

**SEMIIT TRANSPORT ENTERPRISES
COMPANY LIMITED**

BUSINESS PLAN

FOR TRANSPORTATION BUSINESS

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1 SEMIIT TRANSPORT ENTERPRISES COMPANY LIMITED OVERVIEW

1.1 Overview of SEMIIT Transport Enterprises Company Limited

SEMIIT Transport Enterprises Company Limited, incorporated on February 28th, 2022, emerged as a Mult-Sectoral Company known as SEMIIT TRANSPORT ENTERPRISES COMPANY LIMITED from now becoming a pioneering force in Tanzania's transportation sector, driven by a vision to redefine logistics services in the East African region. Founded by Elisifa Awunieli Ngowi and Innocent Elisifa Ngowi, SEMIIT embarked on its journey with a commitment to excellence, integrity, and customer-centricity.

Since its establishment, SEMIIT has rapidly expanded its fleet and operational capacity. With a solid foundation built on the acquisition of 16 new trucks within its first years of operation, from barely only two trucks the company swiftly established itself as a reliable partner for transport businesses seeking efficient transportation solutions in Tanzania and beyond. These 16 trucks stand as a testimony to SEMIIT's early success, and the trust placed in its services by clients across various industries.

Strategically headquartered in Dar es Salaam at Plot No 17 Obama Road, SEMIIT benefits from its central location, positioning it as a pivotal player in the regional transportation network. From this strategic base, SEMIIT efficiently coordinates the movement of goods, serving as a vital conduit for trade within Tanzania and across borders.

SEMIIT's operations are underpinned by a fleet of modern trucks and a team of skilled professionals dedicated to ensuring the seamless transportation of goods. The company's commitment to reliability, safety, and customer satisfaction has earned it a reputation for excellence in the industry.

Looking ahead, SEMIIT is poised for further growth and expansion. With a forward-looking approach, the company aims to procure an additional 59 trucks over the next five years, significantly enhancing its operational capacity and market reach. This ambitious growth strategy reflects SEMIIT's confidence in its ability to capitalize on emerging opportunities and meet the evolving needs of its clientele.

As SEMIIT charts its course for the future, it remains steadfast in its commitment to delivering value, innovation, and sustainability. With a clear vision and a track record of success, SEMIIT is

well-positioned to continue driving positive change and making significant contributions to Tanzania's transportation landscape in the years to come.

1.2 Investment Objective

The primary objective of **SEMIIT Transport Enterprises Company Limited** investment initiative is **to strategically expand and enhance our transportation infrastructure by procuring an additional 59 trucks over the next five years**. This ambitious investment endeavor is aimed at bolstering our operational capacity, improving service efficiency, and capturing a larger market share in Tanzania's dynamic transportation sector.

By increasing our fleet size, SEMIIT aims to meeting the growing demand for logistics services, both domestically and internationally. The acquisition of these trucks will enable us to offer a wider range of transportation solutions to our diverse clientele, including bulk cargo, raw materials, and finished products.

Furthermore, the investment in additional trucks aligns with our long-term growth strategy, positioning SEMIIT as a key player in facilitating trade and commerce across East Africa. By expanding our fleet, we seek to strengthen our presence on key trade routes connecting Tanzania with neighboring countries such as Malawi, Zambia, Democratic Republic of Congo (DRC), Rwanda, Burundi, Sudan, and Kenya.

In addition to fostering business growth, the investment in new trucks underscores SEMIIT's commitment to driving socio-economic development in Tanzania. By creating job opportunities for drivers, mechanics, and administrative staff, we aim to contributing to job creation and skill development within the local community.

Overall, SEMIIT Transport Enterprises Company Limited investment objective is to position the company for sustainable growth, profitability, and impact, while delivering value to our customers, employees, and stakeholders alike. Through strategic investments in our transportation infrastructure, we endeavor to solidify our reputation as a trusted partner in the region's transportation and logistics ecosystem.

2.1: FINANCIAL PLANS AND PROJECTIONS

Our financial plan forecasts a year of gradual profit growth, with the profitability's impact factored into loan repayment. We have allocated sufficient investment to cover the cost of borrowing (including interest and principal), operational expenses, and any other liabilities accrued by the business, such as tax payments.

2.1.2 Financing Plan

SEMIIT Transport Enterprises Company Limited has established strong and reliable relationships with its banking partners, which are integral to its financing strategy. Leveraging these relationships, the company plans to procure the necessary trucks to expand its fleet.

As part of its financial policy, SEMIIT intends to fund 60% of the truck acquisition costs through equity financing, while the remaining 40% will be sourced through debt financing. This balanced approach allows the company to maintain financial stability while also leveraging external funds to support its growth objectives.

Equity financing, representing 60% of the total investment, will amount to USD 1,840,800. It will be sourced from the company's retained earnings, capital contributions from existing shareholders, and potentially new equity investors. This approach ensures that SEMIIT retains ownership control and minimizes financial risk associated with excessive debt.

Debt financing, comprising 40% of the investment, will amount to USD 1,227,200. It will be facilitated through loans or credit facilities obtained from its banking partners. SEMIIT's positive relationship with these financial institutions enables it to secure favorable lending terms, including competitive interest rates and flexible repayment schedules.

The total investment required for procuring 59 trucks is estimated to be USD 3,068,000. Of this total cost, USD 1,840,800 (representing 60%) will be financed through equity, while USD 1,227,200 (representing 40%) will be financed through debt.

By combining equity and debt financing, SEMIIT can optimize its capital structure and effectively manage its financial resources. This approach not only mitigates the need for excessive reliance

on debt but also enables the company to capitalize on growth opportunities while maintaining prudent financial management practices.

Overall, SEMIIT Transport Enterprises Company Limited financing strategy reflects its commitment to sustainable growth, prudent financial management, and maximizing shareholder value. Through a balanced approach to equity and debt financing, supported by its strong banking relationships, the company is well-positioned to achieve its expansion goals and enhance its competitive position in the transportation industry.

2.1. Financial Projections – The Business Plan

2,1.1. General Assumptions

Based on the provided assumptions, SEMIIT Transport Enterprises Company Limited foresees a stable economic environment with a moderate inflation rate of 3% and a promising GDP growth ranging from 5% to 7% over the next five years. These conditions bode well for the company's expansion and investment plans, fostering a conducive landscape for business growth.

