

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT ON THE PROJECT PHYSICAL VERIFICATION VISIT
CONDUCTED FOR MSOZA TRANSPORT COMPANY LIMITED**

IN

DAR ES SALAAM REGION

10TH FEBRUARY, 2023

COMPANY BRIEF PROFILE

| | | | |
|--|---|--------------------|-------------------------|
| Company Name | Msoza Transport Company Limited | | |
| Postal Address | P. O. Box 7973 | | |
| Contact Person | Mr. Hemed Said Hemed | | |
| Office Phone | 0743367771 | | |
| Mobile Phone | 0719367771 | | |
| E-mail | hamed@msoza.com | | |
| Project Core Activity | To establish and operate a project for Cargo transportation | | |
| Project Location | Plot No. 224, Banana- Pugu Road | | |
| Certificate of Incentives No & Date of Registration | 026517 dated on 25 th February, 2020 | | |
| Present Ownership Structure | Local 100% | | |
| Shareholders | Shareholders | Nationality | Shareholding (%) |
| | Said H. Mohamed | Tanzania | 40% |
| | Hemed S. Hemed | Tanzania | 30% |
| | Salum S. Hemed | Tanzania | 30% |
| Current Status of the Project | Operating | | |
| Manpower Total (Nos.) | Foreign Men: Foreign Women: Local Men: 100 Local Women: 30 | | |
| Project Financing Expenditure to-date (USD) | USD 2.2 M/= | | |

1.0 BACKGROUND

Msoza Transport Company Limited is a company established in 1985 with the certificate of incorporation number 141593 and it was issued a certificate of Incentive number 026517 from Tanzania Investment Centre (TIC) in 2020 for the proposed activity of operating cargo transportation project with the Investment Capital amounted to USD 3.5 million.

The Certificate of Incentive will be expired at the end of February 2023 and within that period, they didn't use the approved TRA exemption. The company submitted a request to TIC to be granted an extension of project implementation period effective from February 2023 so as to implement the project and to utilize the Capital and Deemed Goods granted by TRA.

On 10th 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. 224, Banana- Pugu Road

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. Hemed M Hemed (Director) 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 05th October, 2022, the PVV team visited the company and had a consultative conversation with Mr. Hemed M Hemed (Director) 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) There is overwhelming increase in demand of service for transportation of goods by road for both local and transit due to increase fleet at Dar es salaam port, leading to the deficit of service providers in the market to meet the required demand. The investor decided to import more trucks in order to meet the market demands of transportation service for both locally and transit to land locked countries.
- (ii) The project has been granted an exemption of 100 trucks by TRA although managed to import only 14 trucks at the end of the year 2022 which are still on clearing process at the Port.
- (iii) The project has been granted a license of transporting a hazardous and chemical cargos which demanding them to import more trucks to meet the market demand. (See appendix No.4)
- (iv) The company has been recognized by the Government Chemist Laboratory Agency Tanzania as among of the best 10 transport companies in Tanzania which comply with rules and regulations of operating as a transporter for chemicals under industrial and consumer Chemicals Act
- (v) The project managed to secure a loan facility amounting to TZS 1.4 billion from HABIB Bank (See appendix 3 a loan contract)
- (vi) This project has more than 20 trucks found during PVV exercise (See appendix no 1)
- (vii) This project has an office located on Plot No. 224, Banana- Pugu Road. (See appendix No. 2)

4.0 Challenges faced the project.

- (i) The company failed to utilize the approved TRA exemption for deemed capital goods due to lack of sufficient fund which resulted in the postponement of importation of trucks and therefore failed to complete the project as planned. They seek for loan from different Banks since 2020 but not be able to secure the loan until 2022 when Habib African Bank provided a loan amounting to TZS 1.4 Billion.

- (ii) COVID-19 pandemic as well as lockdown of China and neighboring countries. The lockdown in china affected the importation of trucks and prolonged the importation process.

5.0 Conclusion and Recommendation

For landlocked neighboring countries, Tanzania is one of the main transport and logistics gateways to the outside world. But while growth brings opportunities for Tanzania to benefit, it also brings a responsibility to make sure that its infrastructure facilitates trade to boost growth. The expansion of Dar es Salaam port created an increase of demand for transportation service. Msoza Transport Co. Ltd being among the few transporters of hazardous and chemicals cargos in Tanzania demanding them to import more trucks in order to meet the need of the market and reducing cargo congestion at the port but also the company will create employment to Tanzanian.

The company didn't use the approved TRA exemption because of different challenges including financial constraints resulted from corona pandemic but in 2022 they managed to secure a loan facility amounting to TZS 1.4 billion from HABIB Bank which will be used to import more trucks hence the utilization of approved TRA exemption.

