

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



REPORT FOR PROJECT VERIFICATION VISIT TO SUPER STAR FORWARDERS CO. LIMITED (SSF)



04th August, 2022

COMPANY BRIEF PROFILE

Company Name	SUPER STAR FORWARDERS CO. LTD		
Postal Address	P. O. Box 34716 DAR ES SALAAM		
Contact Person	Mr. Abel Mugesha		
Position	Manager		
Office Phone	+255-22-2860930		
Fax	+255-22-2865412/3		
Mobile Phone	+255 715 563 249		
E-mail	ssf@superdoll.tz.com		
Website			
Project Location	Plot No. 14 Nyerere Road, Temeke, Dar es Salaam		
Project Core Activity	To extend the operation of cargo transportation project		
Certificate of Incentives No & Date of Registration	070029 dated 13 th November, 2012		
Present Ownership Structure (Shareholders)	Name	Nationality	% Share
	Nassor Ali Seif	Tanzanian	66
	Seif Ali Seif	Tanzanian	34
Current Status of the Project	The project exists and is in full time operation		
Combined Manpower Total (Nos.)	Local - Direct	Foreign	
	600	5	
Combined Total Investment Cost (Millions in USD)	Local	Foreign	
	USD. 51,000,000	-	

1.0 INTRODUCTION

Super Star Forwarders Co. Ltd (SSF) is a private owned Company incorporated by the laws of Tanzania. The Company operates a TIC registered project with certificate of Incentives **No. 070029** issued on 13th November 2012. The project's objective is to establish and operate cargo transportation project in Tanzania.

Super Star Forwarders Co. Limited (SSF) is one of the widely renowned company in Tanzania as well as in the East African Region for its legendary experience and enormous economic contribution in Transport and Logistics Industry of the Region.

The Company has been intensively participating in the Region's logistics and haulage sector for over 4 decades growing from relatively small operation in the country to one of the leading logistics service provider and ultramodern fleet operator in the Region.

One of the key aspects, which has made SSF one of the most successful company in East African in the field of Logistics and Haulage is its commitment to invest on high end equipment and to comply with high quality international operating standards across broad spectrum of its operational structure covering important aspects such safety in transportation business, capacity building of its operating staff, skills development and specialized training and most importantly engaging multinational corporations as main part of its client base into long term mutually beneficial contacts.

During all these decades of dynamic market presence in the region, SSF has proudly accomplished successfully number of Mega-Projects, which has earned the Company strong reputation, unique experience and special expertise in handling complex logistics projects at high efficiency and safety levels. The company has undergone multiple phases of growth and development in the last three decades during which, massive amount of investment on high-end equipment coupled with ultra-modern state of the art technology has been done.

Owing to its commitment and adherence to high standard levels of operations which are geared towards maximizing benefits to customers, today SSF have grown to be recognized as one of the major transport logistics solution providers and among the leading haulers of fuel, heavy 1 cargo, containers and general cargo in the East and Central African regions. The most important aspect of SSF success in business is Trust. It is the goal of the Company to have 100% customer satisfaction with regards to quality, trust, and commitment and to discover new ways to exceed the expectations of our clients. The Certificate lastly extended on November,2018 and expires on November, 2019.

2.0 OBJECTIVES OF THE VISIT

Project Verification Visit (PVV) to Super Star Forwarders Co. Limited (SSF) has to be conducted in order to assess project's execution progress, evaluate achievements and analyze challenges that the company has faced for the past years. Furthermore, the verification team was to review rationale for the Company's request to extend project implementation period for the Certificate of Incentives.

