

**BUSINESS PLAN**

**FOR**

**CARGO TRASPORTATION**

**PROJECT**

## **1.0 INTRODUCTION**

M/S IMPECCABLE LOGISTICS LIMITED is a company incorporated in Tanzania with certificate 136638322 dated 10<sup>th</sup> September, 2018 as a private limited company under the Tanzanian Companies Act, 2002. M/S IMPECCABLE LOGISTICS LIMITED is engaged in the business of Transportation and Logistics, currently planning to provide global supply chain solutions providers within the country and in East Africa and the SADC region.

### **1.1 OUR MISSION**

To become a leading integrated global logistics and supply chain Management Company providing business-enabling solutions and exceeding customer expectations.

### **1.2 OUR VISION**

To deliver customized and unique logistics solutions globally ensuring time and cost savings for customers in a responsible and sustainable manner.

### **1.3 OUR VALUES**

- We believe the customer comes first; we are focused to ensure customer delight, superior quality of delivery, and increased customer profitability.
- At our operations all over the country, we practice an enduring value system based on an open culture, honest and

fair business, and personal conduct, earning the confidence and trust of our Associates and Customers.

- We practice transparency with all agencies that we are involved with.
- We value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

## OWNERSHIP AND OPERATIONS

**1.4 COMPANY OWNERSHIP AND BOARD OF DIRECTORS** is promoted by two shareholders who are very experienced in transport and logistic business, it is a family company.

<b>Share Holders</b>	<b>% of Share</b>	<b>Nationality</b>
<b>Farida Amirali Kanji</b>	<b>50</b>	<b>Tanzanian</b>
<b>Fayaz Mohamedbaqqir Kanji</b>	<b>50</b>	<b>Tanzanian</b>

## 1.5 PROJECT LOCATION

Registered office of the Plot No 75 Kitalu Street, Mti Pesa, Kigogo  
– Dar es Salaam Tanzania.

## 1.6 FLEET SIZE

M/S IMPECCABLE LOGISTICS LIMITED is planning to purchase 100 trucks and trailers. With a capacity of carrying 30 tons of truck and trailer, one truck conducting 3 trips per month operating for ten months per year, carrying 90,000 tons per year. A required number of trailers will also be added to the existing fleet in order to cater to additional requirements in line with truck additions.

## 1.7 PROJECT OPERATING COST

The company has estimated that the project operating cost and other costs to be 75% of the total annual revenue

## 1.8 PROJECT FINANCING

The project has budgeted to cost the followings:

<b>Investment Breakdown</b>	<b>US\$</b>
<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	30,000.00
Machinery & Equipment	20,000.00
Vehicles (Trucks and trailers)	1,300,000.00
Furniture & Fixtures	20,000.00
Pre exp	NIL
Others	NIL

Working Capital	130,000.00
<b>TOTAL</b>	<b>1,500,000.00</b>

The company has estimated that the project will be 100% financed by shareholders.

## 2.0 Employees Distribution Summary

Employment	Foreign	Local	Total
Women	0	5	5
Men	0	45	45
<b>TOTAL</b>	<b>0</b>	<b>50</b>	<b>50</b>

## 3.0 Tanzania: Why Transport Is Key to Economic Growth

The economy of the future will be almost entirely buoyed by the services industry, experts say. Countries that will fail to adequately invest and put in place strategies to shore-up their services industry will remain mere consumers of services from others, experts add. In fact, the advanced economies have already moved to the service industry, leaving behind less advanced economies in Africa and elsewhere. The Tanzanian economy is still largely characterized by the goods, but the service industry shows amazing potential. Data from the current account show that Tanzania's service economy consists almost entirely of transport and travel. Travel is normally referred to as tourism, but the two are so closely linked that they are referred to

interchangeably. In addition, travel and transport sectors are also tightly linked. In the year ending August 2021 Tanzania earned \$2.4 billion from transport and travel, according to the monthly economic review of the Bank of Tanzania. The foreign currency inflows through transport and travel was only about 26 percent of total export receipts, but it used to be higher in the pre-pandemic period when it accounted for 40 percent of total foreign currency earnings. In the year ending August 2019, Tanzania earned \$3.8 billion, which is equivalent to 41 percent of total earnings.

