

# **Business Plan**

**LOONG & ELEPHANT (TANZANIA) COMPANY LIMITED**

# 1. Investment Objective

The primary objective of **LOONG & ELEPHANT (TANZANIA) COMPANY LIMITED** is to establish a strategically located logistics and warehousing facility in Tanzania. This facility will cater to the growing demand for Container Freight Station (CFS) services, provide warehousing space for Chinese enterprises, and establish a bonded warehouse to serve import-export activities in the region.

## 2. Sector and Products

- **Sector:** Logistics, Warehousing, and Supply Chain Management.
- **Products/Services:**
  - **Container Freight Station (CFS):** A 16-acre facility designed to handle and store shipping containers.
  - **Warehouse Leasing:** A 16-acre warehouse space dedicated to Chinese enterprises requiring large storage capacity in Tanzania..
  - **Customs Bonded Warehouse:** An 8-acre facility for the storage of goods awaiting customs clearance, facilitating smoother import-export procedures.
  - **Logistics Services:** The company will operate 100 trucks within three years to support CFS and general logistics needs.

## 3. Investment Costs and Sources of Finance

### Breakdown of Investment Costs:

- **Land Acquisition:** \$800,000 for 40 acres.
- **Construction:**
  - **CFS (16 acres):** \$2,500,000 (estimated construction cost).
  - **Warehouse for Chinese enterprises (16 acres):** \$3,000,000.
  - **Customs Bonded Warehouse (8 acres):** \$1,200,000.
- **Trucks (100 units over 3 years):** \$6,000,000.
  - Year 1: 40 trucks (\$2,400,000).
  - Year 2: 30 trucks (\$1,800,000).
  - Year 3: 30 trucks (\$1,800,000).
- **Total Project Investment:** \$13,500,000.

### Sources of Finance:

**Shareholder Equity:** The entire investment of \$16,500,000 will be funded through contributions from shareholders. This will cover the acquisition of land, construction of facilities, and purchase of logistics trucks.

## 4. Job Creation

The project will create approximately 400 jobs in the following categories:

- **Construction:** 150 jobs (during the construction phase).
- **Logistics:** 120 jobs (drivers, maintenance, and logistics personnel for the trucks).
- **Warehouse and CFS Staff:** 100 jobs (warehouse management, security, handling, and administrative staff).
- **Management and Support Staff:** 30 jobs (business managers, accountants, and support personnel).

## 5. Investment Funds Expenditure Breakdown

- **Land Acquisition:** \$800,000 (one-time expense).
- **CFS Construction and Equipment:** \$2,500,000.
- **Warehouse Construction:** \$3,000,000.
- **Customs Bonded Warehouse Construction:** \$1,200,000.
- **Truck Purchase (over 3 years):** \$6,000,000.
- **Other Costs (equipment, marketing, legal fees):** \$3,000,000.
- **Total:** \$16,500,000.

## 6. Sources of Supply of Inputs

- **Construction Materials:** Sourced locally within Tanzania (cement, steel, bricks) with some specialized equipment imported from China.
- **Trucks:** Purchase agreements with major international manufacturers or Chinese truck companies (such as FAW or Sinotruk).
- **Warehouse Equipment:** Import from China or regional suppliers.
- **Equipment:** Warehouse equipment such as forklifts, shelving, and cranes will be sourced from international and local suppliers.
- **Human Resources:** A mix of local Tanzanian labor and international experts in logistics and supply chain.

## 7. Marketing Plan

**Target Market:**

- **Chinese Enterprises:** Chinese companies operating in Tanzania and East Africa, requiring warehousing and logistics support.
- **Local Importers/Exporters:** Businesses involved in the import-export trade, requiring customs bonded storage.
- **Logistics Companies:** Companies needing CFS and trucking services for their supply chain.

### Strategy:

- **Direct Marketing to Chinese Firms:** Partner with Chinese business associations and chambers of commerce.
- **Online Presence:** Develop a website and social media platforms targeting logistics and warehouse customers.
- **Partnerships:** Establish partnerships with shipping companies and freight forwarders operating in Tanzania.
- **Trade Shows & Networking:** Attend industry events in East Africa and China to promote the facility.

## 8. Implementation Schedule

Year	Milestones	Activity
Year 1	<ul style="list-style-type: none"> <li>- Acquire land, begin construction of CFS and warehouse.</li> <li>- Purchase first batch of trucks (40).</li> <li>- Complete CFS, begin operations.</li> </ul>	<ul style="list-style-type: none"> <li>- Secure permits, complete designs, initiate ground-breaking.</li> </ul>
Year 2	<ul style="list-style-type: none"> <li>- Begin construction of bonded warehouse.</li> <li>- Purchase second batch of trucks (30).</li> <li>- Complete bonded warehouse construction.</li> </ul>	<ul style="list-style-type: none"> <li>- Hire initial staff for CFS, initiate truck operations.</li> </ul>
Year 3	<ul style="list-style-type: none"> <li>- Expand warehouse operations.</li> <li>- Purchase third batch of trucks (30).</li> </ul>	<ul style="list-style-type: none"> <li>- Full operational capacity of logistics and warehousing services.</li> </ul>
Year 4-5	<ul style="list-style-type: none"> <li>- Expand CFS and warehousing services, full capacity for trucks.</li> </ul>	<ul style="list-style-type: none"> <li>- Stabilize operations, focus on business expansion and client retention.</li> </ul>

## 9. Financial Projection for 5 Years

### Revenue Projections:

1. **Year 1:** \$2,500,000 (from initial CFS operations and trucking services).

2. **Year 2:** \$4,500,000 (expanded CFS and partial warehouse operations).
3. **Year 3:** \$8,000,000 (full CFS, warehouse, and customs-bonded warehouse operations).
4. **Year 4:** \$10,000,000 (increased capacity utilization and full operations).
5. **Year 5:** \$12,500,000 (stable operations, increased market share).

### **Operating Costs:**

- **Year 1:** \$1,000,000.
- **Year 2:** \$3,000,000.
- **Year 3:** \$5,000,000.
- **Year 4:** \$6,500,000.
- **Year 5:** \$7,500,000.

### **Profit Margins:**

- **Year 1:** \$1,000,000.
- **Year 2:** \$1,500,000.
- **Year 3:** \$3,000,000.
- **Year 4:** \$3,500,000.
- **Year 5:** \$5,000,000.

## **10. Capacity of the Project**

- **CFS:** 16 acres, capable of handling 500 containers at any given time.
- **Warehouse for Chinese Enterprises:** 16 acres, with space for up to 50 enterprises.
- **Customs Bonded Warehouse:** 8 acres, capable of holding large volumes of high-value goods awaiting customs clearance.
- **Trucks:** 100 trucks within 3 years, capable of handling regional logistics for businesses operating in Tanzania and neighboring countries.

### **Conclusion**

LOONG & ELEPHANT (TANZANIA) COMPANY LIMITED aims to become a key player in the logistics and warehousing sector in Tanzania by providing much-needed services to Chinese enterprises, local businesses, and international traders. With strategic planning, solid financial backing, and a phased implementation, the project will contribute significantly to job creation, economic growth, and development of Tanzania's logistics infrastructure.