support base.
- iii. **Efforts to implement our long-term goals** will involve to address innovation in our management base, including IT, research and development, human resources, branding, governance reforms as a global company. Also, try to resolve our social issues to help realize a sustainable society. Further, is to transform a company where employees from a variety of backgrounds play active role and employees feel satisfied and fulfilled through working -style reforms.

BACKGROUND OF TANZANIA TRANSPORTATION & INFRASTRUCTURE

The Tanzania transport sector comprises surface transport (including roads, railways), inland waterways (lake and rivers), air transport and sea transport. Tanzania transport

sector contribute 8.1% to the country's real GDP in 2018 with USD 3.8 billion compared to USD 2.8 billion in 2014, representing an increase of 33%. According to Tanzania's 2025 Development Vision, investment in infrastructure, particularly in the development of the road network, are the Government's top priority.

Road transport is the most widely used form of transport in Tanzania, carrying over 90% of the passengers and 75% of the freight traffic in the country. The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,281 kilometers are district, urban and feeder roads. The railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania. Tanzania has a total of 3,676 kilometers of railways line operated by two railway systems, Tanzania Railway Corporation (TRC) -Zambia Railway (TAZARA). On the other hand, the total number of passengers in Tanzania reached 6.2 million in 2019, compared to 5.2 million in 2015, representing an increase of 18%. Currently (2022), there are about 19 airlines operators in Tanzania including some of the leading international air carriers such as British Airways, KLM, Qatar Airways and SWISS. There are 58 airports in Tanzania and more than 300 private airstrips owned by mining companies and tour operators. On water transport, Tanzania has a coastline of about 700 kilometers on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa and Lake Tanganyika. The port serves land-linked countries of Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi, and Uganda. These countries are connected to port through two railway systems (TRL – 1.0 metre gauge and TAZAMA oil pipeline to Zambia. Principal lake ports include Kigoma and Kasanga. Additionally, there are 15 smaller ports along the lake. These ports provide trade connections between Burundi, Eastern Democratic Republic of Congo, and Zambia.

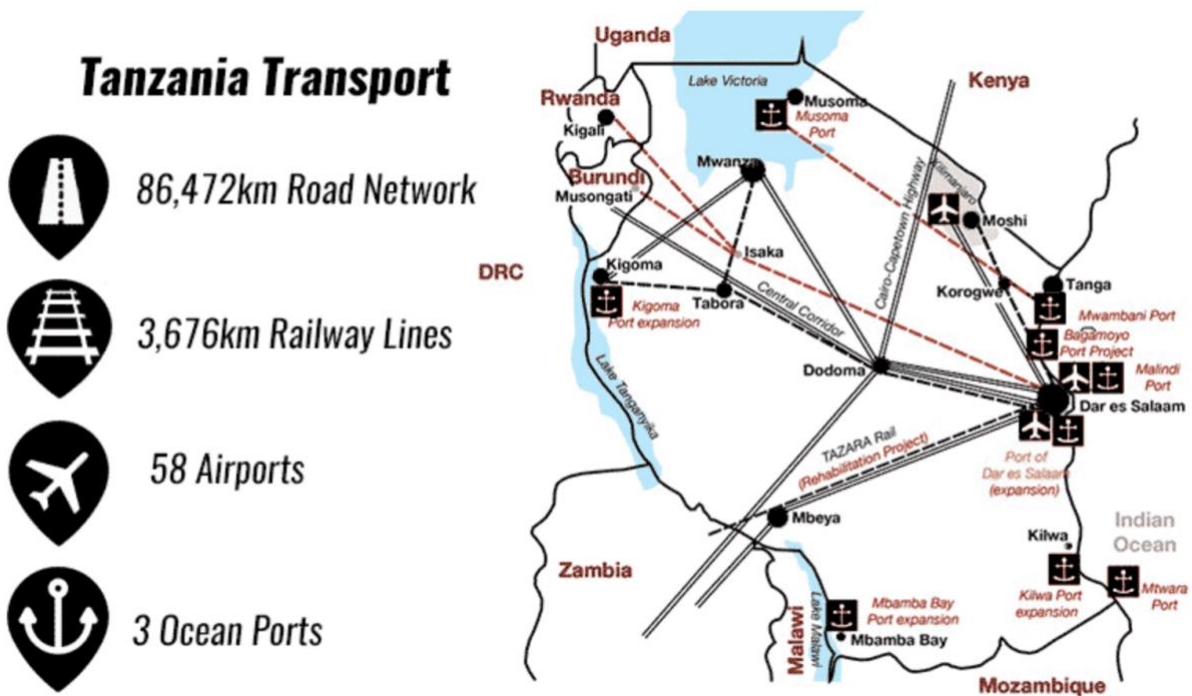


Figure 2: Tanzania Transport System

NEW BUSINESS OPPORTUNITIES – COAL TRANSPORTATION

The Background Information - Tanzania Coal Reserves

Tanzania’s coal reserves are estimated at 1.9 billion tones, 25% of which are proven. Tanzania’s coal production reached 712,136 tones in 2019, compared to 257,321 tones in 2015 (+177%). The current exploited coal is used for industrial applications. Tanzania’s industries use coal for thermal application, particularly in cement factories and agro-processing industries, while coal briquettes for cooking are being promoted instead of charcoal which is the main source of fuel for cooking in the country.

