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**World Oil (Tanzania) Limited**

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**Business Plan 2024-2025**

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**Transportation by Road**

## 2. Executive Summary of the Project

WORLD OIL(TANZANIA)Ltd is a business logistic company registered in the Republic of Tanzania.

The company does physical distribution, material management, transportation management and supply chain management

The core activities of the company include

- a. Transportation
- b. Inventory management
- c. Material handling
- d. Customer service standards and
- e. Product scheduling

## 3. Summary of Company Legal Formation

World oil is founded and owned by local Tanzanians and the company is registered as a limited entity by law in Tanzania with certificate number 37039, TIN number 101-395-073 and Brela business activity code 5229

The company is located in Dar es salaam region, Kigamboni municipal council. Vijibweni Ward, Vijibweni Industrial area.

## 4. Company Shareholding Structure and Nationality.

S/N	Information	Description	Company/Project Information
1	Shareholder's Information	Current shareholders names, nationality and percentages of ownership.	1. Gervas William Bidyanguze (Tanzanian)- 75 Shares.
			2. Levina Gervas Bidyanguze(Tanzanian) - 37 Shares
			3. Hekima Gervas Bidyanguze(Tanzanian) – 13 Shares
2	Company Communication information	Mobile No :	+255 736 502 844
		Physical Address	Plot 37/38 Vijibwenii Industrial Area, Kigamboni Municipality, Dar es Salaam.
		Email:	info@worldoil.co.tz
3	Contact Person	Name :	Gervas William Bidyanguze

		Position	Chief Executive Officer (CEO)
		Communication Details (Email, Mobile and Telephone):	<a href="mailto:gervas@worldoil.co.tz">gervas@worldoil.co.tz</a> +255 754 274 617

## 5. Description of Project Location

World oil(TANZANIA)Ltd has gained reputation in the trucking industry. The company specializes in freighting for transit market in cargo shipped via DAR PORT. From its hub in Kigamboni Dar es salaam it has a network of established corridors.

Worldoil(TANZANIA)Ltd has established strong relationship with importers, C&F companies and other key stakeholders in the supply chain.

The company is managed by very able directors who have over a decade of experience in the logistics and trucking industry and understands the risks and challenges of this highly competitive industry by offering dependable and reliable transportation services.

## 6. Description of Project Objective

We aim to increase sales in each business segment to support our overall growth, with a particular focus on expanding the transportation business

For our regional growth and leveraging on our wide market coverage, we will continue our aggressive investment to further spread sales while maintaining a balanced geographical portfolio.

## 7. Summary of Sector Performance

The government of Tanzania has introduced into place favourable and conducive business platform which creates a synergy to private sector be able to execute their business mission with ease. The transport and logistic sector is one segment of economy which has high government support as it's a source to import of foreign currency(USD) as customers pays for the transit service using USD currency.

This has created expansion in the sector from a back street segment to fore-runner competing in forex import with other high net commodities like cash crop and daily products export which relies on-time delivery service offered by logistic companies.

Transport/logistic efficient systems ensures that there is good delivery of product to destinations and time requested by customers is adhered in order to create satisfaction along the chain.

We play a critical role in the economy that a product is available to the customer or market when needed.

## **8. Summary of Market Analysis**

We aim to increase our handling of ocean freight cargo and to spread our logistics business further in the East and Central African region. To achieve this, we will enhance our service means to enable us to serve the diversifying needs of our customers.

We plan to expand investment in Democratic Republic of Congo, Rwanda and Uganda. We aim to make effective use of the trucks and other resources we currently own in Tanzania to improve our earnings and to continuously strengthen our operations. We will leverage our know-how in trucking industry and logistics with a focus on growth market and emerging markets to deliver value-added total logistics services.

To increase marketing outreach into more mines and wholesale customers in DRC Congo in particular Kolwezi/Lualaba and Katanga zones.