3.0 PRESENT

The PVV team members present during site verification include: -

S/n.	Name	Organization	Title
1.	George K. Mukono	TIC	Ag. Investment Facilitation Manager
2.	Benson G. Nkini	TIC	Investment Officer & PA/ExD
2.	Flugence Bube	SFF	MD
3.	Ibrahim Juma	Superdoll	General Manager
4.	Abel Magesa	SSF/Superdoll	Contact Person
5.	Paul Kayanda	SSF/Superdoll	Assistant Operation Manager

5.0 OBSERVATIONS, FINDINGS AND ANALYSIS

The PVV team visited the project site and held consultative discussion with Mr. Bube (Managing Director & CEO) and the Management who informed the team on the progress and implementation status of the project and the future plans of the project.

During discussion with the company's representatives, the team noted that the Investor is executing project activities or plans as per the contract. The following were observed:

8.0 BASES OF INVESTOR'S REQUEST

The reasons for an extension of the implementation period of the project are detailed below;

- a) The adverse economic situation was intensified by the "Coalition of the Will" by some of the EAC partner states (i.e., Uganda, Kenya and Rwanda) by then which impacted transport operators of Tanzania directly and the impact of global Covid — 19 pandemic that made investment climate not economically viable and compelled us to postpone our investment plan.
- b) Following to the recent positive economic development which has opened our country to several investment opportunities, Tanzania has become one of favorable destination for many investors and this opened some of the projects to be implemented and widely our market base to EACOP tendering.
- c) As such, we are so pleased to share with you that, as a local content concerned, we have successfully and exclusively won the opportunity to provide massive Logistics' Services to the construction of the East African Crude Oil (Pipeline (EACOP) from Hoima Uganda to Chongoleani Tanga, where we had to expand the facilities in logistics.

- d) The process to achieve this milestone was extremely competitive and was executed through Global Tendering Process which involved over 11 multinational organizations and ultimately SSF was selected as a Logistics Contractor.
- e) This Mega Project of unique national interest, necessitate that we must execute massive investment plan of over 300 special purpose trailers and trucks together with other supporting equipment. Total investment is estimated to be worth over 51 USD Million and need to be executed immediately.

8.1 Documents Findings/Submitted

- a) Shareholder's agreement between Bollore Transport and logistic Tanzania Limited and Super Star Forwarder's Limited (SSF)
- b) CONTRACT N°EPC-21-C-004 BETWEEN EAST AFRICA CRUDE OIL PIPELINE (EACOP) LTD AND BOLLORE AFRICA LOGISTICS SAS and BOLLORE LOGISTICS SE and BOLLORE TRANSPORT LOGISTICS UGANDA Limited and E.A.L.S. Limited MAIN LOGISTICS CONTRACTOR SERVICES RELATING TO THE EAST AFRICA CRUDE OIL PIPELINE (EACOP) PROJECT MIDSTREAM PERIMETER **NOTE; (The contract submitted was not signed. I have contacted SSF about bringing the contract that has been signed by all parties but they have told me that they agreed with EACOP that these contracts will remain confidential between the partners and not a third party. So, if the contract is needed, he will bring it to the Executive Director to see it and not remain TIC.)**
- c) Condition letter of Award for the main logistics contractor services (MLC) relating to the East Africa Crude Oil pipeline Project between Total East Africa Midstream B.V and Bollore Africa Logistics SAS
- d) Progress Report from Super Star Forwarder's Limited (SSF) (Documents attached)
- e) Un utilized list of Duty & VAT Exemption on Capital Goods granted to Super Star Forwarder's Limited (SSF) for which was issued 19th October, 2012

9.0 OBSERVATIONS & FINDINGS

During the visit and meeting with Super Star Forwarding (SSF), PVV team finds out the following issues;

