

**PTG  
TRANSPORTATION  
CORPORATION  
LIMITED**

**P.O.BOX 58  
HOLILI  
KILIMANJARO- TANZANIA**

**BUSINESS PLAN  
FOR  
LAND TRANSPORTATION**

## **BRIEF SUMMARY PROJECT**

COMPANY: PTG TRANSPORTATION CORPORATION LIMITED

LOCATION: PLOT NO.283, BLOCK C HIMO, KILIMANJARO

CONTACT PERSON: ZHENG LIU  
TEL:+255759271766, Email: 1440096067@qq.com,

OBJECTIVE: TO CONDUCT BUSINESS OF CARRYING GOODS BY OPERATING TRUCKS

BENEFITS: JOBS CREATION, GOVERNMENT INCOME. FOREIGN EARNINGS

CAPACITY: 10 DUMPER TRUCKS

IMPLEMENTATION PERIOD: 3YEARS

CAPITAL INVESTMENT: USD 1,043,701

## 1.0. EXECUTIVE SUMMARY.

**PTG TRANSPORTATION CORPORATION LIMITED** is registered in Tanzania under Companies Act 2002 with Certificate of Incorporation **No.162437437** issued on **6<sup>th</sup> January 2023**.

The project promoters are Mr Liu Zheng, Mr Tian Haifeng, Mr Yuan Xiaoming, Ms Lei Xue, Mr Zhao Naiqiang, Mr Zheng Yong, Ms Ruan Yanjun, Mr Lu Quanlai.

Mr Liu Zheng and Mr Tian Haifeng have over 7 years' experience in operating cement manufacturing factory and are working with more than 6 transportation companies. Mr. Liu Zheng is holding the 45% of the company's shares and Mr Tian Haifeng is holding 22% of company's shares.

Ms Lei Xue has been working on research of transportation and custom clearance and the overall situation of East African countries. She also has extensive experience in administration.

Mr Zhao Naiqiang has great knowledge in the field of finance and accounting and has been cooperating with multiple international group companies.

The project promoters are well experienced in their field of knowledge and Are ready to implement this project.

The company's main market has been targeted to be local due to the increased demand of transportation as the country is now entering into a stage with rapid development, upon serving the local market; the company will expand its market to outside the country by transporting transit goods and materials in East African countries and later on to the rest of the work.

This business plan has been prepared for **PTG TRANSPORTATION CORPORATION LIMITED** for land transporting goods.

The proposed project is estimated to cost about **US\$ 1,043,701** of which the promoters have bought shares in the company.

## 1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business background. The company is owned by 8 shareholders, namely:-

<b>Name of shareholders</b>	<b>No. Of Shares</b>	<b>Percentage</b>	<b>Nationality</b>
ZHENG LIU	3,150,000	45	Chinese
HAIFENG TIAN	1,540,000	22	Chinese
XIAOMING YUAN	1,050,000	15	Chinese
XUE LEI	700,000	10	Chinese
NAIQIANG ZHAO	140,000	2	Chinese
YONG ZHENG	140,000	2	Chinese
YANJUN RUAN	140,000	2	Chinese
QUANLAI LU	140,000	2	Chinese

## 1.2 LOCATION.

The project head office will be located at **Plot No.283, Block C Holili Area, Kilimanjaro.**

## 1.3 OBJECTIVE OF STUDY

The main objective of this study is to work out the commercial feasibility of the project.

## 1.4 Manpower Required

The project will employ a total of 80 employees, only 16 will be foreigners and the remaining 64 will be locals.

<b>Employment</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
Women	3	5	5	13
Men	13	14	40	67
<b>TOTAL</b>	<b>16</b>	<b>19</b>	<b>45</b>	<b>80</b>

The project will generate indirect employment of around 1000 people in the area of drivers, conductors, mechanics, SMEs, loading and offloading, Cleaning and security.

