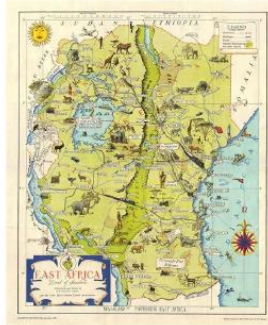


D & M TRANSPORTER LIMITED

DAR ES SALAAM

TANZANIA



Tanzania Transport



86,472km Road Network



3,676km Railway Lines



58 Airports



3 Ocean Ports

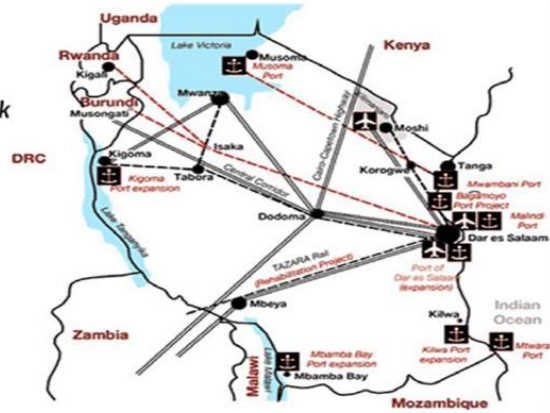


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SETTING UP FACILITIES FOR OPERATING CARGO TRANSPORTATION PROJECT

1. INVESTMENT PLAN:

The Business Plan was prepared by **D & M TRANSPORTER LIMITED** for setting up cargo transportation and logistics Project to cover the whole East and Central Africa.

The project promoters are well established Tanzanians investors working in transportation industry for more than 5 years. Having been in the business for over 5 years the directors are now well prepared for establishment and operating large cargo transportation and logistics business in Tanzania as they see a very bright future in the oil transportation industry and other cargo transportation in East and Central Africa

The investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the **cargo transportation and logistics project** and also assess its economic viability and commercial viability in order to allocate funds for cargo haulage Project especially in importation of Trucks, tractors, Horse, supporting vehicles, communication equipment, workshop equipment, cargo handling equipment, generators, transformers etc.

The TIC certificate will enable the project to qualify for duty exemption Deemed capital Goods and VAT Deferment on Capital Goods. The Deemed capital Goods such as utility vehicles, communication equipment, workshop equipment, cargo handling equipment, generators, transformers etc and enjoy services under one stop shop at Tanzania Investment Centre such as approvals, licenses and permits such as resident/work permits, business license, protection of investment, arbitration and transfer of foreign currency etc.

2. COMPANY'S BACKGROUND

D & M TRANSPORTER LIMITED is a private Company based in **Dar es Salaam Region** was incorporated in Tanzania by Registrar of Companies under Companies Act with **certificate of Incorporation No: 119968**

The company has been incorporated with a major objective of establishing and operating a project for cargo transportation and logistics, Currently the Company intends to import facilities for cargo haulage Project such as trucks, tractors, horse, Tipper, pickups, hardtop, Fork lift, trailers, forklifts, crane, reach stacker, Communication equipment, workshop equipment, generators etc.

The company intends to lease office, vehicle yard and will have modern workshop in order to service and maintain the vehicles for cargo haulage activities,

The main purpose of the proposed project is to provide quality facility for cargo transportation business to correspond with the clients' demand especially in this competitive market. The quality of company's cargo haulage business will guarantee clients satisfaction in proposed programme.

There is a very big demand for such facility in Tanzania, East and central Africa to serve cargo haulage clients. The Project services which will be efficiently provided by **D & M TRANSPORTER LIMITED**. It is on the basis of the above reasons the management resolved to invest in establishing and operating a project for cargo transportation.

In setting up the facility, the intended cargo transportation project will import trucks, tractors, Tipper, horse, pickups, hardtop, Fork lift, trailers, forklifts, crane, reach stacker, Communication equipment, workshop equipment, generators etc,

Hence the establishment program of three years in setting up facilities for cargo transportation project is estimated to be **USD 6,000,000**. The estimated capital investment cost of **USD 6,000,000** will be on trucks, tractors, horse, pickups, hardtop, Fork lift, trailers, forklifts, crane, reach stacker, Communication equipment, workshop equipment, generators etc.

3. TARGETED MARKET

There is very big Demand for the Logistic and cargo transportation business in Tanzania and the whole East & Central Africa especially Land Locked Countries.