Tanzania currently generates less than 1% of its total installed capacity of 1,602 MW from coal -fired power plants, which are full supplied with imported coal. Coal projects are located in south -western Tanzania and include the Ngaka coal mine, the Rukwa coalfield, and the Kiwira coal mine. The Ngaka project is the largest operational coal mine in Tanzania and East Africa. The coalfield is situated in the resource -rich western. Minerals province of Tanzania. The Ngaka basin comprises the Mbawala sub-basin in the south and Mbuyura -Mkapa sub-basin to the north. Total proven resources amount to 367 million tones. The Rukwa coalfields comprises. The Mkomolo, Namwele, and Muze deposits,

hosting 173 million tons of measure and indicated coal, sufficient to support a 120 MW coal fired -power plant for 30 years. Kiwira coal mine is a stalled coal project within the Ivogo Ridge of the Songwe -Kiwira coalfield which. Is situated South East of Mbeya city within Ileje District. The project is targeting to produce 1.5 million tons of coal per annum.

The 2015 National Energy Policy of Tanzania indicates that according to geological information the country's coal reserves potential could be 5 billion tones. Coalfields with the highest potential are Katawaka – Mchuchuma in the Ruhuhu Basin, the Ngaka filed in the Southern -West of Tanzania and the Songwe Kiwira field.

Demand for Coal in Europe

Tanzania traditionally exports thermal coal only to neighboring countries in East Africa however, Europe crippling energy crisis has changed all that. Prices for thermal coal, used to generate electricity, have leapt to record levels as a result of the war which has led to many European countries losing access to vital supplies of natural gas and coal from their top provider Russia. Buyers in Europe and beyond are now vying to pay top dollars for coal from often remote mines in places such as Tanzania, Bostwana and even potentially Madagascar. The resurgent coal demand, driven by governments trying to wean themselves off Russian energy while keeping a lid on power prices, clashes with climate plans to shift away from the most polluting fossil fuel. European players, after Russian war, are going to any place where there is coal and they are offering to pay very good prices (The Citizen, September 21, 2022). Tanzania expects coal exports to double this year to around 696,773 tones while production is expected to increase by 50% to about 1,364,707 tones. Targeting sizeable tax revenues from this jump in exports, the government is considering building railway that would link the coal-producing Ruvuma Region to Mtwara.

Giga Oil & Transport Co. LTD seeks to expand its business to coal transportation. The company has a well thought out-plan, and Mr. Abdallah believes that financial institutions will recognize the potential in this endeavor and will support it. Tones of coals will be transported from Songea to Mtwara Port, to be shipped to Dubai.



FINANCIAL PLAN

Project Finances and Source of Funds

Coal transportation is a new business for Giga Oil & Transport Co. LTD. The startup costs are related to the purchase of FAW 380HP Flat Roof Tractor Head Model CA4181 and Tipping Trailer (100 pieces) and pick up Toyota Landcruiser, single cabin (4 pieces). The shareholders are seeking to obtain a 67,200,000,000 TZS loan or investment.

Sales Forecast

One thing is certain when it comes to the transport business, if you have a good customer care and best trucks and machinery, you will always attract more customers and that will translate to increase in revenues generations for the business. We are positioned to take on the available market within and outside Tanzania and we are quite optimistic that we will meet our set of targets of generating enough profits from the first six months of operations and grow the business and our clientele base. We have been able to critically examine coal transportation business and we have been able to come up with the following forecasts

Second Fiscal year (2023) = **60,669,100,000 TZS**

Third Fiscal year (2024) = **129,139,200,000 TZS**

Fourth Fiscal year (2025) = **207,579,300,000 TZS**

Fifth Fiscal year (2026) = **288,007,400,000 TZS**

Six Fiscal year (2027) = **376,429,500,000 TZS**

N.B: These projections were done based on what is obtained in the industry and with the assumption that there won't be any major economic meltdown, and there won't be any major competitors offering customer care services as good as ours. Please note that the above projections might lower and at the same time might be higher.

Expenditure Breakdown

These are the key areas where we will spend our startup capital

- i. Purchasing of vehicles (trucks/ tipper and Landcruiser) =66,025,000,000/= TZS
- ii. Insurances expenses = 200,000,000 TZS
- iii. Operational expenses (Salaries, wages) = 4,000,000,000/= TZS
- iv. Repair and maintenance = 50,000,000 TZS

FINANCIAL STATEMENTS

GIGA OIL & TRANSPORTATION CO. LTD PROJECTED PROFIT AND LOSS STATEMENT (2023 - 2027)