To recruit more competent drivers with defensive driving experience and advance knowledge in handling of hazardous chemicals as per GCLA requirements.

## **9. Summary of project description including annual production capacity, employment creation including number of foreign and local skilled and non-skilled and gender, the technology used and skills transfer.**

In FY2023 we set up project re-engineering with the aim of strengthening operations in our administration, sales and business divisions and enhancing cost competitiveness.

Under the medium-term business plan, we will further improve our operations by developing our out reach capabilities, coordinating our IT vast market level to increase our operational efficiency as we aim to improve competitiveness. We will pursue operational excellence through SAP1 HANA as one of the counter pieces of the medium-term business plan.

We have put in place mechanism for strategic investments in three main areas which are investment in employees, investment in new trucks to support and drive expansion and investment in regions.

We are promoting investing in employees with the goal of training human resources to handle increased trucking business as well our total logistics solutions, investing in systems to improve our back-borne systems and establish infrastructure in new markets and investing in regions that includes our expansion of facilities and transportation network with the aim of increasing our business in East African, COMESA and SADC market.

## Employed Staff

Direct Employment	Foreign – Men	03
	Foreign –Female	00
	Local Men;	300
	Local Women;	40
Indirect Employment	Estimated Total No	200
	Type/Areas of Indirect Employment	Suppliers

## 10. Project Investment Costing including Land & Building, plant and machinery, vehicles and furnitures, others and working capital.

To execute the new expansion, we plan to procure 500 units of trucks and tanker trailers which will add capacity to our growing supply needs.

Our company uses Scania fleet due to reliability, longevity and excellent after sale service. We currently operate a fleet of 270 trucks and the new units will boost our operations to achieve the intended growth.

The tanker trailers will be sourced from GRW South Africa or Superdoll Tanzania.

We have approached three financial institutions (CRDB, NMB, Equity bank) and we are in advance negotiations with the bank which will give best rates of financing the project.

Description	Foreign(USD)	Local (USD)	Total (USD)
Land and Buildings		9,363,534.09	9,363,534.09
Plant and Machinery		22,478,503.20	22,478,503.20
Vehicle/Aircrafts		127,995,000.00	127,995,000.00
Furniture/Office Equipment		2,501,301.68	2,501,301.68
Insurance Cover		7,873,825.05	7,873,825.05
Pre-Operational Expenses		18,691,091.13	18,691,091.13
Working Sub-Total Capital		3,216,870.64	(3,216,870.64)
<b>GRAND TOTAL</b>		<b>185,686,384.51</b>	<b>185,686,384.51</b>

## 11. Project financing pattern including foreign/local equity, foreign/local loan

Description	Amount (USD)	Source Country
Bank Financing	129,980,469.16(70%)	TANZANIA

**12. Project Financial Projections at least five years including income statements, Cash flows, balance sheet, and loan repayment schedule Payback period etc**

**WORLD OIL LIMITED  
Projected Profit & Loss  
In (USD)**

<b>Profit &amp; Loss</b>	<b>Year I</b>	<b>Year II</b>	<b>Year III</b>	<b>Year IV</b>	<b>Year V</b>
<b>Income</b>					
Transport Income	28,800,000	30,240,000	31,752,000	33,339,600	35,006,580
<b>Operating expenses</b>					
Salaries & Wages	630,000	636,300	642,663	649,090	655,581
Allowances	630,000	636,300	642,663	649,090	655,581
Fuel & Lubricant	13,701,493	13,838,507	13,976,893	14,116,661	14,257,828
Car Services	360,000	363,600	367,236	370,908	374,617
Car Insurance	375,000	378,750	382,538	386,363	390,227
Road License	37,500	37,875	38,254	38,636	39,023
Office Expenses	1,200	1,212	1,224	1,236	1,249
Purchase of tyres	985,075	994,925	1,004,875	1,014,923	1,025,073
Interest Expenses	3,023,214	1,904,671	693,288	0	0
Depreciation	5,868,000	5,868,000	5,868,000	5,926,680	5,985,947
	<u>25,611,481</u>	<u>24,023,841</u>	<u>22,974,970</u>	<u>22,504,498</u>	<u>22,729,543</u>
Profit before tax	3,188,519	6,216,159	8,777,030	10,835,102	12,277,037
Taxation	<u>956,556</u>	<u>1,864,848</u>	<u>2,633,109</u>	<u>3,250,530</u>	<u>3,683,111</u>
<b>Profit for the year</b>	<b><u>2,231,963</u></b>	<b><u>4,351,312</u></b>	<b><u>6,143,921</u></b>	<b><u>7,584,571</u></b>	<b><u>8,593,926</u></b>

