

BUSINESS PLAN TO TANZANIA INVESTMENT CENTRE (TIC)

IN FAVOUR OF AMUZ OIL TERMINAL LIMITED

AS

A PROPOSAL FOR REGISTER FOR CERTIFICATE OF INCENTIVE

NOVEMBER 2023

**PREPARED BY;**  
**ABDULMANAN MOHAMED HASSAN ALI**  
**2023**

## 1. INTRODUCTION

### NAME, NATURE AND OWNERSHIP OF THE BUSINESS

Name: The name of the company is AMUZ OIL TERMINAL LIMITED

### 1. BASIC INFORMATION

Amuz Oil Terminal Limited

P.O.BOX 1

Chongoleani Oil City –Tanga

Contact person: Mr.Abdulmanan Mohamed Hassan Ali

Telephone: + 255 672988007

Email:

### NATURE OF BUSINESS:

Amuz Oil Terminal Limited was established on the 4<sup>th</sup> September, 2023.

The primary object clause of the company are:-

- (i) To carry on the business of storage of oil and gas, distributing, terminals, transportation and distribution of Petroleum gas, crude oil, petroleum products.
- (ii) To carry on the business of producers, refiners, stores, suppliers and distributors of petroleum, oil and its products to explore for transport, market, distribute, exchange, purchase, sell and otherwise dispose of, import, export and trade, handle and generally deal in and dispose of any and all kinds of petroleum products, oil, gas and other volatile substances, asphalt, ozokerite, sulphur, clays, bituminous substances, carbon black, hydrocarbon and mineral substances, phosphates, nitrates, coal, ores, minerals and mineral substances of all grades, kinds, forms, nitrates, coal, ores, minerals and mineral substances of all grades, kinds, forms, descriptions and combination. Logistics and Supply

## **OWNERSHIP**

The business is owned by Amuz Oil Terminal Limited of Directors under two Directors, Mr. Mudiurasul Adhan Hassan who own 99% of shares and Mr. Abdulmanan who own 1% of shares.

## **BUSINESS VISION AND MISSION.**

### **VISION:**

To be recognized as a Company and partner of choice in the Tanzania oil and gas industry for delivering on our promises, pioneering new opportunities and approaches and bringing value to our industry, shareholders and community.

### **MISSION:**

To make long-term difference in our industry and earn the trust of our partners and shareholders.

### **VALUES:**

#### **THE TRUST EARNED**

Trust isn't given; it's earned. By consistently delivering on our promises, whether to our colleagues, partners or shareholders, we build successful relationships that are built on accountability and Mutual respect. This is essential to our long-term success.

#### **OUR DRIVE TO SUCCEED**

Our passion for what we do comes through in every area of our business. We are confident, committed and open minded, which enables us to pioneer new and better solutions and approaches, whether analyzing data or at the negotiating table.

#### **PUTTING THE COMPANY FIRST**

We know we can achieve far more as a Company than we can as individuals. Our collegial culture and flat hierarchy Means we consider different points of view and approaches to deliver the best solution for the business. When the business succeeds, we succeed.

#### **ENJOYING THE CHALLENGE**

For us, it is fun to always want to be better, and this means trying new Things and always looking for better ways to reach our goals. We are proud of what we do and our integrity in delivering it.