## **2.0 OVER VIEW OF TRANSPORT INDUSTRY**

The Development of Tanzania's transport infrastructure will be undertaken within the scope of existing plans for development. These plans include those that are oriented towards the general development of the economy such as the Vision 2025, the National Strategy for Growth and Reduction of Poverty.

Large livestock production potentially provides raw materials for the leather industry but the contribution of the leather industry in the economy is remarkably minimal. Analysis finds that challenges related to inadequate livestock management, limited coordination of downstream and upstream activities, low-capacity utilization and limited adoption of skills and technology inhibit the leather value chain development in Tanzania.

The National Transport Policy 2 describes how the transport sector will contribute to national goals and objectives and facilitate the optimal development of the national economy. The vision of the policy is "to have efficient and cost-effective domestic and international transport services to all segments of the population and sectors of the national economy with maximum safety and minimum environmental degradations." Despite the high growth in national economy, average 7% annually from 2005 to 2010, the efficiency and quality of transport services has been inadequate. The demand for transport services has grown rapidly in line with the economic and social development activities of the country.

According to Contractors Registration board in Tanzania, in 2012, there are many newly registered contractors. Addressing this, there is an increasing demand for dumper trucks and other trucking facility, which will now be fulfilled by our company.

Type	Class of Registration							Total April 2012		
	I			II	III	IV	V		VI	VII
	Local	Foreign	Total							
Building	57	31	88	32	42	136	475	450	1,644	2,867
Civil	22	30	52	16	38	111	412	693	1,333	2,655
Electrical	17	21	38	7	6	34	109	56	278	528
Mechanical	6	10	16	1	4	9	19	18	44	111
Subtotal	102	92	138	56	90	290	1,015	1,217	3,299	6,161
Specialist Contractors	I			II		III		Total		
	Local	Foreign	Total							
Building	10	7	17	5		6		28		
Civil	17	22	39	19		179		237		
Electrical	41	25	66	31		129		226		
Mechanical	35	27	62	40		98		200		
<b>Subtotal</b>	<b>103</b>	<b>81</b>	<b>184</b>	<b>95</b>		<b>412</b>		<b>691</b>		
<b>Total</b>								<b>6,852</b>		

Source : Contractors Registration Board.

## **2.1 Trucking Industry**

Internally, Ongoing government infrastructure projects in Tanzania will provide a solid rebound in demand for commercial vehicles in 2021.

Long-term opportunities for commercial vehicle demand are present as increased road freight between Tanzania's East African neighbors with the construction of the Kigongo-Busisi bridge, will enable more freight volumes to be moved via roads which in turn will have positive spill-over effects for heavy trucks demand.

Over 2021-2029 forecast period, it is forecast that Tanzania's CV (commercial vehicle) sales to expand by 7.2% on an annual average growth basis, as the country's improving road infrastructure increases demand for CVs as the ease with which goods can be transported lifts freight volumes and thus demand, although from a low base. Furthermore, we note that the construction of the Kigongo-Busisi bridge, connecting the Mwanza and Geita regions creates additional opportunities for the local road freight industry, which will further elevate the demand for CVs. This is because the bridge will enable more movement of goods and people between Tanzania and its East African neighbours (specifically Uganda, Burundi and Rwanda) thereby requiring larger CV fleets.

Other ongoing and planned projects such as the Dodoma international airport will not only provide demand for CVs during the construction phase.

Furthermore, the expansion of the Dar es Salaam port and the construction of a new port in Bagamoyo, north of Dar es Salaam, will provide opportunities for CV demand as Tanzania competes with regional peers for international trade volume dominance. Higher freight volumes from increasing imports and exports through newly established ports bodes well for heavy trucks demand.

## **2.2 MARKETS**

**i.** The main market for this project's service will be internally; to corporate with multiple industries including pozzolana suppliers, cement manufacturer, gypsum supplier, clinker supplier. And in the near future it is planned to expand the market to the nearby Kenya as there is also great needs of importing raw material

**ii.** As we are sitting in the mining area of pozzolana which is an significant raw material for cement industry no matter in the surrounding area including Kilimanjaro and Tanga region or in the further market of Dar es salaam. Furthermore, the demand for transporting materials for construction sites and contractors is also high.