The potential of the transport and travel sector comes from the fact that in the current account it has a surplus of more than \$1 billion compared to the deficit of more than \$2 billion of the goods account. In other words while Tanzania imports more goods than it exports, it receives more money in the service sector than it pays to acquire services from outside. This would have been game-changing had the services sector been significantly higher than it currently is. But if Tanzania wants to join the world's race toward supremacy in the service sector, the place to start with is the transport and logistics sector. This is the sector where Tanzania has a natural, God-given geographical advantage that cannot be taken away. But, to be able to benefit, Tanzania must plan well, using the right strategies. It will be unfortunate if Tanzania will sink billions of US dollars in developing infrastructure- estimates

of investments in ongoing transport and utilities infrastructure projects is \$19 billion - then sit back and watch land-locked countries reaping all the benefits. That has been the case in the past few years when prohibitive regulations were adopted that reduced the competitiveness of local players in the transport sector.

Tanzania has been performing badly in global infrastructure competitiveness in spite of its geographical advantage as an international gateway for the eastern, central and southern Africa. And, since 2015, its performance has been further declining. The World Economic Forum (WEF) global competitiveness report, 2015 ranked Tanzania 102 out of 140 countries surveyed in infrastructure competitiveness. In the 2016/2017 survey Tanzania's competitiveness in the WEF's survey fell to 118th position out of 138 countries surveyed.

This year, the report was more elaborate. Tanzania scored fairly in road connectivity and was ranked in the 86th position. In quality of road infrastructure, it ranked 65 globally; in efficiency of train services it was ranked 60; in efficiency of air transport services Tanzania was ranked 98; and in efficiency of seaport services the country was ranked at 71st position.

## **4.0 TANZANIAN BUSINESS ENVIRONMENT**

In the African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government.

The Rand Merchant Bank (RMB) ranked the country tenth in investment attractiveness, in the Where to Invest in Africa 2021 report released recently.

### **4.1 THE TANZANIA DEVELOPMENT CORRIDORS**

Development of transport corridors has been one of the main strategies adopted by the Government of Tanzania to facilitate trade. Tanzania serves as a transit country for the import and export of Malawi, Zambia, DR Congo, Burundi, Rwanda and Uganda, using the port of Dar es Salaam. The main rail and road connections in Tanzania are, therefore, in an east-west direction, linking the ports with the hinterlands of those neighboring countries. Tanzania is devoting much attention to the corridor concept in its development policy by concentrating efforts in the Mtwara Corridor, Dar-es-Salaam Corridor, Central Corridor and the Tanga Corridor. The major challenge is to link import, export and transit traffic from and to neighboring countries with transport development efforts, making Tanzania a natural regional hub.

The geography of Tanzania, including its size, diversity and

dispersion, give roads a special position in the integration of the national economy. In particular, roads serve rural areas, where the majority of the people live, more effectively than any other mode of transport. The current Tanzania Road Network length is about 85,000 km, which includes trunk and regional roads (35,000 km) managed by the Tanzania National Roads Agency (TANROADS), and the urban, district and feeder roads with a total of 50,000 km, managed by Local Government Authorities (LGA). There are also some unclassified roads, such as those managed by the Tanzania National Parks Authority (TANAPA), and by the Mining Companies and village authorities.

## **5.0 SERVICES OFFERED BY M/S IMPECCABLE LOGISTICS LIMITED**

Management understands that your supply chain needs are unique and that's exactly why the company have engaged the best minds in the Transport industry to create specific transport solutions customized to suit your ever-changing cargo movement environment. M/S IMPECCABLE LOGISTICS LIMITED transport vans, trucks and trailers (closed body trailers, flat bed trailers and low loaders) from precision transport are designed to seamless execution, M/S IMPECCABLE LOGISTICS LIMITED dedicated cargo transportation professionals are engaged at every step of the way to provide the services with the

most accurate transport and economical transportation arrangement that the industry has to offer.