**WORLD OIL LIMITED  
Projected Balance Sheet  
In (Usd)**

	<b>Year I</b>	<b>Year II</b>	<b>Year III</b>	<b>Year IV</b>	<b>Year V</b>
Fixed assets (Net)	35,704,500	16,561,500	62,132,748	62,463,683	63,279,638
<b>Current Assets</b>					
Stocks of loose tools	425,250	425,250	425,250	425,250	425,250
Debtors	1,701,000	1,956,150	2,249,573	2,587,008	2,975,060
Cash and Bank	32,216,492	60,954,087	35,054,183	78,898,506	135,852,610

Creditors	-135,000	-136,350	-137,714	-139,091	-140,482
Loan term Loan	<u>-37,274,045</u>	<u>-23,249,409</u>	<u>-8,060,737</u>	<u>(6,045,553)</u>	<u>(4,534,165)</u>
<b>Net assets</b>	<b><u>32,638,197</u></b>	<b><u>56,511,228</u></b>	<b><u>91,663,303</u></b>	<b><u>138,189,804</u></b>	<b><u>197,857,912</u></b>
<b>Capital Employed</b>					
Share Capital	222,717	222,717	222,717	222,717	222,717
Accumulated profit	<u>32,415,480</u>	<u>56,288,511</u>	<u>91,440,586</u>	<u>137,967,087</u>	<u>197,635,194</u>
<b>Total capital employed</b>	<b><u>32,638,197</u></b>	<b><u>56,511,228</u></b>	<b><u>91,663,303</u></b>	<b><u>138,189,804</u></b>	<b><u>197,857,912</u></b>

### 13. Conclusion

The government of Tanzania is actively engaged in promoting and ensuring transport sector as a key back-borne to economic growth towards agenda 2030 achievement.

Various incentives and reliefs are there to support the sector grow. The government is on fast-drive mode about industrial driven economy in investments of identified key priority sectors of economy. There is massive investment in modernising the Tanzania ports and harbors to be more competitive and make Tanzania preferred gateway to East and central Africa import and export.

The position played by **Tanzania Investment Centre**, as a facilitator towards business growth cannot be re-emphasized, as per its vision of being a world class investment promotion and facilitation agency in attracting quality investments for sustainable economic development.

We world oil Tanzania Limited are direct beneficiary of **TIC** prudent support in business growth.

As we gear up towards our goal of **going green** and reducing our carbon foot-print to allowable units, we stand to benefit a lot and same to our continent by reducing carbon - emission into the atmosphere.

Our timely execution of this project will play a very pivotal role in ensuring the above is achieved. Part of this project is acquisition of new trucks for transporting petroleum products. Our selection of the intended trucks supplier (Scania Tanzania) for the required 500 truck units is well informed as this supplier has gone a step further in developing a world class low Sulphur diesel engine with good power to perform heavy transport but very efficient in fuel consumption and low carbon emission through blue efficiency technology. This is a technology lacking in our current fleet we own.

Our new investment will not only benefit our company directly, but all affiliate sectors who depend on transportation of goods and services from the port of Dar es salaam to neighboring countries.