## **2. TECHNICAL ASPECTS**

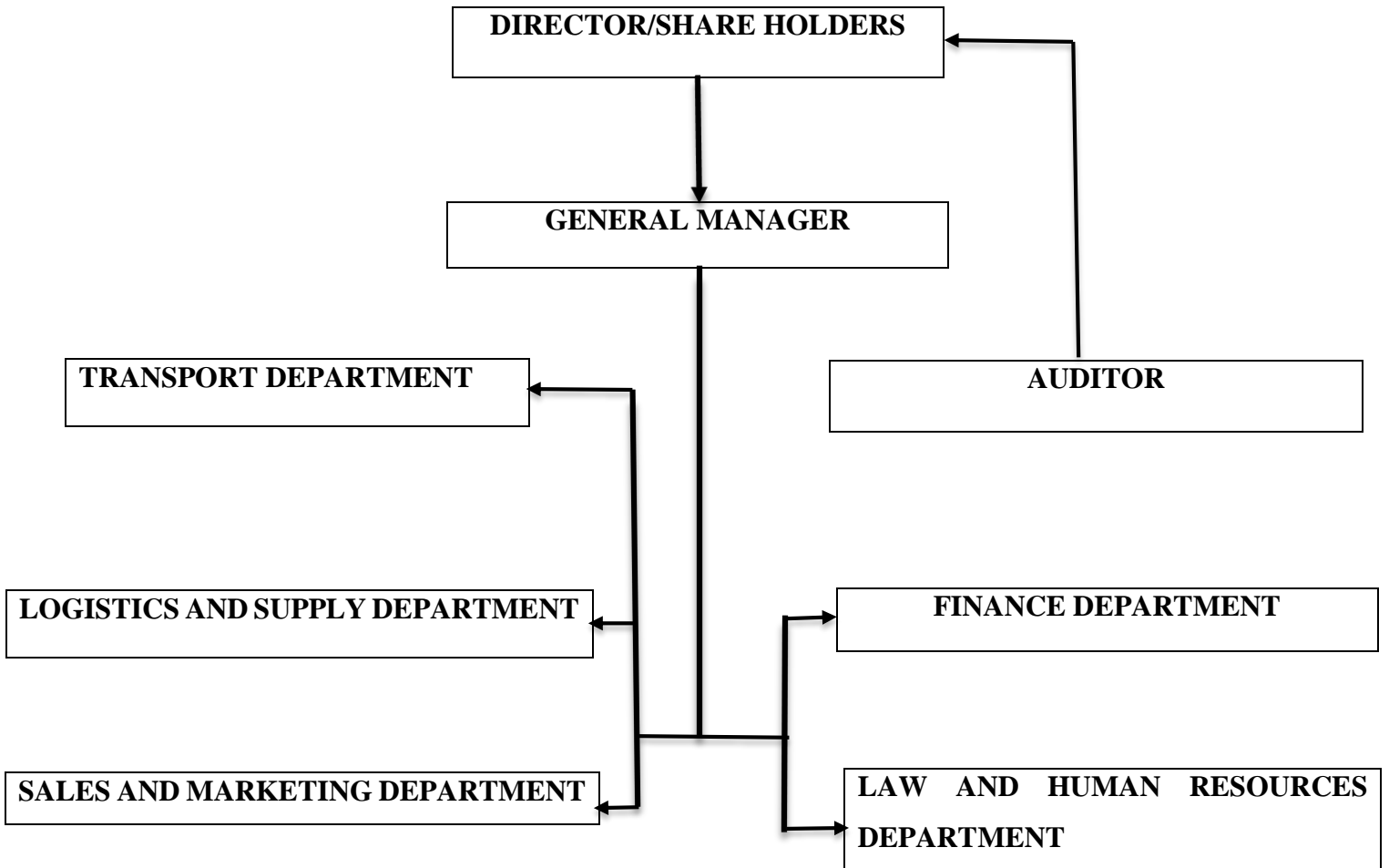
### **THE PROJECT**

The extractive sector contributed around 623 trillion Tanzanian shillings (TZS) - around 270.6 billion U.S. dollars - to Tanzania's government revenue in the financial year 2018/2019. Mining companies added around 421 trillion TZS (183 billion U.S. dollars) to the revenue collected by the government, while oil and gas companies contributed approximately 177 trillion TZS (77 billion U.S. dollars). Tanzania is surrounded by land locked countries including Rwanda, Burundi, Uganda, and Zambia which stimulate demand of petroleum finished product facility and gas depot.

### **TARGET MARKET**

Amuz Oil Terminal Limited target to operate in local and international market establishing a 100,000 MT petroleum finished product storage facility and a 20,000 MT gas depot.

