

Acer Logistics (T) Ltd

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PROGRESS REPORT UP TO NOVEMBER 2022

CERTIFICATE OF INCENTIVES NO: 071311 OF 03RD FEBRUARY, 2022

PLANNED ACTIVITIES TO DATE

M/S ACER LOGISTICS (T) LIMITED Is a transportation company which operates in Tanzania Mainland and neighboring Countries in East and Central Africa.

- Establishing Cargo haulage Project
- Operates cargo logistics to various places to Tanzania Mainland and neighboring countries East and Central African Countries/ Landlocked Countries,
- Importation of Trucks, Trailers, trailers, semi-trailers, supporting vehicles (pickups, recovery trucks), cargo lifting machines such as forklift and cranes, machinery and work shop equipment.

ACHIVEMENT UP TO DATE

M/S ACER LOGISTICS (T) LIMITED has succeeded to some extent though there were some setbacks due to Covid-19 which made not to complete the Project as it was planned. However, the Project succeeded by

- Setting up facilities for cargo haulage project successfully.
- Acquiring cargo vehicles such as Trucks, Trailers, trailers, semi-trailers etc.
- Granted Duty Exemption on Capital/Deemed Capital Goods by Commissioner for Customs & Excise vide Ref: TRA/CE/C/P.20/8/5728 of 2nd January, 2017 and CA 519/659/01/6424 of 31st December, 2021. As per attached exemption / approved list.
- Construction of Vehicle Yard, workshop and Office.
- installing Communication equipment to facilitate communication in the course of transportation.

- Having own workshop to assist immediate services rather than sending them to outside garages which are expensive
- Investment etc

PROJECT COST UP TO DATE	USD \$ '000'
▪ Land & Building	200.0
▪ Plant & Machinery	2,50.0
▪ Vehicles	4,500.0
▪ Furniture & Fittings	-
▪ Pre expenses	100.0
▪ Other expenses	50.0
▪ Working Capital	<u>200.0</u>
▪ TOTAL	<u>5,300.0</u>

PROJECT FINANCING

M/S ACER LOGISTICS (T) LIMITED being a cargo transportation Project is financed 100 per cent by its Local and foreign Equity as follows;

Shareholders	Nationality	Shareholding %
1. Acer Petroleum (T) Limited	Tanzanian	95%
2. Sarvesh Jain	Indian	5%

PROBLEMS

Cargo Transportation Sector has been affected to the greater extent by an outbreak of deadly COVID-19 virus which not only killed people but also severely crippled the economy due to strict lockdown in various countries and made impossible for movement of cargo.

Inflation: cost of operation, price of spares & Fuel has gone up

Market Competition. Currently there are Many Cargo Haulage Companies in the Sector

SOLUTION

The Cargo Transportation Has commenced and Lock down has been uplifted but measures of protection are in place such as using face mask, keeping space social distance, washing hands, use of sanitizers and other recommended ways of protection.

And for the Inflation the Company intends to inject more finances to the Project to cover the DEFICIT. And board will resolve for Bank loan.

The Company has determined to win the market competition by having Good business strategies such as having affordable tariffs, advertisements, goodwill, new fleet of vehicles, promptness and efficiency etc

PROSPECTS/ FUTURE PLANS

M/S ACER LOGISTICS (T) LIMITED being a cargo transportation Project has determined to dominate and Compete with other big Cargo Transportation Companies in Tanzania Mainland and neighboring East African and Central Countries Companies. The Company Has Set up some Business Strategies in order to Win the Competitive Market by:

1. Acquiring new and modern Fleet of Vehicles.
2. Having good and trustworthy staffs (Drivers)
3. Making sure the vehicles are in good condition all the time
4. Goodwill, convenience, efficiency and Promptness
5. Advertisement/ Promotion
6. Having best and convenient tariffs to clients

The Cargo Haulage Company intends to increase its Capacity in transportation of cargo

- Increase the volume of cargo
- Expanding the Project
- Opening branches and offices to Key areas in Mainland Tanzania and in Other Countries
- Increase the Fleet of Vehicles

RECOMMENDATION/ CONCLUSION

M/S ACER LOGISTICS (T) LIMITED - The cargo transportation Project has applied for **renewal of the Implementation period of One Year due to various economic reasons**. 1. Covid 19 Pandemic has affected business especially the cargo transportation sector in In the whole Region/ East & Central Africa/ neighboring Countries. Importation of Goods/ cargo from China was difficult hence the business had downfall. The Lock down due to Pandemic made the business and movement of cargo to fall at great percentage. Since then we are now recovering from this fall which had a lot of impact in our business. 2. The Company also request for Extension in order to complete the **PROJECT INVESTMENT PROPOSAL** which have not been fulfilled due to Pandemic and also 3. the Company has not **exhausted the Exemption granted by Commissioner of Customs & Excise** vide Ref: TRA/CE/C/P.20/8/5728 and CA519/659/01/6424 of 31st December, 2021.

M/S ACER LOGISTICS (T) limited recommends to the Government for better investment Policy and more incentives to support Investment especially after this crisis and business downfall following the Pandemic/ Lock down. An outbreak of deadly COVID-19 virus has not only taken the lives of people but also severely crippled the economy due to strict lockdown,