In forecasting foreign exchange dynamics, SEMIIT Transport foresees an annual depreciation of the Tanzanian Shilling (TZS) against the US Dollar (USD) at a rate of 2%. This anticipated depreciation trend indicates a progressive rise in the exchange rate over the projection period, impacting the company's ability to purchase imported goods and services denominated in USD.

Taxation remains consistent, with SEMIIT Transport expecting to maintain a tax rate of 30% throughout the projection period. This steady tax rate provides the company with predictability in its tax obligations, enabling effective financial planning and resource allocation.

As part of its growth strategy, SEMIIT Transport plans to expand its fleet significantly, from 16 trucks in the baseline year to 75 trucks by Year 5. This expansion signals the company's ambition to capture market opportunities and enhance its operational capacity to meet growing demand.

Furthermore, SEMIIT Transport aims for optimal utilization of its fleet, with an assumed utilization rate of 90% across the forecast period. This efficiency target underscores the company's commitment to maximizing operational output and minimizing idle resources.

In terms of revenue generation, SEMIIT Transport expects to conduct three trips per month per track, with the revenue per trip projected to increase gradually over the years. These assumptions reflect the company's confidence in its ability to deliver value-added services and adapt to evolving market dynamics.

Direct operational costs per trip, including labor, fuel, and other charges, have been carefully estimated to provide insights into SEMIIT Transport's cost structure and expenditure patterns. Additionally, the allocation of funds for various indirect costs, such as administrative expenses, marketing, training, IT infrastructure, and contingency, underscores the company's strategic focus on organizational development and risk management.

	Base line	Year 1	Year 2	Year 3	Year 4	Year 5
S/N General Assumptions						
1 Inflation	3%	3%	3%	3%	3%	3%
2 GDP Growth	5%	6%	6%	7%	7%	7%
3 Exchange Rate USD/TZS (Depeciation 2%)	2,550	2,601	2,653	2,706	2,760	2,815
4 Tax	30%	30%	30%	30%	30%	30%
5 Number of Tracks	16	36	56	75	75	75
6 Fleet Utilization Rate	90%	90%	90%	90%	90%	90%
7 Number of Trip/Month/Track	3	3	3	3	3	3
8 Revenue Per trip	5,000,000	5,150,000	5,304,500	5,463,635	5,627,544	5,796,370
9 Direct Labour Per trip 300k Driver 200k ass	500,000	515,000	530,450	546,364	562,754	579,637
10 Fuel per Trip	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018	2,318,548
11 Fees and other Charges	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274
12 Indirect Cost Assumptions Per Month						
Administrative Expenses	7,000,000	7210000	7426300	7649089	7878562	8114919
Marketing and Promotion	450,000	463500	477405	491727	506479	521673
Training and Development	300,000	309000	318270	327818	337653	347782
IT Infrastructure	50,000	51500	53045	54636	56275	57964
Contingency Fund	1,000,000	1030000	1060900	1092727	1125509	1159274

PROJECTED INCOME STATEMENT

YEAR	TZS 1000				
	Year 1	Year 2	Year 3	Year 4	Year 5
SALES REVENUES					
Revenue	6,006,960	9,624,485	13,276,633	13,674,932	14,085,180
Less: Cost of Goods sold					
Direct Labour	600,696	113,098	126,896	142,377	145,224
Fuel per Trip	2,402,784	3,849,794	5,310,653	5,469,973	5,634,072
Fees and other Charges	1,201,392	1,924,897	2,655,327	2,734,986	2,817,036
Subtotal	4,204,872	5,887,788	8,092,875	8,347,336	8,596,332
Gross profit	1,802,088	3,736,696	5,183,758	5,327,596	5,488,848
Less: Selling costs and operating overheads					
Administrative Expenses	86,520	89,116	91,789	94,543	97,379
Marketing and Promotion	5,562	5,729	5,901	6,078	6,260
Training and Development	3,708	3,819	3,934	4,052	4,173
IT Infrastructure	618	637	656	675	696
Contingency Fund	12,360	12,731	13,113	13,506	13,911
Subtotal	108,768	112,031	115,392	118,854	122,419
EBITDA	1,693,320	3,624,665	5,068,366	5,208,742	5,366,428
Less: Depreciation	261,114	566,605	840,672	1,069,789	936,065
EBIT	1,432,206	3,058,061	4,227,694	4,138,954	4,430,363
Less: Loan interest	46,649	40,818	35,716	31,251	27,345
EARNINGS BEFORE TAX (EBT)	1,385,557	3,017,243	4,191,979	4,107,703	4,403,019
Less: Corporation tax	415,667.18	905,172.86	1,257,593.56	1,232,310.78	1,320,905.58
EARNINGS AFTER TAX (EAT)	969,890	2,112,070	2,934,385	2,875,392	3,082,113
Profit / Loss brought fwd	90,307	1,060,198	3,172,268	6,106,653	8,982,044
PROFIT / (LOSS) C/FWD	1,060,198	3,172,268	6,106,653	8,982,044	12,064,157

2.1.2. Projected Statement of Financial Position

The projected statement of financial position for SEMIIT Transport Enterprises Company Limited provides insights into the company's expected assets, liabilities, and total capital employed over the next five years.

The net fixed assets, which represent the value of property, plant, and equipment, are projected to fluctuate over the forecast period. Starting at TZS 4,532,837,000 in Year 1, the net fixed assets

are expected to peak at TZS 8,558,309,000 in Year 3 before decreasing to TZS 6,552,455,000 by Year 5.

In terms of current assets, the company's cash holdings are forecasted to increase significantly from TZS 107,126,000 in Year 1 to TZS 9,091,467,000 by Year 5. This substantial growth in cash reflects the company's positive cash flow and improved liquidity position over time.

The total capital employed, representing the sum of net fixed assets and current assets, is expected to rise steadily over the forecast period. Starting at TZS 4,639,962,000 in Year 1, total capital employed is projected to reach TZS 15,643,922,000 by Year 5, indicating the company's expansion and investment activities.

The majority of the capital employed is financed by shareholders' funds, including equity, directors' contributions, and revenue reserves. Equity remains constant at TZS 2,000,000,000 throughout the forecast period, while directors' contributions and revenue reserves contribute to the remaining shareholders' funds. No long-term loans are projected in the financial position statement. Additionally, there are no current liabilities, such as corporation tax or creditors, during the forecast period. As a result of the absence of long-term loans and current liabilities, the total liabilities remain at zero throughout the forecast period.