## **2.3 MAINTENANCE**

- i. For truck maintenance and service, the company will build the garage and recruit our own mechanic team of 10 people.
- ii. We will also import and store certain number of spare parts to make sure the truck fleet should be working properly and stably.

## **2.4 SERVICE PROVIDERS**

The project will be acquiring important utilities services from government institutions such as electricity (power) from TANESCO and water from Moshi Urban Water Supply and Sanitary Authority (MUWASA), this will help the government to collect revenue from this project, also the project is planning to have the solution for emergency in case the power from TANESCO is not found, the company will buy the automatic generator of 1200 KVA and have the automated water pump for water supply. The project will also be supplied by Total Energy and other supplier for fuel.

## **2.5 SALES STRATEGY**

Trade activities and existence of this project will create the indirect employment to over one thousand (1000) people whereby the 10% (100) is estimated to be company's direct employees includes office employees, managers and back office operations, technical staff includes the part of freight handlers attributable to road freight transport, as well as the personnel involved in vehicle and installation maintenance as well as any non-mobile and non-technical staff and the remaining 70% (700) will be

other enterprises and companies all over the country, these companies and enterprises will be hiring the fleet.

Apart from the local market, the company is expected to be provide service outside the country and it will generate the employment in the area of loading and offloading, the area of clearing and forwarding as well as the security which is expected to employ about 20% (200) as the indirect employment. Their roles have been explained in details as follows:-

These will be the main customer group which will hire the fleet with favorable price compared to that of another transporter. This will create and maintain job opportunities including loading, offloading, storing, etc.

### **3.0 ASPECTS OF PROJECT SUSTAINABILITY**

The project sponsors having studied market conditions are convinced that the project will be able to operate undisturbed provided the government rules and regulations are followed by players in transporters business.

#### **3.1 SAFETY CONTROL SYSTEM**

The required safety control system will be employed ensuring that operation maintain the same standard and shall be monitored as per the OSHA requirements.

#### 4.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is **US\$ 1,043,701 of which will be the equity of the promoters.**

<b>PARTICULAR</b>	<b>COST (US\$)</b>
Land and Buildings	100,000.00
Machinery & Equipment	50,000.00
Motor Vehicles	810,000.00
Furniture & Fittings	15,000.00
Pre exp	3,071.00
Others	5,000.00
Working Capital	60,000.00
<b>TOTAL</b>	<b>1,043,701.00</b>

#### 5.0 FINANCING PATTERN

The project will be financed by shareholder US\$ **1,043,701**

#### 6.0 FINANCIAL ANALYSIS

##### 6.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The reducing balance method to depreciate the project's capital items has been applied. It is assumed that no changes will be made in the Tax Laws for the coming 3 years.

Revenues have been conservatively estimated based on experience of the promoters.

## 6.2 Financial Statements:

### 6.2.1 Projected Revenue

For projection purposes, it is assumed that the revenue from transport business will generate from the first year of operation.

#### PTG TRANSPORTATION CORPORATION LIMITED PROJECTED REVENUE

	1	2	3	4	5	6
Revenue	2,400,000	3,120,000	4,056,750	4,461,188	4,907,760	5,153,148

### 6.2.2 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$**269,062** in first year to US \$**3,707,585 in** the 6th year, **Refer appendix III**

### 6.2.3 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1st, i.e. US\$ **484,687** of operation to US\$ **4,435,744** the 6th year, **Refer appendix IV**

#### **6.2.4 Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements,

Under the same heading, total capital of the project increases from US\$ **1,043,701** in the first year of operation to US \$**4,751,286 in** the 6<sup>th</sup> year, Refer **appendix V**

#### **6.2.5 Projected payback period**

Total investment is US \$ **1,043,701** cash accumulation second year is **1,079,807** which is more than the initial investment by US\$ **36,106** the project payback Period is within 2 years.

