

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT ON THE PROJECT PHYSICAL VERIFICATION VISIT
CONDUCTED FOR ACER LOGISTICS (T) LIMITED**

IN

DAR ES SALAAM REGION

03rd FEBRUARY, 2023

COMPANY BRIEF PROFILE

| | | | |
|--|---|--------------------|-------------------------|
| Company Name | Acer Logistics (T) Limited | | |
| Postal Address | P. O. Box 78845 | | |
| Contact Person | Mr. Arvind Pasavaraj | | |
| Office Phone | 0222136805/6 | | |
| Mobile Phone | +255692540205/ +255715638456 | | |
| E-mail | logistics@acerpetroleum.com | | |
| Project Core Activity | To establish and operate a project for Cargo transportation | | |
| Project Location | PLOT NO. 13, GEREZANI INDUSTRIAL AREA | | |
| Certificate of Incentives No & Date of Registration | 071311 dated on 29 th December, 2016 | | |
| Present Ownership Structure | Local and Foreign | | |
| Shareholders | Shareholders | Nationality | Shareholding (%) |
| | Acer Petroleum (T) Limited | Tanzania | 95% |
| | Sarvesh Jain | India | 5% |
| Current Status of the Project | Operating | | |
| Manpower Total (Nos.) | Foreign Men: Foreign Women: Local Men: 119 Local Women: 45 | | |
| Project Financing Expenditure to-date (USD) | USD 6.21 M | | |

1.0 BACKGROUND

Acer Logistics (T) Limited is a company established in 2016 with the certificate of incorporation number 128855 and it was issued a certificate of Incentive number 071311 issued on 29th December, 2016 from Tanzania Investment Centre (TIC) for the proposed activities of establishing and operating a project for cargo transportation with the Investment Capital amounted to USD 6.21 million and it had been also issued a certificate of incentives for extension number 071311 for the period of 2020, 2021 and 2022.

The Certificate of Incentive for extension will be expired in 12nd February, 2023 and within that period, they managed to procure only 22 trucks out of 100 trucks granted by TRA. The company submitted a request to TIC to be granted an extension of project implementation period effective from February 2023 so as to accomplish the project implementation and to utilize the remaining balance of Capital and Deemed Goods.

On 03rd February, 2023, TIC conducted a Project physical Verification Visit (PVV) in order to verify the eligibility of the investor's request.

1.1 Project Location

The project is located on PLOT NO. 13, GEREZANI INDUSTRIAL AREA

1.2 Objective of the Visitation

The main objective of the site visit was to conduct a physical verification of the development of the project so as to verify the eligibility of the investor's request for extension of the project implementation period and to advice TIC on approval decision based on the site findings.

1.3 PVV Team

- | | | |
|------|--------------------|--------------------|
| (i) | Deusdedit Hokororo | Investment Officer |
| (ii) | Gift John | TRA-TIC |

2.0 Methodology

The following methodology were used to conduct the PVV

- (i) To review the submitted request documents and the company file so as to get the historical background of the project and strong reasons for extension of implementation period.
- (ii) Interview with Mr. Jimmy Charges (Operation Manager) to get the progress report of the project and the challenges hindering

effective implementation of the project.

(iii) Physical site visitation to verify the progress of the project

3.0 Interviews, Observations and Findings

On 03rd February, 2023, the PVV team visited the company and had a consultative conversation with Mr. Jimmy Charles (Operation Manager) to acquire important information on the progress of the project development and challenges hindering effective implementation of the project. The following are the key issues observed.

- (i) The project has been issued a certificate of incentive for expansion number 071311 issued on 29th December, 2016 from Tanzania Investment Centre (TIC) with the Investment Capital amounted to USD 6.21million.
- (ii) It also be issued a certificate of incentives for expansion number 071311 for the period of 2020, 2021 and 2022.
- (iii) The project has not able to utilize the approved deemed capital goods due to challenge faced during Covid-19 pandemic.
- (iv) The investor decided to import more trucks in order to meet the market demands for transportation service for both locally and transit to land locked countries.
- (v) They planned to import 95 trucks and 96 trailer from china which expected to create 95 new employees.
- (vi) There are 9 trucks found at Company's yard during PVV exercise and both branded meru brand name which shown that the investors has reliable customers (See appendix no.1)
- (vii) They managed to have a garage to services the trucks with the company yard. (See appendix no.2).
- (viii) The office location for the project is at Plot No.13-Gerezani Industrial Area while the yard of the truck is at Tabata TOT and we found another office for the project at Tabata. (See appendix no. 3)

3.2 Challenge faced the project.

The project has not exhausted the approved TRA exemption list due to COVID-19 pandemic as well as lockdown of neighboring countries, this affected the business especially in transportation sector. The lockdown in china affected the importation of trucks and prolonged the importation process.

4.0 Conclusion and Recommendation

This project had been issued three (3) extensions of implementation period for the year 2020, 2021 and 2022 but yet to utilize the approved TRA exemption list. Based on the competition between Dar es Salaam port and neighboring ports, The Government of Tanzania is keep expanding the port operations by enhancing the reduction of cargo congestion which emphases on growth of transportation sector.

The team noted that, this project will help to reduce cargo congestion at the port and expected to create 95 employees (drivers) and more than 10 mechanics which the Government of Tanzania will gain a revenue from PAYEES but also the trailers imported will pay Taxes to the Government. We recommend TIC to issue extension of certificate of incentive for one year, so as the company be able to utilize the list of deemed capital goods approved by TRA.

We are hereby submitting this report for your further action,



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Deusdedit Hokororo
Investment Officer



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Gift John
TRA-TIC

Appendix No. 1



Trucks available at Company's Yard

Appendix 2



Garage for servicing trucks

Appendix 3



Office building for the project