Overall, the projected statement of financial position reflects SEMIIT Transport's sound financial standing and its ability to effectively manage and deploy capital resources to support its operations and growth initiatives.

PROJECTED STATEMENT OF FINANCIAL POSITION

TZS 1000

YEAR	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Net Fixed assets	4,532,837	6,725,373	8,558,309	7,488,520	6,552,455
Current assets					
Stocks	-	-	-	-	-
Debtors	-	-	-	-	-
Cash	107,126	26,659	1,128,109	5,073,289	9,091,467
Sub total	107,126	26,659	1,128,109	5,073,289	9,091,467
Total Capital Employed	4,639,962	6,752,032	9,686,417	12,561,809	15,643,922
Financed by					
Shareholders Funds					
Equity	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Directors Contribution	1,579,765	1,579,765	1,579,765	1,579,765	1,579,765
Revenue reserves	1,060,198	3,172,268	6,106,653	8,982,044	12,064,157
Sub total	4,639,962	6,752,032	9,686,417	12,561,809	15,643,922
Long term loan	-	-	-	-	-
Less: Current liabilities					
Corporation tax	-	-	-	-	-
Creditors	-	-	-	-	-
Sub total	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Total Employment of capital	4,639,962	6,752,032	9,686,417	12,561,809	15,643,922

2.1.3. Projected Cash Flows

The projected cash flows for SEMIIT Transport Enterprises Company Limited outline the expected movement of funds over the next five years.

Cash inflows primarily consist of revenue from operations and a contribution from directors. Revenue from operations is projected to increase steadily over the forecast period, reaching TZS 14,085,180,000 by Year 5. Additionally, a contribution of TZS 1,579,765,000 from directors is anticipated in Year 1, augmenting the total cash inflow.

Conversely, cash outflows encompass various direct costs, operating costs, loan repayments, and capital expenditures (Capex). Direct costs include expenses related to direct labor, fuel per trip, and fees and other charges, totaling TZS 4,204,872,000 in Year 1 and increasing incrementally over subsequent years. Operating costs cover administrative expenses, marketing and promotion, training and development, IT infrastructure, and a contingency fund, amounting to TZS 571,084,000 in Year 1 and fluctuating slightly in subsequent years.

Loan repayments, comprising interest costs and taxes, represent significant outflows. Interest costs decrease over the forecast period, reflecting the repayment schedule, while taxes remain relatively stable. Additionally, capital expenditures are incurred primarily in the initial years, totaling TZS 2,705,040,000 in Year 1 and tapering off in subsequent years.

Overall, the total cash outflows are expected to be slightly lower than the total cash inflows in each year, resulting in positive net cash flows. Consequently, the opening cash flow is expected to increase steadily over the forecast period, from TZS 1,396,680,000 in Year 1 to TZS 5,073,289,000 in Year 4. By Year 5, the closing cash flow is projected to reach TZS 9,091,467,000, indicating the company's ability to generate positive cash flows and maintain adequate liquidity.

PROJECTED CASH FLOWS

YEAR	TZS 1000				
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash in Flows					
Revenue	6,006,960	9,624,485	13,276,633	13,674,932	14,085,180
Directors Contribution	1,579,765				
Total Inflows	7,586,725	9,624,485	13,276,633	13,674,932	14,085,180
Direct Costs					
Direct Labour	600,696	113,098	126,896	142,377	145,224
Fuel per Trip	2,402,784	3,849,794	5,310,653	5,469,973	5,634,072
Fees and other Charges	1,201,392	1,924,897	2,655,327	2,734,986	2,817,036
Subtotal	4,204,872	5,887,788	8,092,875	8,347,336	8,596,332
Operating Costs					
Less: Selling costs and operating overheads					
Administrative Expenses	86,520	89,116	91,789	94,543	97,379
Marketing and Promotion	5,562	5,729	5,901	6,078	6,260
Training and Development	3,708	3,819	3,934	4,052	4,173
IT Infrastructure	618	637	656	675	696
Contingency Fund	12,360	12,731	13,113	13,506	13,911
Loan Repayment					
Interest Cost	46,649	40,818	35,716	31,251	27,345
Tax	415,667	905,173	1,257,594	1,232,311	1,320,906
Subtotal	571,084	1,058,022	1,408,701	1,382,416	1,470,670
Capex	2,705,040	2,759,141	2,673,607	-	-
Total Cash Inflows	7,586,725	9,624,485	13,276,633	13,674,932	14,085,180
Total Cash Outflows	7,480,996	9,704,951	12,175,184	9,729,752	10,067,002
Net Cash Flow	105,729	(80,466)	1,101,449	3,945,180	4,018,178
Opening Cash Fow	1,396.68	107,126	26,659	1,128,109	5,073,289
Closing Cash Flow	107,126	26,659	1,128,109	5,073,289	9,091,467

MOVEMENT OF NON CURRENT ASSETS

		TZS 1000					
		Base lne	Year 1	Year 2	Year 3	Year 4	Year 5
Gross fixed assets							
Tools and Equipment		73,191	73,191	73,191	73,191	73,191	73,191
Furniture and fittings		20,000	20,000	20,000	20,000	20,000	20,000
Motor vehicles		2,619,680	5,324,720	8,083,861	10,757,468	10,757,468	10,757,468
Total		2,712,871	5,417,911	8,177,052	10,850,659	10,850,659	10,850,659
	Rate:						
	%/p.a.						
Annual depreciation							
Tools and Equipment	12.50%		7,044.65	6,164.07	5,393.56	4,719.36	4,129.44
Furniture and fittings	12.50%		1,925.00	1,684.38	1,473.83	1,289.60	1,128.40
Motor vehicles	12.50%		252,144	558,756	833,804	1,063,780	930,807
Total			261,114	566,605	840,672	1,069,789	936,065
Accumulated depreciation							
Tools and Equipment		16,834	23,879	30,043	35,436	40,156	44,285
Furniture and fittings		4,600	6,525	8,209	9,683	10,973	12,101
Motor vehicles		602,526	854,671	1,413,427	2,247,231	3,311,011	4,241,818
Total		623,960	885,074	1,451,679	2,292,350	3,362,139	4,298,204
Net fixed assets							
Tools and Equipment		56,357	49,313	43,148	37,755	33,036	28,906
Furniture and fittings		15,400	13,475	11,791	10,317	9,027	7,899
Motor vehicles		2,017,154	4,470,049	6,670,434	8,510,237	7,446,458	6,515,650
Total		2,088,911	4,532,837	6,725,373	8,558,309	7,488,520	6,552,455

3.1. Job Creation Estimates

With the anticipated expansion of SEMIIT Transport Enterprises Company Limited fleet to a size of 75 trucks, significant job opportunities will be created across various roles within the organization. The projected fleet expansion will not only enhance SEMIIT's operational capacity but also contribute to employment generation and skill development within the local community. Based on the expected fleet size of 75 trucks, the following job creation estimates have been formulated:

Drivers: The operation of each truck requires a skilled driver to ensure safe and efficient transportation of goods. With a fleet size of 75 trucks, SEMIIT will employ 75 drivers to manage the day-to-day operations of the vehicles.