The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as US\$ **1,043,701** being recovered within 2 years. **Refer appendix VI**

### **7.0 ECONOMIC ASPECTS**

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization business opportunity available in foreign market
- The project will create employment for 80 people on permanent contract basis as well as on temporary basis.

- It will generate substantial revenue to the government in the form of corporate tax, value added tax, pay as you earn and contribution for utilities such as power and water.
- The project will have transfer of knowledge and skills as far as maintenance is concerned

## 8.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved, it is estimated that implementation of the projected will be as following: -

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	February 2023
2	Garage building	March -May 2023
4	Truck purchasing	March 2023
6	Test running	May 2023
7	Commercial Operations	June 2023

## 9.0 CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

**APPENDIX (I)**

**PTG TRANSPORT CORPORATION LIMITED COST STRUCTURE**

PARTICULAR	US\$
Land and Building	100,000.00
Machinery & Equipment	50,000.00
Motor Vehicles	810,000.00
Furniture & Fittings	15,000.00
Pre exp	3,071.00
Others	5,000.00
Working Capital	60,000.00
<b>TOTAL</b>	<b>1,043,701.00</b>

**APPENDIX (II)**

**PTG TRANSPORT CORPORATION LIMITED PROJECTED REVENUE**

YEAR	1	2	3	4	5	6
Revenue	2,400,000	3,120,000	4,056,750	4,461,188	4,907,760	5,153,148

**APPENDIX (III)**

**PTG TRANSPORT CORPORATION LIMITED INCOME & EXPENDITURE STATEMENT US\$**

	1	2	3	4	5	6
Revenue	2,400,000	3,120,000	4,056,750	4,461,188	4,907,760	5,153,148
<b>Operating costs</b>	1,800,00	2,340,000	3,042,563	3,345,891	3,680,820	3,864,861
<b>Profit before Depreciation &amp; Interest</b>	<b>600,000</b>	<b>780,000</b>	<b>1,014,187</b>	<b>1,115,297</b>	<b>1,226,940</b>	<b>1,288,287</b>
<b>Interest</b>	0	0	0	0	0	0
Depreciation	215,625	163,735	124,640	95,160	72,908,	56,091
<b>Net Profit</b>	<b>384375</b>	<b>616265</b>	<b>889,547</b>	<b>1,020,137</b>	<b>1,154,032</b>	<b>1,232,196</b>
Tax (30%)	115313	184880	266864	306041	346210	369659
<b>Profit After Tax</b>	<b>269,062</b>	<b>431,385</b>	<b>622,683</b>	<b>714,096</b>	<b>807,822</b>	<b>862,537</b>
Accumulated Profit	269,062	700,447	1,323,130	2,037,226	2,845,048	3,707,585

**APPENDIX (IV)**  
**PTG TRANSPORT CORPORATION LIMITED PROJECTED CASH FLOW US\$**

	-	1	2	3	4	5	6
<b>SOURCES:</b>							
Profit before interest and depreciation	-	<b>600,000</b>	<b>780,000</b>	<b>1,014,187</b>	<b>1,115,297</b>	<b>1,226,940</b>	<b>1,288,287</b>
Equity	1,043,701	-	-	-	-		
Shareholders loan	0						
<b>Total Sources</b>	<b>1,043,071</b>	<b>600,000</b>	<b>780,000</b>	<b>1,014,187</b>	<b>1,115,297</b>	<b>1,226,940</b>	<b>1,288,287</b>
<b>Applications:</b>							
Capital expenditure	975,,000	-	-	-	-	-	
working Capital &Others	68,701						
Cash	-	484687	595120	747323	809256	880730	918628
Tax	-	115313	184880	266864	306041	346210	369659
<b>Sub total</b>	<b>1,043,701</b>	<b>600,000</b>	<b>780,000</b>	<b>1,014,187</b>	<b>1,115,297</b>	<b>1,226,940</b>	<b>1,288,287</b>
<b>Total applications</b>	<b>1,043,701</b>	<b>600,000</b>	<b>780,000</b>	<b>1,014,187</b>	<b>1,115,297</b>	<b>1,226,940</b>	<b>1,288,287</b>
Accumulated cash		484687	1079807	1827130	2636386	3517116	4435744