The targeted markets of the project are land locked neighboring countries such as DRC, Rwanda, Burundi, Uganda, Malawi, Zambia etc. the directors already negotiated contracts with various companies in the mentioned countries.

The mentioned countries depend on Tanzania port for handling fuel which is transported by road to respective countries, in order to link these countries that **D & M TRANSPORTER LIMITED** has resolved to invest in the fuel transport industry so as to provide a solution that would lead to stimulating the said intraregional trade. The project is expected to offer a challenge to the business community to enhance intraregional trade between Tanzania and these countries.



4. BUSINESS WITH FAR REGION IN TANZANIA MAINLAND

In Tanzania Mainland there are far places/ very remote with poor roads and acute shortage of this facility. And another reason is the growth of business in remote areas. They need merchandise from **Dar es Salaam and Tanga Region** where the source of business is.

5. ECONOMIC GROWTH

The economic growth influenced such movement of goods especially industries and businessmen as the demand is growing day by day for the increased imported goods, transit and transshipment of containers to landlocked countries

6. LANDLOCKED COUNTRIES

Land locked countries need cargo haulage services to transport fuel and containers from Dar es Salaam and Tanga Port to their countries which do not have Ports. And the market is growing day by day due to growth of business, industries, oil marketing companies (OMC) etc.

The market Survey conducted by the company has noticed that there is high demand for cargo transportation business in Tanzania as well as Land locked countries which do not have the ports to receive the imported or export their cargo. They get their containers of imported goods through **Dar es salaam and Tanga Port**.

High quality, efficient and goodwill are the factors which will make the cargo transportation project to win the competitive market. There are few cargo haulage companies which can compete with the company's services due to efficient, goodwill, promptness and having new fleet of vehicles.

D & M TRANSPORTER LIMITED intends to increase logistic and cargo transport services such as Transit, Transshipment, Internal cargo transportation within Tanzania Mainland where there is acute shortage of such services due to remoteness and poor roads.

7. CARGO TRANSPORTATION FACILITIES:

- ✚ Fleet of trucks, tractors, fuel tankers, horse, Tipper
- ✚ supporting vehicles such as hardtops & Pickups,
- ✚ Cargo handling equipment; forklift, reach stackers, crane,
- ✚ Communication equipment; Radio calls, Base Station, GPS, car tracking systems
- ✚ Workshop equipment, generators

8. THE COMPANY'S OBJECTIVES

D & M TRANSPORTER LIMITED is a project for cargo transportation and logistics business in Tanzania Mainland and the Whole East & Central Africa especially the Land Locked countries.

The mission of proposed cargo transportation project is basically aimed at cargo transportation business and marketing/ promotion of the cargo transportation in order to increase customers from Tanzania Mainland and neighboring countries to achieve the following objectives.

- ✚ To foster the growth of cargo transportation industry in Tanzania.
- ✚ To reduce dependence on external cargo transporters for cargo transportation especially cargo transporters from neighboring East & Central African countries especially the Land Locked Countries.
- ✚ To promote Import & Export, business, transit, transshipment, agriculture and industries by cargo transportation services.
- ✚ To promote growth and expansion of private sector.
- ✚ The Company will create more employments (drivers, Turnboys, mechanic, accountants, managers etc.)
- ✚ Skill development (human resources development) through on job training and use of modern vehicles and new technology application.
- ✚ Income generation, alleviation of poverty and improve their social welfare employees such as drivers, turnboys, mechanics and other staffs etc.

- ✚ The Company contributes to the government revenue through taxes and other levies like corporate taxes, PAYE.

9. PLAN/PROSPECTS

- ✚ Smooth running of cargo transportation business
- ✚ For efficient and effectiveness in operation and increase cargo transport business to neighboring landlocked countries and hence resulting foreign earnings in addition to the prevailing local market.
- ✚ To increase more facilities for cargo transportation i.e vehicles with introduction of new technology.
- ✚ To increase the volume of cargo or capacity of cargo to be transported.