Assistant (Utingo): In addition to drivers, SEMIIT will appoint one assistant, commonly referred to as "Utingo" in the local context, to support the drivers and assist with various tasks associated with truck operations.

Technicians: To maintain the fleet in optimal condition and address any mechanical issues promptly, SEMIIT will hire five technicians. These technicians will be responsible for conducting routine maintenance, repairs, and inspections of the trucks to ensure their continued reliability and performance.

Administrative Officers: To support the administrative functions of the company and ensure smooth operations, SEMIIT will employ 10 administrative officers. These officers will be responsible for tasks such as fleet management, logistics coordination, customer service, accounting, and compliance.

Overall, the projected expansion of SEMIIT's fleet to 75 trucks is expected to create a total of 165 job opportunities, spanning across various roles critical to the company's operations. By providing employment opportunities and investing in workforce development, SEMIIT aims to contribute to job creation, economic growth, and social development in Tanzania. Additionally, SEMIIT is committed to fostering a supportive and inclusive work environment that promotes employee welfare, professional growth, and career advancement opportunities for its workforce.

4.1. Mission Statement

At SEMIIT Transport Enterprises Company Limited, our mission is to provide superior transportation services that exceed customer expectations, contribute to the socio-economic development of Tanzania, and create lasting value for our stakeholders. We are dedicated to delivering reliable, efficient, and safe logistics solutions, guided by our commitment to professionalism, integrity, and innovation. Through our unwavering focus on customer satisfaction, employee empowerment, and community engagement, we aim to be a trusted partner in driving progress and prosperity across the East African region.

5.1 Vision Statement

Our vision at SEMIIT Transport Enterprises Company Limited is to be the preferred choice for transportation and logistics services in East Africa, renowned for our excellence, integrity, and dedication to service. We aspire to set the industry standard for reliability, efficiency, and sustainability, earning the trust and loyalty of our customers, employees, and partners. By leveraging advanced technologies, fostering a culture of continuous improvement, and embracing our corporate social responsibility, we strive to create a brighter future for our communities and the generations to come.

6.1. Registration Information

SEMIIT Transport Enterprises Company Limited officially commenced its operations following its registration on February 28th, 2022. This pivotal date marked the beginning of our journey towards becoming a leading force in Tanzania's transportation industry.

Upon registration, SEMIIT established an authorized share capital of Tshs. 25,000,000.00 (Tanzania Shillings Twenty-Five Million), divided into 100 (One Hundred) shares valued at Tshs. 250,000.00 (Tanzania Shillings Two Hundred Fifty Thousand) each. This structure laid the foundation for our corporate governance and financial management systems.

The company's ownership is held by Elisifa Awunieli Ngowi and Innocent Elisifa Ngowi, who serve as dedicated stewards of SEMIIT's vision and mission. Elisifa Awunieli Ngowi holds 60 shares, reflecting a significant investment in the company's future, while Innocent Elisifa Ngowi holds 20 shares, demonstrating a shared commitment to our collective success.

In compliance with Tanzanian regulatory requirements, SEMIIT Transport Enterprises Company Limited was issued a registration number that also serves as its Taxpayer Identification Number (TIN): 155290269. This unique identifier is integral to our legal and tax compliance obligations, ensuring transparency and accountability in our business operations.

7.1. Keys to Success

Key Factors for Success for SEMIIT TRANSPORT ENTERPRISES COMPANY LIMITED:

- **Exceptional Service Quality:** Maintaining a relentless focus on delivering high-quality transportation and logistics services, exceeding customer expectations, and consistently meeting their evolving needs.
- **Reliability and Timeliness:** Building a reputation for reliability by ensuring timely delivery of goods, adhering to schedules, and minimizing disruptions in the supply chain.
- **Strategic Partnerships:** Cultivating strong partnerships with clients, suppliers, government agencies, and other stakeholders to enhance efficiency, expand reach, and unlock synergies.
- **Technology Integration:** Harnessing advanced technology and innovative solutions to optimize operations, improve tracking and visibility, and enhance overall service efficiency.

- **Talent Development:** Investing in recruiting, training, and retaining skilled professionals who are passionate about the industry, committed to excellence, and capable of driving continuous improvement.
- **Safety and Compliance:** Prioritizing safety measures, adhering to industry regulations, and maintaining compliance standards to ensure the well-being of employees, clients, and the community.
- **Adaptability and Flexibility:** Remaining agile and adaptable to changing market dynamics, customer demands, and technological advancements, while proactively identifying and capitalizing on emerging opportunities.
- **Financial Prudence:** Implementing sound financial management practices, maintaining a healthy balance sheet, and optimizing resource allocation to sustain profitability and support long-term growth initiatives.
- **Customer Relationship Management:** Building strong, long-lasting relationships with clients based on trust, transparency, and open communication, and actively seeking feedback to continuously improve service delivery.
- **Commitment to Sustainability:** Integrating sustainable practices into business operations, promoting environmental responsibility, and contributing positively to the communities and environments in which we operate.

8.1. Location:

Situated in the bustling port city of Dar es Salaam, Tanzania, SEMIIT Transport Enterprises Company Limited holds a strategic position at the heart of the Central Corridor, a crucial artery for trade and commerce in East Africa. This location offers unparalleled access to maritime trade routes and efficient transportation channels, positioning SEMIIT as a pivotal player in facilitating the seamless movement of goods to and from international markets.