The company shown a significant commitment to implement the project. 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,

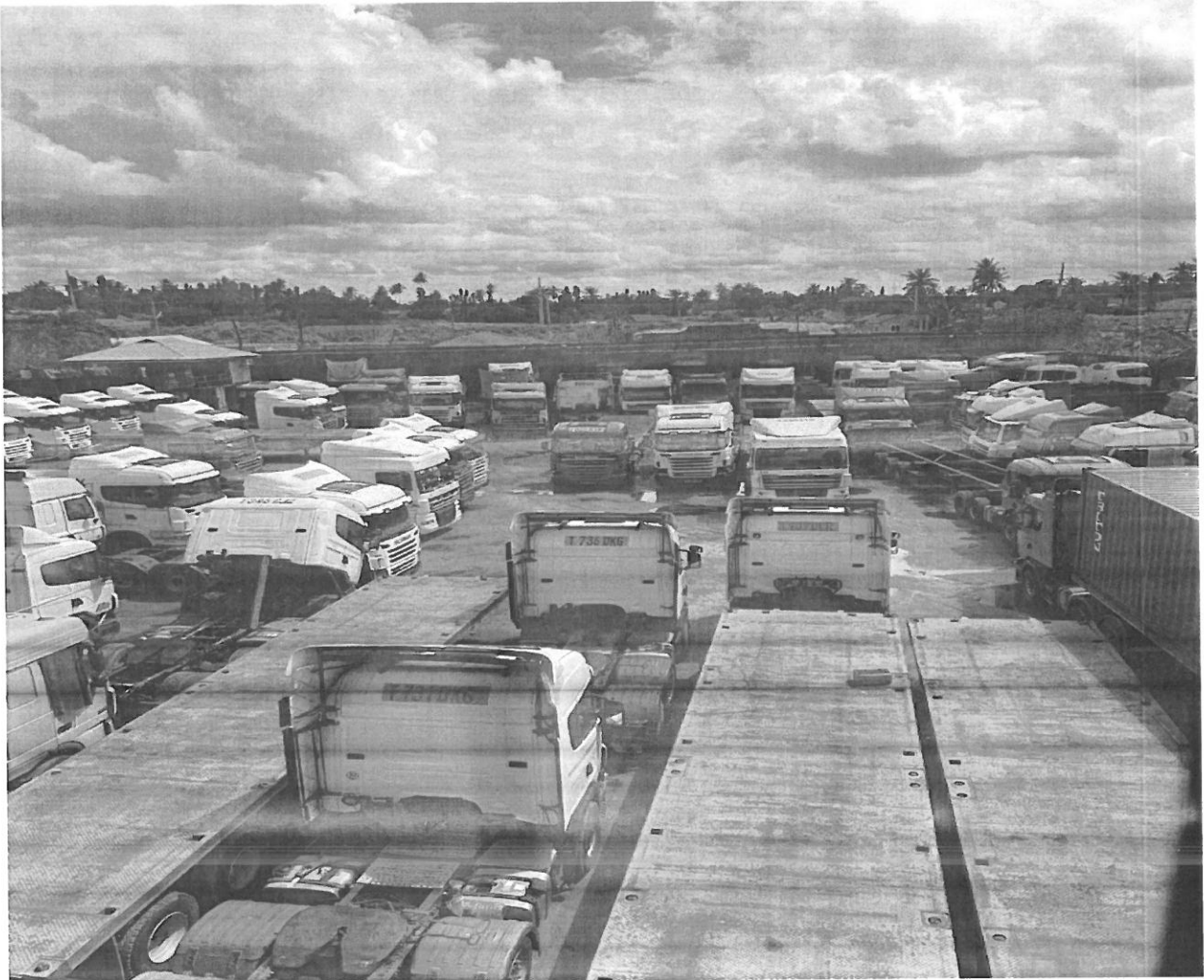


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Deusdedit Hokororo
Investment Officer



.....
Gift John
TRA-TIC

Appendix No. 1



Trucks available at Company's Yard

Appendix 2



Office building for the project

Appendix 3

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF HEALTH, COMMUNITY DEVELOPMENT, GENDER,
ELDERLY AND CHILDREN
GOVERNMENT CHEMIST LABORATORY AUTHORITY
P.O. Box 164, DAR ES SALAAM



REGISTRATION CERTIFICATE
(Made under Section 29 of the ICCA CAP 182)

I hereby certify that **M/S MSQZA TRANSPORT CO, LTD** of **P.O. BOX 7973, DAR ES SALAAM** with premises at **Plot No. 224, BANANA Street, Ukonga, Dar es Salaam**, has been approved and registered in Tanzania to operate as **TRANSPORTER** of chemicals under **Industrial and Consumer Chemicals Act** and granted Registration No. **B001-G001692**.

The special conditions attached to this certificate are:

1. **Awarded Full Registration as per Section 22(1) of the Act**
2. **Specific Requirements will apply to Highly Hazardous and Restricted Chemicals appearing in the Third, Sixth, Seventh and Eighth schedule to the Act.**

This certificate remains valid from **December 01, 2021 to November 30, 2026**

Granted on **December 01, 2021**



Signed: 

REGISTRAR

Registration Certificated from GCLA

Mkutano mkuu wa Taifa GCLA
Tarehe 08 Novemba 2022

GOVERNMENT CHEMIST LABORATORY
AGENCY TANZANIA

Mgeni RASMI - MKEMIA MKUU wa Taifa na
jamhuri ya Muungano

Waliyoalikwa na kuhudhuria wasafirishaji 10
Wakubwa wenye historia ya ubebabji wa Sulphur
na wanao aminika na wenye kutii masharti bila
shuruti

1. SIMBA LOGISTICS
2. TRANSCARGO
3. Edha AWADH LTD overland
4. GOLDEN COACH
5. USANGU Logistics
6. GSM Galco
7. MSOZA TRANSPORT
8. Vigu Trading
9. Mainline Carriers
10. Alistair James

Tunathamini mchango wa hawa top 10 wenye
leseni hizi za kubeba Dangerous Goods na
kuchangia mchango mkubwa katika kukuza
Uchumi na Kukuza bandari zetu na kuwa mfano
mzuri wa nchi jirani na kukuza uchumi wao pia.