3. MANAGEMENT  
ORGANIZATION STRUCTURE



**i. BOARD OF DIRECTORS/SHARE HOLDERS**

Amuz Oil Terminal Limited has a board of directors are: Mr.Abdulmanan Mohamed Hassan Ali and Mr. Mudiursasul Adhan Hassan

Mr.Mudiurasal Adhan Hassan

He had a responsible for planning, directing, managing, coordinating and supervising the programs for acquisition, assignment, utilization, maintenance, repair and replacement of stores and depot.

Mr. Abdulmanan Mohamed Ali

Stand in Company as policy maker, company policy deals with developing a set of constructs and propositions that are established to achieve specific objectives relating to social, economic, and environmental conditions, and the functioning and performance of the company.

General the board is statutory organ, responsible for the formulation and implementation of the company policy. The Board of Amuz Oli Terminal Limited has three primary legal duties which are duty of care by ensuring perfect use of all company assets including people and goodwill, Duty of loyalty, by ensuring that the company activities and transactions are first and foremost, advancing its mission, recognize and disclose conflicts of interest and make decision that are in the best interest of the company, and the last duty is duty of obedience, ensuring that the company obeys applicable laws and regulation.

**ii. GENERAL MANAGER**

Current the position is vacant, all correspondence regarding General Manager is directed to Managing Director.

The company on its expansion is looking for suitable qualified General Manager who is experienced and will provide leadership to the company to achieve the key objectives of the company in the Sultanate of Amuz Oil Terminal Limited market and build a strong brand in the industry. He will be responsible for the overall performance of the company in terms of both operational & financial areas. He will be responsible to develop & execute

the business plan & the achievement of Key Performance Indicators in the areas of customer, financial, internal business processes, people & suppliers. He will Design, Plan & Manage all company resources to enhance value to all company stakeholders.

iii. AUDITOR

Jamaa Consultants Ltd (Certified Accountants and Auditors) will be financial advisor and auditors who will report direct to Shareholders..

iv. FINANCE DEPARTMENT

Amuz Oil Terminal limited finance department is responsible for processing of financial transactions and the application of proper accounting principles and standards, internal controls and financial file management, generation of monthly financial reports and general support to project activities.

LAW AND HUMAN RESOURCES

Lida and Co. Advocates (certified advocate notary public and commissioner for oaths) appointed by company to deal with legality and human resources matter.

v. MARKETING DEPARTMENT

Marketing department is responsible to generate sales of services, achieve profitability and also have sufficient skill to be able to satisfy customer demands or transmit these requirements to the corresponding sector. The four function of marketing department are product, price, place and promotion.

4. SWOT ANALYSIS:

A SWOT analysis carried out on the business reveals the following:

STRENGTHS

- Having base of customers both local and international
- Having reliable petroleum finished product facility and gas depot.

- One known fact about oil and gas business is that it has a stable price which apply generally to all dealers. It is not foreseeable that a single dealer will be able to manipulate the price of the commodity. In such a price taker market, marketers make other marketing efforts to promote sales instead of price cut
- Having organized and experienced management and staff.

## **WEAKNESSES**

- Labour-Intensive Industry: The oil and gas industry is dependent on people and is, therefore, a labor-intensive industry. This dependence on people makes it exhausting for the company to manage regular training of delivery partners and performance-based appraisals.

## **OPPORTUNITIES**

- Increase in usage of gas and oil in Tanzania and other African countries
- Mutual agreement of Directors with sub contactors favor to have long continuations of business.
- Political stability, Tanzania being one of peace country in Africa attract many customers.
- Market trend reveals an all-year-round demand
- Tanzania being surrounded by land locked countries

## **THREATS**

Changes in the external environment also may present threats to the business. Environment and Health regulations agency threats

- Price volatility
- Perception that oil and gas operations are in fundamental opposition to environmental issues
- Frequent change in World oil and gas price
- Existing war in Largest World oil and gas producer countries including Russia.