M/S IMPECCABLE LOGISTICS LIMITED Transportation and the company Customs Brokerage Service allow the company to complete the supply chain, cargo transit and offers truly door-to-door transportation service in the freight industry. The company optimized transportation translates to fast transit service and the door-to-door delivery of your freight on time, safely transported and damage free.

Transport integration with Customs Brokerage Service

- Allows M/S IMPECCABLE LOGISTICS LIMITED Transport Logistics to complete the supply chain and offer truly door-to-door transportation service in the market
- Eliminates unnecessary customs delays, transport dispatch and improves communication between the shipping line, Customs, Client and our transport department.
- Provides greater control, handling and security of your freight transportation
- Full range of freight forwarding services are offered, including customs clearance, warehousing, in-bond storage, transportation, etc.
- Customer receives a single itemized invoice for door-to-door transportation eliminating additional administrative

requirements

M/S IMPECCABLE LOGISTICS LIMITED Transport Logistics plan to customize and design transportation solutions to transport client's freight at the speed and ease.

The Management has been in the transport logistics and our transport segment delivers freight to numerous customers spread across east Africa namely Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan and DR Congo.

The Company plan to combine the economy of rail transport with road transport handling for seamless door-to-door service and savings. The company transport network throughout Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan and DR Congo and large transport trucks, closed body trailers, flat bed trailers and low loaders fleet are aligned to offer transport applications suitable for all transportation needs. Whether clients freight requires rail transport or road transportation service, door-to-door transport, coast-to-coast transport, or cross-border transportation, Transport Logistics is the solution.

Benefits of optimized door to door delivery and transportation

- The company is dedicated to creating win-win solutions by investing talent, capital, and transport resources.
- Dynamic transport route optimization systems at clients

disposal to create supply-chain door to door and reduce transport costs.

- The largest transportation truckload fleet and terminal network in the transport industry.
- Satellite tracking on our transport
- Modern fleet of transport trucks
- One of the Safest operating fleets in the transport industry
- Heavy and fragile equipment transported using air hydraulic low loaders.
- Door-to-door control of transport equipment = less handling, better security, and increased efficiency
- Fully multilingual experienced transport staff to cater all our transportation routes
- Strict requirements for transport department staff and constant integrity checks transport and delivery.

#### Container Transport Mode (Container on Flat Bed)

The company will Capital offers a complete door-to-door service for all of your container transport requirements. Our road transport fleet is comprised of 100 trucks and transportation trailers. The company plans to have the most modern container transport fleet in the transport industry and our container transport trucks are all equipped with satellite tracking, permitting real time tracking of your loads.

M/S IMPECCABLE LOGISTICS LIMITED Transport Logistics also supplement road transport fleet with our access to our East Africa railway transport line. M/S IMPECCABLE LOGISTICS LIMITED Transport Logistics is capable of transporting heavy and bulk cargo on Low Loader, rail and can also transport transit cargo on rail and low-loaders. Heavy Haulage – Low-Loader Transportation M/S IMPECCABLE LOGISTICS LIMITED transportation LowLoaders comprise of a variety of unique low loader trailer configurations, M/S IMPECCABLE LOGISTICS LIMITED capital is still constantly engineering new low loader transport solutions for our customers’ Low Loader Transportation requirements. M/S IMPECCABLE LOGISTICS LIMITED Transportation Logistics is rapidly becoming the preeminent low loader transport provider for importers and exporters of many commodities, including earth transporting equipment and engineering structures that has to be transport on low loaders. Low loader as the industry’s most dynamic carrier, M/S IMPECCABLE LOGISTICS LIMITED Transportation plans to expand our diverse portfolio of service-sensitive, specialty operations to meet our clients’ low loaders needs. Heavy Equipment Transport whether it is around town or interstate M/S IMPECCABLE LOGISTICS LIMITED Transportation has the low loaders and heavy transport equipment to transport any sized machines. We have low loader expertise required to transport,

arrange all the permits, liaise with police, load and unload cranes, Local cargo the company offers the fastest Local cargo service in Tanzania. This airport-to-airport service puts your cargo, envelopes and other packages on the first scheduled flight and delivers them to the recipient at the airport of arrival within one hour after the landing time. No advance reservations are required for this service. Tanzanian Cargo provides around-the-clock Local cargo service with same-day delivery across Tanzania.