As the largest and busiest port in Tanzania, the Port of Dar es Salaam serves as a vital gateway for transporting goods to neighboring countries within the East African region, including Rwanda, Burundi, Uganda, and the Democratic Republic of Congo (DRC). SEMIIT's proximity to this major port provides a strategic advantage, enabling the company to efficiently connect with maritime transportation networks and serve as a key link in the regional supply chain.

Moreover, Dar es Salaam's strategic location along the Central Corridor places SEMIIT at the crossroads of key trade routes, facilitating the transportation of goods to landlocked countries in

the region. This corridor acts as a lifeline for trade, offering efficient transit options for various types of cargo, including agricultural produce, manufactured goods, and raw materials such as copper from the Democratic Republic of Congo.

By capitalizing on the region's vibrant trade ecosystem and infrastructure developments, including road networks and rail connections, SEMIIT is well-positioned to meet the diverse transportation needs of its clients. Whether it involves exporting goods to international markets or importing raw materials for local industries, SEMIIT leverages its strategic location and logistical expertise to deliver reliable and efficient transportation solutions.

In summary, SEMIIT Transport Enterprises Company Limited's investment objective is deeply rooted in its strategic location in Dar es Salaam, Tanzania, near the main harbor of the Central Corridor. By leveraging this strategic advantage, SEMIIT aims to play a vital role in facilitating regional trade, supporting economic growth, and contributing to the development of East Africa's transportation infrastructure.

9.1. Suppliers

SEMIIT Transport Enterprises Company Limited maintains strategic partnerships with a network of trusted suppliers to ensure the reliable operation of its transportation services. These suppliers play a crucial role in providing essential inputs and resources necessary for SEMIIT's day-to-day operations.

Firstly, SEMIIT procures trucks from reputable manufacturers renowned for their quality, reliability, and performance. Establishing relationships with trusted truck manufacturers ensures that SEMIIT's fleet is equipped with vehicles that meet stringent safety standards and operational requirements.

In addition, SEMIIT collaborates with suppliers of genuine spare parts and components to maintain the operational efficiency of its fleet. These suppliers provide a range of spare parts, including engine components, tires, brakes, and electrical systems, ensuring prompt maintenance and repair services to minimize downtime.

Furthermore, SEMIIT partners with reliable fuel suppliers to ensure a steady and cost-effective supply of diesel, considering fuel as a significant operational expense. By negotiating favorable pricing and terms, SEMIIT optimizes its fuel procurement process to mitigate the impact of fluctuating fuel prices on operational costs.

Moreover, SEMIIT engages with maintenance service providers specializing in truck servicing, repair, and inspection. These service providers offer comprehensive maintenance solutions,

including scheduled servicing, breakdown assistance, and technical support, to keep SEMIIT's fleet in optimal condition and minimize disruptions to operations.

Lastly, SEMIIT relies on administrative suppliers for various office supplies, equipment, and services essential for its administrative operations. These suppliers provide items such as stationery, computers, software, and telecommunications services, supporting SEMIIT's administrative functions and ensuring smooth business operations.

By cultivating strong relationships with its suppliers, SEMIIT enhances operational efficiency, reduces costs, and maintains high service standards. Through effective supplier management practices and ongoing collaboration, SEMIIT aims to sustain its competitive edge and deliver superior transportation solutions to its clients.

10. MARKET ANALYSIS SUMMARY

10.1. Overview of Tanzanian Transportation Sector

The transportation sector in Tanzania is a vital component of the country's economic infrastructure, with diverse modes of transportation contributing significantly to its development. The sector experienced a growth rate of 3.5% in 2021, showcasing its resilience and importance amidst various economic challenges. Accounting for 7.1% of the country's GDP in the same year, transport and storage services play a pivotal role in facilitating trade, commerce, and mobility across the nation.

One of the cornerstones of Tanzania's transportation infrastructure is its extensive road network, covering a total of 180,791 kilometers in 2021. This network encompasses both national roads, spanning 36,362 kilometers, and district roads accounting for 144,429.77 kilometers. Evaluating the condition of these roads is crucial, considering factors such as quality, maintenance, and capacity to ensure efficient transportation of goods and passengers. Overseeing road development and maintenance are two key agencies: The Tanzania National Roads Agency (TANROADS) and the Tanzania Rural and Urban Roads Agency (TARURA). TANROADS, operating under the Ministry of Works and Transport, manages Trunk and Regional Roads, while TARURA, under the Ministry of Presidents' Office, Regional Administration and Local Governments, handles District Roads.

Within the road transport sector, bus transportation serves as a primary mode for both cargo and passenger movement. Analyzing common bus routes, fare structures, and passenger demand provides insights into the dynamics of this segment, including competition among bus operators.

Additionally, assessing the number and types of motor vehicles licensed for road transport offers valuable insights into demand trends and growth patterns within the industry.

The introduction of initiatives such as the Dar Rapid Transit (DART) system in Dar es Salaam reflects efforts to improve transportation efficiency and passenger satisfaction. Evaluating the impact of DART on urban mobility and its potential for expansion underscores the importance of innovative solutions in addressing transportation challenges.

Railway infrastructure also plays a significant role in Tanzania's transport sector, connecting major cities and ports. Understanding the efficiency and reliability of rail transport for both passengers and cargo is essential for optimizing freight logistics and enhancing connectivity across the country. Analyzing passenger and freight traffic volumes provides valuable data for planning and optimizing railway services.

Despite the sector's growth and contributions to the economy, challenges persist, including infrastructure gaps, customs procedures, and road safety concerns. Addressing these challenges presents opportunities for investment in logistics companies, warehousing, and last-mile delivery services. Leveraging Tanzania's strategic location for regional integration within the East African Community further enhances the sector's potential for growth and development.

In 2021, the transport sector contributed 8.1% to Tanzania's real GDP, amounting to USD 3.8 billion. With concerted efforts to address challenges and capitalize on opportunities, the sector continues to play a crucial role in driving economic growth and fostering sustainable development in Tanzania.

10.2. Marketability of Transportation Industry in Tanzania

Incorporating data on vehicle licensing trends provides valuable insights into the size and dynamics of the transportation market in Tanzania. This analysis serves as a foundational element for SEMIIT Transport Enterprises Company Limited to assess the demand for road transport services and identify potential growth opportunities within specific vehicle categories.

By analyzing historical data on the number of vehicles licensed for road transport, SEMIIT gains a comprehensive understanding of the size of the transportation market in Tanzania. Over the years, the total number of licensed vehicles has served as a key metric for evaluating the scope and scale of opportunities within the industry. For example, the number of licensed vehicles

ranged from 2,328,994 in 2017 to 3,228,612 in 2021, indicating a steady growth trajectory in the market.