## 5. RISKS ASSOCIATED WITH THE BUSINESS

- Supply and demand shocks are a very real risk for oil and gas companies. Operations take a lot of capital and time to get going, and they are not easy to shut down when prices go south or to ramp up when they go north. The uneven nature of production is part of what makes the price of oil and gas so volatile. Other economic factors also play into this, as financial crises and macroeconomic factors can dry up capital or otherwise affect the industry independently of the usual price risks
- Fire accident
- Political risk and Natural hazards
- Eruption of Pandemic disease such happened of COVID 19

## 6. MITIGATION

- Working with right partners can also help to reduce the risk, we seek company profile and history before sign any contract.
- Engage recognized and reliable insurance companies.

## 7. ECONOMIC AND FISCAL BENEFITS

### a. ECONOMIC ANALYSIS.

The company will increase employment around the area, will pay taxes and other related duties to contribute to the economy of the country.

### b. FISCAL BENEFIT

- i. The Government will receive revenue in the form of licenses, taxes etc.
- ii. The Lender Bank will benefit in the form of interest charged on the Loan plus other charges and pay tax accordingly on those revenues generated.

## 8. 5 YEARS CASH FLOW PROJECTIONS

### PROJECTION CASH FLOWS STATEMENT FOR 5 YEARS FROM 2023 TO 2027

PERIOD	2023	2024	2025	2026	2027	TOTAL
	(TSHS'000)	(TSHS'000)	(TSHS'000)	(TSHS'000)	(TSHS'000)	(TSHS'000)
<b><u>(A) CASH IN FLOW</u></b>						
Revenue	3,000,000	5,400,000	9,720,000	10,692,000	13,830,400	28,812,000
Loan	8,000,000	-	-	-	-	8,000,000
Capital	1,000,000	-	-	-	-	-
<b>TOTAL CASH INFLOW</b>	<b>12,000,000</b>	<b>5,400,000</b>	<b>9,720,000</b>	<b>10,692,000</b>	<b>13,830,400</b>	<b>36,812,000</b>
<b><u>(B) CASH OUT FLOW</u></b>						
Construction costs	5,000,000	-	-	-	-	5,000,000
	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
Bank Interest on Loan	280,000	280,000	280,000	280,000	280,000	1,400,000
Purchases	1,800,000	1,620,000	2,916,000	5,346,000	4,149,120	15,831,120
Office Expenses/Entertainment	5,020	7,530	8,283	9,940	10,934	41,706
Repairs & Maintenance	600,000	721,000	682,100	750,310	825,341	3,578,751
Tax and duties	712,104	783,315	791,148	870,263	957,289	4,114,119
Salaries and wages	125,000	132,000	137,000	141,000	141,500	676,500
Admistastation expenses	80,000	88,000	96,800	116,160	127,776	508,736
<b>Total Cash Outflow</b>	<b>10,202,124</b>	<b>5,231,845</b>	<b>6,511,331</b>	<b>9,113,672</b>	<b>8,091,959</b>	<b>39,150,932</b>
<b>Total Cash Inflow</b>	<b>12,000,000</b>	<b>5,400,000</b>	<b>9,720,000</b>	<b>10,692,000</b>	<b>13,830,400</b>	<b>36,812,000</b>
<b>Net Cash in/Out Flow</b>	<b>1,797,876</b>	<b>168,155</b>	<b>3,208,669</b>	<b>1,578,328</b>	<b>5,738,441</b>	<b>(2,338,932)</b>
<b>Balances B/Fd</b>	<b>-</b>	<b>1,797,876</b>	<b>1,966,031</b>	<b>5,174,700</b>	<b>6,753,028</b>	<b>12,491,468</b>
<b>Balances C/Fd</b>	<b>1,797,876</b>	<b>1,966,031</b>	<b>5,174,700</b>	<b>6,753,028</b>	<b>12,491,468</b>	<b>10,152,537</b>

## 9. CONCLUSION.

The analysis in this business plan revealed that the project is financially, economically sound and socially feasible. The business will stimulate economic activities in the overall economy.