**APPENDIX (V)**

**PTG TRANSPORT CORPORATION LIMITED PROJECTED BALANCE SHEET US \$**

<b>Fixed Assets</b>	-						
Opening balance	-	<b>975,000</b>	<b>759,375</b>	<b>595,640</b>	<b>471,000</b>	<b>375,840</b>	<b>302,932</b>
Additions	975000						
<b>Total Long-term Assets</b>	-	<b>975,000</b>	<b>759,375</b>	<b>595,640</b>	<b>471,000</b>	<b>375,840</b>	<b>302,932</b>
<b>Less depreciation</b>	-	<b>215,625</b>	<b>163,735</b>	<b>124,640</b>	<b>95,160</b>	<b>72,908</b>	<b>56,091</b>
<b>Closing balance</b>	-	<b>759,375</b>	<b>595,640</b>	<b>471,000</b>	<b>375,840</b>	<b>302,932</b>	<b>246,841</b>
Working capital	68,701	68,701	68,701	68,701	68,701	68,701	68,701
Accumulated cash	-	484687	1079807	1827130	2636386	3517116	4435744
<b>Total assets</b>	<b>1,043,701</b>	<b>3,311,000</b>	<b>4,259,750</b>	<b>5,306,938</b>	<b>6,457,485</b>	<b>7,716,559</b>	<b>9,089,587</b>
Financed by							
Equity	1,043,701	1,043,701	1,043,701	1,043,701	1,043,701	1,043,701	1,043,701
Loan	0	0	0	0			
Accumulated Net profit	-	269,062	700,447	1,323,130	2,037,226	2,845,048	3,707,585
Total equity	1,043,701	1312763	1744148	2366831	3080927	3888749	4751286

**APPENDIX (VI)**

**PTG TRANSPORTATION CORPORATION LIMITED PROJECTED PAYBACK PERIOD**

<b>Year</b>	<b>Profit After Tax</b>	<b>Depreciation</b>	<b>Total Cash Flow</b>	<b>Accumulated Cash Flow</b>
1	<b>269,062</b>	<b>215,625</b>	484687	484687
2	<b>431,385</b>	<b>163,735</b>	595120	1079807
3	<b>622,683</b>	<b>124,640</b>	747323	1827130
4	<b>714,096</b>	<b>95,160</b>	809256	2636386
5	<b>807,822</b>	<b>72,908</b>	880730	3517116
6	<b>862,537</b>	<b>56,091</b>	918628	4435744

**APPENDIX (VII)**

**PTG TRANSPORTATION CORPORATION LIMITED PROJECTED FIXED ASSETS US\$**

<b>NAME OF ASSETS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Land And Buildings	100,000	95,000	90,250	85,737	81,450	77,377
Machinery, Tools & Equipment	50,000	43750	38281	33496	29309	25645
Motor Vehicles	810,000	607500	455625	341719	256289	192217
Furniture & Fixtures	15,000	13125	11484	10048	8792	7693
<b>Total</b>	<b>975,000</b>	<b>759,375</b>	<b>595,640</b>	<b>471,000</b>	<b>375,840</b>	<b>302,932</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Land and buildings	5,000	4,750	4,513	4,287	4,073	3,869
Machinery tools & Equipment	6250	5469	4785	4187	3664	3206
Motor Vehicles	202500	151875	113906	85430	64072	48054
Furniture & Fixtures	1875	1641	1436	1256	1099	962
<b>ANNUAL DEPRECIATION</b>	<b>215,625</b>	<b>163,735</b>	<b>124,640</b>	<b>95,160</b>	<b>72,908</b>	<b>56,091</b>