Trends in vehicle licensing, such as fluctuations in the number of licensed vehicles across different categories over time, reveal insights into the dynamics of the transportation market. Notably, from 2017 to 2021, there was a consistent growth trend in various vehicle categories, indicating a dynamic and expanding market. For SEMIIT, understanding these market dynamics is crucial for strategic planning and resource allocation.

Analysis of vehicle licensing data allows SEMIIT to discern patterns in demand for road transport services. Fluctuations in the number of licensed vehicles within passenger services or goods services categories may indicate seasonal variations in travel demand or changes in economic activity. This insight enables SEMIIT to adapt its service offerings to meet the evolving needs of customers effectively.

Categorizing licensed vehicles into different segments—such as passenger services, goods services, or vehicle types—facilitates segmentation analysis to identify target market segments with distinct transportation needs. This segmentation informs SEMIIT's strategy to tailor its service offerings, accordingly, ensuring maximum relevance and appeal to its target audience.

By analyzing trends in vehicle licensing, SEMIIT identifies growth opportunities within specific vehicle categories or market segments. For instance, notable increases in the number of goods services vehicles licensed may signify growing demand for freight transportation, prompting SEMIIT to expand its logistics services and capitalize on this opportunity.

Leveraging historical data on vehicle licensing trends, SEMIIT forecasts future demand for road transport services with greater accuracy. This forecasting capability enables SEMIIT to proactively plan fleet expansion, resource allocation, and service offerings to meet anticipated market demand effectively, ensuring sustainable growth and competitiveness in the transportation industry.

10.3. Marketing Strategies for SEMIIT Transport Enterprises Company Limited:

Pricing Strategy:

SEMIIT Transport Co. can adopt a competitive pricing strategy that balances affordability with profitability. Conducting a thorough analysis of market rates, competitor pricing, and customer willingness to pay allows the company to set prices that are attractive to customers while ensuring sustainable margins. Additionally, implementing dynamic pricing models that take into account factors such as distance, cargo type, and seasonality enables SEMIIT Transport Co. to optimize revenue and maximize utilization of its fleet.

10.4 Distribution Channels:

Developing an efficient distribution network is essential for SEMIIT Transport Co. to reach customers across different geographical areas. The company can leverage a multi-channel distribution approach, including direct sales, partnerships with freight brokers, and online booking platforms. By diversifying its distribution channels, SEMIIT Transport Co. can enhance its market reach, improve accessibility for customers, and capitalize on emerging opportunities in various market segments.

10.5 Promotional Strategies:

Implementing targeted promotional strategies helps SEMIIT Transport Co. raise awareness about its services and attract potential customers. This can include offering promotional discounts or incentives for first-time customers, referral programs, and seasonal promotions. Additionally, participating in industry events, trade shows, and conferences provides opportunities to showcase the company's capabilities, network with potential clients, and strengthen its brand presence in the market.

Service Differentiation:

SEMIIT Transport Co. can differentiate its services by focusing on value-added offerings that go beyond basic transportation. This may include providing real-time tracking and monitoring capabilities, offering customized logistics solutions tailored to specific customer requirements, and prioritizing reliability and on-time delivery. By highlighting these value-added services,

SEMIIT Transport Co. can position itself as a premium provider in the market and command higher prices while delivering superior value to customers.

10.6 Customer Service Excellence:

Delivering exceptional customer service is paramount for SEMIIT Transport Co. to build long-term relationships and foster customer loyalty. Investing in customer service training for staff, implementing responsive communication channels, and promptly addressing customer inquiries and concerns are key aspects of delivering a positive customer experience. By consistently exceeding customer expectations and demonstrating a commitment to service excellence, SEMIIT Transport Co. can strengthen its reputation, generate positive word-of-mouth referrals, and secure repeat business from satisfied customers.

11. Competition Analysis

In the competitive landscape of the transportation industry in Tanzania, SEMIIT Transport Enterprises Company Limited faces a range of formidable competitors. Transcargo Limited, headquartered in Dar-Es-Salaam, stands out as one of the region's premier transporting companies, offering a comprehensive array of services spanning general cargo, containerized cargo, and fuel transportation. Renowned for their seamless operations and logistics expertise across East and Central Africa, Transcargo earns accolades from clients for their professionalism, timely reporting, and unwavering commitment to excellence. Similarly, BK Logistics Ltd, based in Tanzania, distinguishes itself with its quality-driven approach and reliability in freight transportation, cargo consolidation, and clearing services. AFTA, a global logistics giant, operates extensively in Tanzania and East Africa, boasting an extensive network for efficient cargo movement via air, sea, road, and rail. Meanwhile, FMS Transport, a proudly Tanzanian-owned entity, has swiftly emerged as a key player in East and Central Africa, revered for its commitment to excellence. Jones Logistics Limited, Labedan Insurance Brokers, Sino Logistics Co Ltd, Primefuels Tanzania, TNT Express Tanzania, and Geamos Company (LTD) further enrich the competitive landscape with their diverse offerings and specialized services, posing both challenges and opportunities for SEMIIT in the dynamic Tanzanian market.

In the pursuit of a competitive edge within the transportation industry, SEMIIT Transport Enterprises Company Limited recognizes the paramount importance of analyzing trends in vehicle licensing. This comprehensive examination of licensing data stands as a cornerstone in

understanding the intricate dynamics of our industry, shedding light on pivotal market shifts, competitor maneuvers, and benchmarks that drive performance.

With access to detailed data on vehicle licensing, SEMIIT gains invaluable visibility into the landscape of our competitors within the transportation sector. Figures such as the licensing of 45,111 passenger services vehicles and 126,437 goods services vehicles in 2021 alone vividly illustrate the intensity of competition. Through meticulous assessment of our competitors' licensing trends over time, SEMIIT will discern their market share and relative positioning within the industry, empowering strategic decision-making.

Furthermore, benchmarking SEMIIT's performance against industry standards derived from vehicle licensing trends emerges as a fundamental practice. By juxtaposing our total licensed vehicles with industry averages or leading competitors' figures, SEMIIT will conduct a comprehensive evaluation of market penetration, growth trajectory, and overall competitiveness. This benchmarking exercise will not only inform goal-setting but also facilitate proactive adjustments to enhance our competitive stance over time.