10. SHAREHOLDERS (PROMOTERS)

D & M TRANSPORTER LIMITED is a project for cargo transportation and logistic. The following are the shareholders/ promoters of **D & M TRANSPORTER LIMITED** and their shareholder's position are:-

No.	Name of Shareholder	Nationality	Shareholding percent
1	DANIEL DANIEL MFUGALE	TANZANIAN	42%
2	MAGDALENA CLEMENCE CHALAMIRA	TANZANIAN	25%

Therefore, the authorized capital of the company is Tshs. 600,000,000/= divided into 60000 ordinary shares of Tshs. 10,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

11. LOCATION

The company's business premises are located at Africab Business Park, 3rd Floor Mivinjeni, District Temeke, Dar es Salaam Region. P.O. Box 12701



12. COMPANY'S IMPLEMENTATION SCHEDULE

12.1 OCTOBER- 2023

- ✚ Preparing feasibility study for the liquid and dry Cargo transportation Project.
- ✚ Registration of the liquid and dry cargo haulage project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- ✚ Getting Certificate of Incentives

12.2 NOVEMBER – 2023

- ✚ Application for Import Duty exemption on trucks, tractors, Tipper, supporting vehicles, workshop equipment, communication equipment, cargo lifting equipment after being awarded certificate of incentives in the Establishment Programme.
- ✚ Ordering/Importing trucks, tractors, supporting vehicles, workshop equipment, communication equipment, cargo lifting equipment, generators, transformer etc.
- ✚ Clearing the Fleet of cargo haulage vehicles from customs control.

13.3 DECEMBER ~ 2023

- ✚ Recruiting new Drivers. Turn boys, Mechanics and other administration staffs.
- ✚ Fully commencement of liquid and dry cargo transportation

13. CAPITAL INVESTMENT COST

Land / Building	USD \$	300,000
Plant/ Machinery	USD\$	600,000
Vehicles	USD \$	5,000,000
Furniture and Fittings	USD \$	10,000
Pre-expenses	USD \$	20,000
Other expenses	USD S\$	50,000
Working Capital	USD \$	20,000

TOTAL CAPITAL USD\$ 6,000,000

The Intended cargo transportation and logistic Project is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the cargo haulage Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

14. FINANCIAL PLAN (SOURCE OF FUNDS)

D & M TRANSPORTER LIMITED has firmed up finances for the implementation programme by its own fund and Loan:

Own fund (equity)	USD\$	500,000
Local Loan	USD\$	5,500,000

TOTAL USD \$ 6,000,000

15. CARGO HAULAGE FACILITIES

- i. Trucks.
- ii. Tractors,
- iii. Horse,
- iv. Hard Tep,
- v. Pickups.
- vi. Forklift.
- vii. Crane,
- viii. Radio Calls and Radio Base Station.
- ix. GPS & Car tracking Systems.
- x. Mobile workshop, Tool boxes
- xi. Weigh bridge, Generators, Transformers etc

16. SUBMISSION

D & M TRANSPORTER LIMITED submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of cargo transportation and logistic Project.

The cargo transportation Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued the Certificate of incentives. Thereafter the Company will import Cargo transportation facilities such as trucks, tractors, Tipper, supporting vehicles, workshop equipment, communication equipment, cargo handling equipment, generators, and transformer. Certificate of incentives will enable the project to qualify for Duty exemptions on Capital / Deemed Capital Goods etc,

17. ECONOMIC GROWTH

The current Economies growth which had been registered in Tanzania, as the result of investment, business, mining have attracted more investments as well as transportation and business in the Tanzania such as_ the intended cargo transportation project, The economic growth influenced such movement of goods especially industries and business as the demand is growing day by day for the increased imported goods, transit and transshipment of containers to landlocked countries,

18. COMPETITION/MARKET

Despite there being numbers of cargo transporters of containers still the facility is not enough compared to the level of demand.

However, the intended cargo transportation project will provide trustworthy, efficient and quality services to dominate the local and export market because the project ensures high quality, promptness and goodwill.

19. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

20. BUSINESS STRATEGY

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- ✚ Technology / quality feet of vehicles,
- ✚ Advertisement/ promotion,
- ✚ Employing qualified and experienced drivers, mechanics, On job training,

✚ Business Discipline.

21. ENVIRONMENTAL ISSUE

The cargo transportation business and the whole vehicle servicing is environmental friendly. The workshop activities of services vehicles will not cause any harm to people.

22. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors.

✚ Mr. DANIEL DANIEL MFUGALE is the Managing Director of the Company; he is well versed in distribution business/ cargo transportation.

✚ Mrs. MAGDALENA CLEMENCE CHALAMIRA.

23. MANPOWER AND TRANSFER OF TECHNOLOGY

D & M TRANSPORTER LIMITED being the cargo transportation in its commencement will usher in the technology (Transfer of knowledge/technology) by using modern cargo vehicles and workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology,

Further the country can reduce its dependence on cargo transporters from neighboring countries. Hence Tanzania business men, farmers, miners. Oil marketing companies, importers and industries will be able to get the service from local Transporters at affordable price.