DETAILS	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
CURRENCY	TZS	TZS	TZS	TZS	TZS
YEAR	2023	2024	2025	2026	2027
Income	67,200,000,000.00	75,000,000,000.00	85,000,000,000.00	87,000,000,000.00	95,000,000,000.00
Cost of goods sold					
Fuel for hired vehicles	600,000,000.00	700,000,000.00	750,000,000.00	800,000,000.00	800,000,000.00
Travel expenses for drivers	1,200,000,000.00	1,200,000,000.00	1,200,000,000.00	1,200,000,000.00	1,200,000,000.00
Truck maintainance costs	4,000,000,000.00	600,000,000.00	800,000,000.00	1,000,000,000.00	1,200,000,000.00
Total Cost Of Goods Sold	5,800,000,000.00	2,500,000,000.00	2,750,000,000.00	3,000,000,000.00	3,200,000,000.00
Gross Profit	61,400,000,000.00	72,500,000,000.00	82,250,000,000.00	84,000,000,000.00	91,800,000,000.00
Expenses					
Bank service charges	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Business licence and permit fees	600,000.00	600,000.00	600,000.00	600,000.00	600,000.00
Computer and internet expenses	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00
Insuarance expenses	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
Interest expenses	2,200,000,000.00	2,200,000,000.00	2,200,000,000.00	2,200,000,000.00	2,200,000,000.00
Meals and intertainment	6,000,000.00	8,000,000.00	4,000,000.00	8,000,000.00	10,000,000.00
Office stationaries	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00
Salaries	4,000,000,000.00	4,000,000,000.00	4,000,000,000.00	4,000,000,000.00	4,000,000,000.00

Professional fees	5,000,000.00	1,000,000.00	3,000,000.00	1,000,000.00	25,000,000.00
Rent expenses	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Repair and maintainance	50,000,000.00	50,000,000.00	80,000,000.00	90,000,000.00	70,000,000.00
Miscelaneous expenses	2,000,000.00	3,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Total expenses	6,530,900,000.00	6,529,900,000.00	6,559,900,000.00	6,571,900,000.00	6,577,900,000.00
Profit	54,869,100,000.00	65,970,100,000.00	75,690,100,000.00	77,428,100,000.00	85,222,100,000.00
Tax	25,000,000,000.00	50,000,000,000.00	300,000,000.00	360,000,000.00	400,000,000.00
Net profit	29,869,100,000.00	15,970,100,000.00	75,390,100,000.00	77,068,100,000.00	84,822,100,000.00

GIGA OIL & TRANSPORTATION CO. LTD
PROJECTED STATEMENT OF FINANCIAL STATEMENT (2023 – 2027)

DETAILS	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
CURRENCY	TZS	TZS	TZS	TZS	TZS
YEAR	2023	2024	2025	2026	2027
ASSETS					
CURRENT ASSETS					
Cash	-	50,000,000,000.00	60,000,000,000.00	70,000,000,000.00	80,000,000,000.00
FIXED ASSETS					
Landcruiser pick up single cabin	66,000,000,000.00	56,000,000,000.00	46,000,000,000.00	36,000,000,000.00	26,000,000,000.00
Furnitures and equipments	25,000,000.00	30,000,000.00	25,000,000.00	40,000,000.00	50,000,000.00
Land	-	100,000,000.00	150,000,000.00	200,000,000.00	250,000,000.00
warehouse	-	20,000,000.00	30,000,000.00	40,000,000.00	50,000,000.00
Machinery	-	50,000,000.00	60,000,000.00	70,000,000.00	80,000,000.00
TOTAL ASSETS	66,025,000,000.00	106,200,000,000.00	106,265,000,000.00	106,350,000,000.00	106,430,000,000.00
LIABILITIES AND EQUITY					
LIABILITIES					
LONG TERM LIABILITIES					
Bank loan	66,025,000,000.00	46,000,000,000.00	26,000,000,000.00	-	-
Net working capital	-	60,000,000,000.00	65,000,000,000.00	80,000,000,000.00	1,850,000,000.00
Tax liability	-	2,000,000.00	3,000,000.00	65,000,000.00	350,000,000.00
EQUITY					
Opening balance equity	-	5,000,000,000.00	-	285,000,000.00	43,630,000,000.00
Retained earnings	-	4,000,000,000.00	15,262,000,000.00	25,000,000,000.00	60,600,000,000.00
owners draw	-	8,802,000,000.00	-	-	-
TOTAL LIABILITIES AND EQUITY	66,025,000,000.00	106,200,000,000.00	106,265,000,000.00	106,350,000,000.00	106,430,000,000.00

GIGA OIL & TRANSPORTATION CO. LTD
PROJECTED STATEMENT OF CASH FLOR (2023 – 2027)

DETAIL	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
CURRENCY	TZS	TZS	TZS	TZS	TZS
YEAR	2023	2024	2025	2026	2027
BALANCE AT THE BEGINNING	-	60,669,100,000.00	129,139,200,000.00	207,579,300,000.00	288,007,400,000.00
CASHINFLOW	67,200,000,000.00	75,000,000,000.00	85,000,000,000.00	87,000,000,000.00	95,000,000,000.00
CASHOUTFLOW	6,530,900,000.00	6,529,900,000.00	6,559,900,000.00	6,571,900,000.00	6,577,900,000.00
BALANCE AT THE END	60,669,100,000.00	129,139,200,000.00	207,579,300,000.00	288,007,400,000.00	376,429,500,000.00