- a) As part of its continuous investment endeavor, SSF was set to make significant investment few years prior to the onset of Covid - 19 pandemic, and duly applied for Investment Incentives to TIC which was subsequently approved for implementation. However, implementation of the Project could not proceed as planned due to unforeseen adverse economic situation over the world.
- b) The team found out that SSF has entered into an agreement with a large international logistics company Bollore Africa Logistics to implement the EACOP project in the transportation component of the project.
- c) Team discovered that, in order to be able to implement this agreement, SSF and Bollore Africa Logistics created another company that registered in Tanzania under the name East Africa Logistics Services (EALS) to be able to implement the project together as a JV (Bollore 60% and SSF 40%)
- d) The team also found out that in the joint venture between SSF and Bollore in implementing this project, Bollore will carry out the load carrying area of the pipes in the (off shore) and SSF will carry out the load from the port to the site (on shore).
- e) In addition to that, the PVV team find out that, the situation was further aggravated by massive global commodity price drop-down coupled with the impact of global Covid – 19 pandemic that made investment climate not economically viable. Consequently, this situation compelled SSF to put its investment plans on hold and postpone it until such time when the economic situation will be favorable and viable to proceed.
- f) SSF had already bought 80+ cargo trucks (see the picture below) out of 300 trucks expected to bought throughout the project implementation. The trucks are stationed on Customs bonded warehouse No. 230, waiting for their request to

extend certificate of Incentives from TIC to be granted and allow them to register those trucks and the rest, once imported.

- g) The total pipes that the SSF Company is expecting to carry from the Dar port is 86,000 pipes with a length of 18 meters, which is the total number of pipes needed for the EACOP project from Ohima Uganda to Chongoreani Tanga. SSF company will be receiving 5,600 pipes each month, in order to be able to transport these pipes, the SSF company will need to have 300 trucks and special trailers with a length of 18 meters which will be manufactured here in the country by the Super Doll company.
- h) Team finds out that, in implementing the EACOP project, SFF expects to create about 600 direct and 300 indirect jobs. This is the huge number of employments.
- i) SSF associated with EACOP Project since inception in 2017, Participated at various level for Project Feasibility Study, Front End Engineering Design (FEED) and TGP Process.
- ❖ Logistics Partner for handling of
 - * *FBE and PUF line pipes*
 - * *General Containerized Cargo*
 - * *Heavy Out of Gauge Equipment.*
- j) Invested in 300 units of specially designed trailers for transportation of line pipe for the Project.
- k) Investment in extensive driver training to ensure transportation of line pipes with highest safety
- l) standards. Specific driver training to ensure safe driving of 23m long vehicle transporting line pipes (not common in Tanzania).

8.0 CONCLUSION AND RECOMMENDATIONS

8.1 CONCLUSION


One of the key aspects, which has made SSF one of the most successful company in Logistics and Haulage is its **commitment to invest** on high end equipment and to comply with high quality international operating standards across broad spectrum of its operational structure covering important aspects such safety in transportation business,

capacity building of its operating staff, skills development and specialized training and most importantly engaging multinational corporations as main part of its client base into long term mutually beneficial contacts. Owing to its commitment and adherence to high standard levels of operations which are geared towards maximizing benefits to customers, The team finds that the project is beneficial to the Country as it intends to improve the transportation and logistics sector as well as provide new employment opportunities and also will widen the tax base for the government revenue.

8.2 RECOMMENDATIONS

The company is committed to implement the project as per its plan. However, in order to complete the remained activities and insure full operational under the project, the company needs to import more trucks and other related accessories as required under the binding contract and also utilize exemption facility, which previously was approved by Tanzania Revenue Authority. Considering the significance of the project to the National Economy and the amount of capital invested, number of Jobs created and level of technology under the vehicle operation, the PVV team hints that the requested extension of the Certificate of Incentives to be approved. Based on what the team findings and observation on during the visit and the documents submitted by an Investor as the justification of their request for an extension of Col, the team recommend for **eighteen Months (18)** extension for Certificate of Incentives instead of two years requested by an Investor. We recommend this extension based on demand we foreseen to enable this project to take off.

We submit,

S/n	Name	Position	Date	Signature
1.	George Mukono	Ag. IFM – (A)	04/08.2022	
2.	Benson Nkini	IO	04/08/2022	