Armed with insights gleaned from the analysis of vehicle licensing trends, SEMIIT is poised to identify untapped opportunities for differentiation and innovation. Scrutinizing our competitors' licensed vehicles and the segments they serve will enable SEMIIT to craft tailored strategies aimed at standing out in the market. Whether through targeting underserved segments, introducing innovative service features, or optimizing operational efficiency, SEMIIT will leverage these insights to carve a distinct market position and secure a competitive advantage.

12. SEMIIT TRANSPORT ENTERPRISES COMPANY LIMITED MANAGEMENT

SEMIIT Transport Enterprises Company Limited prides itself on its team of seasoned professionals who bring a wealth of expertise and experience to the cargo transportation sector. Led by visionary leadership, the company boasts a proficient team with a deep understanding of the market dynamics and intricacies of logistics and transportation. Leveraging their extensive knowledge, the team at SEMIIT Transport strategically handles cross-border road freight trucking services, ensuring reliable and timely delivery of goods across the Eastern and Southern African region.

With a keen eye for detail and a commitment to excellence, SEMIIT Transport Enterprises Company Limited meticulously manages the transportation of various cargo types, including

consolidated cargo, full containerized cargo, and out-of-gauge (OOG) cargo. Through strategic partnerships and effective supply chain management, the company navigates complex logistical challenges to meet the increasing demands of its clientele. By drawing on their nuanced understanding of the market and employing efficient transportation practices, SEMIIT Transport Enterprises Company Limited consistently delivers superior services that exceed customer expectations, solidifying its position as a trusted leader in the cargo transportation industry.

12.2. Management Profile:

With over 17 years of profound experience in the transportation and logistics sector, Mr. Elisifa Awunieli Ngowi brings a wealth of knowledge and expertise to his role as the Managing Director of SEMIIT Transport Enterprises Company Limited. Throughout his career, Mr. Ngowi has exhibited robust leadership skills and an intricate understanding of industry intricacies, enabling him to adeptly navigate challenges and capitalize on opportunities.

As the Managing Director, Mr. Ngowi shoulders the responsibility of overseeing all facets of the company's operations, including strategic planning, business development, and financial management. His proactive leadership approach and sharp business acumen have played a pivotal role in driving SEMIIT's growth and success within the fiercely competitive market landscape.

Working in tandem with Mr. E. Ngowi is Mr. Innocent Elisifa Ngowi, who serves as the Co-Director of SEMIIT Transport Enterprises Company Limited. Together, they form a dynamic leadership duo, leveraging their complementary skills and expertise to steer the company towards its strategic objectives. Mr. I. Ngowi brings his own wealth of experience and insights to the table, further enriching the company's management capabilities.

Backed by a team of well-trained and experienced personnel, Mr. E. Ngowi and Mr. I. Ngowi ensure the efficient and effective operation of the company. Their hands-on management approach fosters a culture of excellence and accountability within the organization, empowering employees to deliver top-notch services and surpass customer expectations consistently.

In addition to their extensive industry tenure, Mr. E. Ngowi and Mr. I. Ngowi possess a diverse skill set encompassing strategic planning, financial management, operational efficiency, and customer relationship management. Their combined expertise and leadership prowess position SEMIIT Transport Enterprises Company Limited for sustained growth and prosperity in the dynamic and ever-evolving transportation and logistics arena.

12.3. Organization Structure:

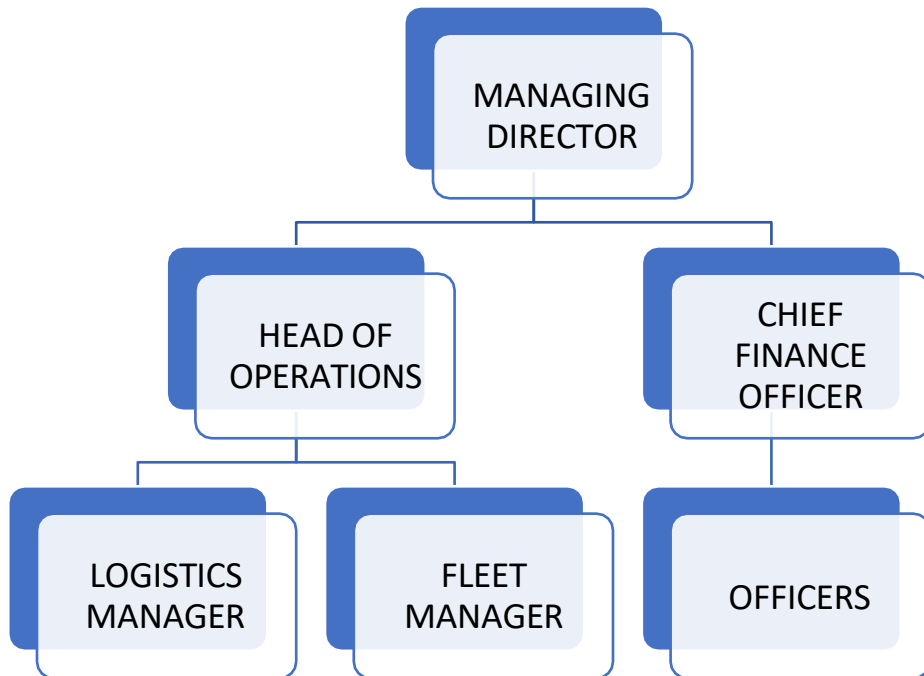
The organizational structure of SEMIIT Transport Enterprises Company Limited is designed to ensure streamlined operations and effective management of key functional areas. At the top of the hierarchy is the Managing Director (MD), who serves as the overall leader responsible for setting strategic objectives and overseeing the company's performance.

Reporting directly to the Managing Director are two key departments: Finance and Operations. The Finance department, headed by the Chief Finance Officer (CFO), is responsible for all financial matters, including accounting, budgeting, financial planning, and administration. Additionally, the Finance department oversees payroll processing, ensuring that employee compensation is handled accurately and efficiently.

In the Operations department, there are two distinct managerial roles: the Fleet Manager and the Logistics Manager. The Fleet Manager is tasked with ensuring the optimal functioning of the company's fleet of trucks. This includes overseeing maintenance schedules, monitoring vehicle condition, and coordinating repairs to ensure that all trucks are in good working order. Furthermore, the Fleet Manager must maintain a comprehensive understanding of the whereabouts of each truck at any given time, as well as their operational status.