### **Transit Cargo**

The Company strive to extend standard services across vast distances and through rough terrain all across EastAfrica. Our motivated staff and our expertise in the industry always keep us on schedule by rail and road. The company provide relocation and movement of both of bulk and containerized goods. The company offer a variety of transport solutions, be it grouping or other transport services such as part and full loadshipments by road, railways or a combination of two.

## **6.0 COMPETITION**

According to data available there are more than 15,000 trucks registered in Tanzania and the company plan to compete favorably with local and foreign companies.

## **7.0 ECONOMIC ASPECTS OF THE PROJECTS**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

### **(i) Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 225 people. This is a significant contribution coming from local investors.

### **(ii) Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

### **(iii) Foreign Exchange Earning**

Since the project's clientele is mostly towards neighboring countries the project will thus earn foreign currency for the United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study, we have assumed that the project will be paid in foreign currency

## **8.0 CONCLUSION**

(i) The project is profitable and contributes to government revenue by way of taxes.

(ii) The project provides employment to 225 people.

- (iii) The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

## **9.0 RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

## APPENDIX I

<b>FORECASTED STATEMENT OF PROFIT &amp; LOSS IN USD</b>											
	Monthly	Number of Trucks	Yearly Income	Year 1	Year 2	Year 3	Year4	Year 5	Year 6	Year 7	Year 8
Revenue	51,600	12	619,200	619,200	712,080	818,892	941,726	1,082,985	1,245,432	1,432,247	1,647,084
Operating Cost	36,120	12	433,440	433,440	498,456	573,224	659,208	758,089	871,802	1,002,572	1,152,958
<b>Gross profit before Depreciation</b>			<b>185,760</b>	<b>185,760</b>	<b>213,624</b>	<b>245,668</b>	<b>282,518</b>	<b>324,896</b>	<b>373,630</b>	<b>429,675</b>	<b>494,126</b>
Depreciation 10%				48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
				48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
<b>Gross profit</b>				<b>137,760</b>	<b>165,624</b>	<b>197,668</b>	<b>234,518</b>	<b>276,896</b>	<b>325,630</b>	<b>381,675</b>	<b>446,126</b>
Tax (30%)				41,328	49,687	59,300	70,355	83,069	97,689	114,502	133,838
Profit after tax				96,432	115,937	138,367	164,163	193,827	227,941	267,172	312,289
<b>Accumulated profit</b>				<b>96,432</b>	<b>212,369</b>	<b>350,736</b>	<b>514,899</b>	<b>708,726</b>	<b>936,667</b>	<b>1,203,839</b>	<b>1,516,128</b>

PROJECTED STATEMENT OF CASHFLOW IN USD									
	0	1	2	3	4	5	6	7	8
<b>SOURCES:</b>									
Profit after Depreciation	-	96,432	115,937	138,367	164,163	193,827	227,941	267,172	312,289
Equity		1,500,000							
<b>Total Sources</b>		<b>656,432</b>	<b>115,937</b>	<b>138,367</b>	<b>164,163</b>	<b>193,827</b>	<b>227,941</b>	<b>267,172</b>	<b>312,289</b>
<b>Applications:</b>									
Capital expenditure		1,500,000							
Working Capital & Others		67,000							
Cash	-	96,432	115,937	138,367	164,163	193,827	227,941	267,172	312,289
Depreciation	-	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
<b>Sub total</b>		<b>144,432</b>	<b>163,937</b>	<b>186,367</b>	<b>212,163</b>	<b>241,827</b>	<b>275,941</b>	<b>315,172</b>	<b>360,289</b>
<b>Total applications</b>	<b>0</b>	<b>144,432</b>	<b>308,369</b>	<b>494,736</b>	<b>706,899</b>	<b>948,726</b>	<b>1,224,667</b>	<b>1,539,839</b>	<b>1,900,128</b>