The Proposed cargo haulage project will cause more people to be employed in as drivers, turn boys, mechanic, security Guards, accountant, logistic manager and about 200 local people and 10 foreigners people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on training for driving and safety and in a long run will improve the technical competence in the cargo transportation.

24. CONCLUSION AND RECOMMENDATION

The financial evaluation of the cargo transportation and logistic done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses sample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted certificate of incentives for the implementation of the cargo transportation project so that the project will import and enjoy tax exemption on Capital / Deemed Goods and increase its production capacity.

25. FINANCIAL AND ECONOMIC ANALYSIS

Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 250,000 this operating year. The profit amount is expected to steadily rise to USD S\$ 260,000 in year two, USD \$ 270,000 in year three and USD \$ 280,000 in year four

Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

26. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **D & M TRANSPORTER LIMITED**

26.1 Effect of cost increase on profitability (on the basis of year II CARGO TRANSPORTATION INCOME in “ ”. ” USD

INCOME	COSTS	INCREASE	PROFIT BEFORE DEPRECIATION
760,000	500,000	%	260,000
760,000	525,000	5%	235,000
760,000	550,000	10%	210,000

26.2 Effect of CARGO TRANSPORTATION INCOME

Decrease/drop on profitability (on the basis of year II costs in “ , ” USD \$)

INCOME	INCOME DECREASE	COST	PROFIT BEFORE DEPRECIATION
760,000	%	500,000	260,000
722,000	5%	500,000	222,000
684,000	10%	500,000	184,000

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

**D & M TRANSPORTER LIMITED
PROJECTED INCOME
STATEMENT**

(Fig. USD \$ '000')

INCOME	YEARS				
	I	II	III	IV	V
SALES INCOME	720.0	760.0	800.0	850.0	900.0
TOTAL INCOME	720.0	760.0	800.0	850.0	900.0
Utilities	150.0	150.0	150.0	150.0	150.0
Salaries and Wages	80.0	85.0	90.0	100.0	110.0
Transportation/fuel	100.0	105.0	110.0	120.0	130.0
Administrative Expenses	100.0	110.0	120.0	130.0	140.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
TOTAL EXPENDITURE	470.0	500.0	530.0	570.0	610.0
NET PROFIT (PRE TAX AND DEPRECIATION)	250.0	260.0	270.0	280.0	290.0

D & M TRANSPORTER LIMITED**PROJECTED CASHFLOW****STATEMENT****(Fig. USD \$ '000')**

Year	I	I I	II I	I V	V	Total
Cash inflow						
Income from operation	250.0	260.0	270.0	280.0	290.0	1350.0
	250.0	260.0	270.0	280.0	290.0	1350.0
Cash outflow						
Interest payments	50.0	45.0	40.0	35.0	30.0	200.0
Loan re-payment	50.0	50.0	50.0	50.0	50.0	250.0
Wear & tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	10.0	10.0	10.0	10.0	50.0
	120.0	117.0	114.0	111.0	108.0	570.0
Surplus cash generated	130.0	143.0	156.0	169.0	182.0	780.0

D & M TRANSPORTER LIMITED**PROJECTED LONG TERM LOAN****REPAYMENT****(Fig. in USD \$ '000')**

Year	Repayment			Amount
	Principal	Interest	Total	
O				500.0
I.	50.0	50.0	100.0	450.0
II.	50.0	45.0	95.0	400.0
III.	50.0	40.0	90.0	350.0
IV.	50.0	35.0	85.0	300.0
V.	50.0	30.0	80.0	250.0
VI.	50.0	25.0	75.0	200.0
VII.	50.0	20.0	70.0	150.0
VIII.	50.0	15.0	65.0	100.0
IX.	50.0	10.0	60.0	50.0
X.	50.0	5	55.0	0.0

Appendix IV

D & M TRANSPORTER LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$
'000')

No.	ITEM	Year I	Year II	Year III	Year IV	Year V
	Source of funds					
1.	Shareholders' funds	100.0	150.0	200.0	250.0	350.0
2.	Long term Loan	100.0	95.0	90.0	85.0	80.0
3.	Associated Cos/ Director	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350	400
		500.0	595.0	690.0	785.0	930.0
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	200.0	295.0	390.0	485.0	630.0
		500.0	595.0	690.0	785.0	930.0