On the other hand, the Logistics Manager is responsible for a broad range of activities related to the efficient movement of goods and materials. This includes marketing strategies to attract clients, procurement of necessary resources, and overall management of the logistics process. The Logistics Manager plays a critical role in coordinating with clients, suppliers, and other stakeholders to ensure smooth and timely delivery of services.

This simplified organizational structure ensures clear lines of authority and accountability within SEMIIT Transport Enterprises Company Limited. By delineating responsibilities across functional areas, the company can effectively manage its operations while promoting efficiency, coordination, and collaboration among team members. Each department and managerial role contributes to the company's overall success by focusing on specific aspects of the business, ultimately working together to achieve common objectives and deliver value to clients..



12.4. SEMIIT Transport Successful Plan

SEMIIT Transport Enterprises Company Limited's success plan revolves around the strategic leadership provided by its Managing Director, Mr. Elisifa Awunieli Ngowi, and Co-Director, Mr. Innocent Elisifa Ngowi. With their combined experience and expertise, they offer visionary guidance and strategic direction, fostering innovation and adaptability within the company. Under their leadership, SEMIIT Transport navigates challenges and capitalizes on opportunities in the transportation and logistics industry.

The company's dedicated team of well-trained and experienced staff forms the backbone of its operations. From financial management to operational tasks, every team member plays a crucial role in delivering high-quality services and exceeding customer expectations. Through ongoing training and professional development initiatives, SEMIIT Transport ensures that its employees are equipped with the necessary skills and knowledge to excel in their roles.

Strategic planning and execution are central to SEMIIT Transport's approach to success. The management team sets clear goals, objectives, and performance metrics, aligning business strategies with market trends and customer needs. By doing so, the company can seize growth opportunities and optimize its operations for efficiency and profitability.

Sound financial management is another cornerstone of SEMIIT Transport's success plan. Led by Mr. Elisifa Awunieli Ngowi and Mr. Innocent Elisifa Ngowi, the financial management team implements best practices in accounting, budgeting, and financial planning to support the company's long-term financial health and stability.

Moreover, SEMIIT Transport embraces a culture of continuous improvement, constantly seeking ways to enhance its services, processes, and systems. Through regular performance evaluations, feedback mechanisms, and innovation initiatives, the company remains agile and responsive to changing market dynamics, emerging technologies, and evolving customer needs.

By adhering to this success plan, SEMIIT Transport Enterprises Company Limited is well-positioned to achieve its strategic objectives, drive growth, and maintain its reputation as a leading provider of transportation and logistics services in Tanzania and beyond.

13. EXTERNAL ENVIRONMENT ANALYSIS

13.1. Overview of Tanzania Economy:

GDP Growth: Tanzania's economy demonstrated resilience despite global challenges. In 2022, the GDP growth rate reached 4.6%, and it is projected to rise to 5.1% in 2023. Structural reforms have strengthened competitiveness, improved the business climate, and reduced regulatory burdens. However, growth remains concentrated in sectors with fewer low-income workers, impacting poverty reduction.

Inflation and Fiscal Management: Headline inflation has declined due to easing global commodity prices and stable exchange rates. The government effectively manages debt levels, but fiscal deficits widened. To ensure medium-term debt sustainability, Tanzania must enhance revenue mobilization and prudent public investment management.

13.2. Business Environment:

Tanzania offers a favorable business environment, attracting foreign companies. Abundant natural resources, reliable infrastructure, and a skilled labor pool make it an attractive investment destination. Its strategic location further contributes to its appeal.

Foreign Investment: Political stability has been a major factor in attracting international companies. Investors appreciate the country's peaceful environment and conducive business climate.

13.3. Political Stability:

Historical Context: Since gaining independence in 1961, Tanzania has maintained remarkable political stability. It has never experienced a civil war or major internal strife. Tanzanians share a common national identity without ethnic divisions.

Peaceful Transfer of Power: Tanzania's political landscape witnessed a significant event in 2015 when President John Magufuli was elected. His tenure emphasized anti-corruption measures, infrastructure development, and economic reforms. However, his sudden passing in 2021 raised concerns about the peaceful transfer of power.

13.4. Challenges and Prospects:

Succession: The transition from Magufuli's presidency to his successor, President Samia Suluhu Hassan, was peaceful. President Hassan's commitment to continuity and inclusivity is crucial for maintaining stability.

Democratic Institutions: Strengthening democratic institutions, ensuring transparent elections, and respecting human rights are essential. Tanzania's political stability hinges on these factors.

Civil Society and Media: A vibrant civil society and independent media play pivotal roles in holding leaders accountable and promoting stability.

Regional Context: Tanzania's stability is interconnected with regional dynamics, especially in East Africa. Cooperation with neighboring countries is vital for peace and security.

In summary, Tanzania's economy shows promise, its business environment attracts investors, and its political stability remains a cornerstone. The peaceful transfer of power is critical for sustained progress and prosperity.

14. Conclusion:

SEMIIT Transport Enterprises Company Limited's business plan presents a compelling case for investment incentives from the Tanzania Investment Center (TIC) to support the importation of 59 trucks over the next five years. This strategic initiative is poised to make a significant contribution to Tanzania's economy, driving growth, fostering employment, and enhancing the country's competitiveness in the transportation and logistics sector.

Investment in SEMIIT Transport holds great promise for Tanzania's economic development. By facilitating the efficient movement of goods and materials, the project will bolster trade activities, attract investments, and stimulate economic growth across various industries. Additionally, the establishment of SEMIIT Transport will create numerous job opportunities, providing livelihoods for Tanzanians and contributing to poverty reduction and social development.

Furthermore, SEMIIT Transport's commitment to operational excellence, innovation, and sustainability aligns with Tanzania's vision for a vibrant and competitive economy. Through strategic investments in infrastructure, technology, and skills development, SEMIIT Transport aims to drive industry-wide transformation and position Tanzania as a regional hub for transportation and logistics services.

15. Recommendation:

In light of SEMIIT Transport's strategic importance to Tanzania's economic growth and development, TIC should consider various investment incentives to support the project's implementation. These incentives could include tax breaks, customs facilitation, investment grants, infrastructure support, and skills development initiatives. By providing targeted support, TIC can help SEMIIT Transport realize its full potential, maximize its positive impact on the economy, and contribute to Tanzania's long-term prosperity.