

BUSINESS PLAN

FOR

CARGO TRASPORTATION

PROJECT

1.0 INTRODUCTION

TYCL (T) COMPANY LIMITED is a company incorporated in Tanzania with certificate 177291595 dated 21st August 2024 as a private limited company under the Tanzanian Companies Act, 2002. TYCL (T) COMPANY 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 three shareholders who are very experienced in the transport and logistics business, it is a family company.

Shareholders	% of Share	Nationality
Yueke Wang	40	Chinese
Zehua Wang	40	Chinese
Rui Wang	20	Chinese

1.5 PROJECT LOCATION

Registered office of Plot No. 134 Block JJ, Tungji Municipal Council, Morogoro District, Morogoro

1.6 FLEET SIZE

TYCL (T) COMPANY 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 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

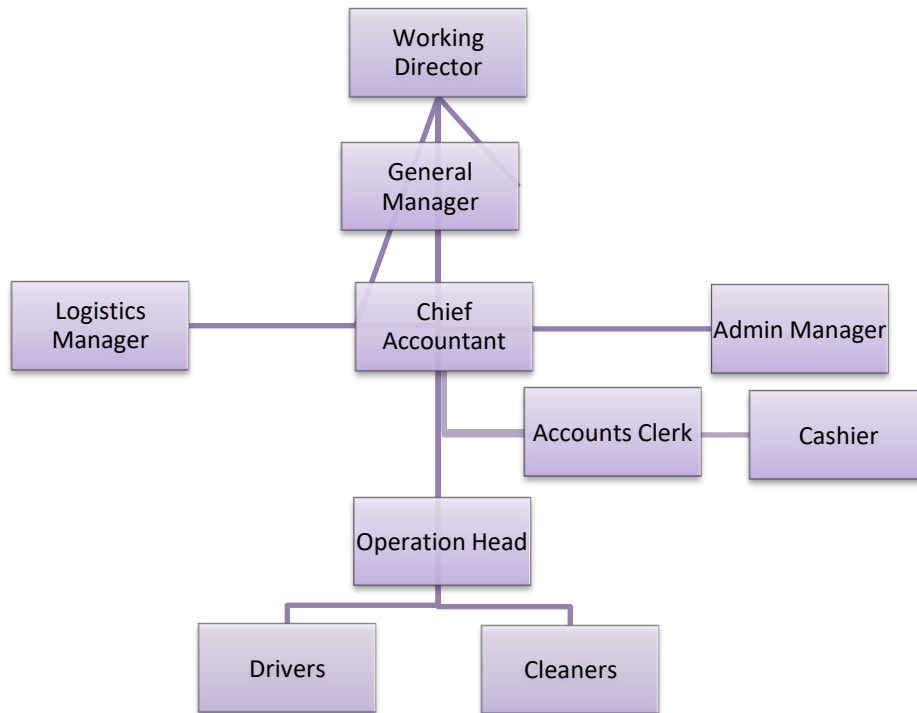
The project has budgeted to cost the followings:

PARTICULAR	AMOUNT IN USD
Land and Buildings	NIL
Machinery & Equipment	NIL
Motor Vehicles	500,000
Office Furniture	
Pre expenses	7,000
Others	NIL
Working Capital	60,000
TOTAL	567,000

The company has estimated that the project will be financed by a long-term loan amounting to US\$117,000.00 and the remaining US\$ 450,000.00 will be shareholders' contribution

2.0 ORGANISATION FLOW CHART

The organization chart of the company is presented herein below:



Employees Distribution Summary

Employment	Foreign	Local	Total
Women	0	5	5
Men	0	28	28
TOTAL	0	33	33

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 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 that 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 geophysical 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

The 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 SWOT ANALYSIS

STRENGTHS

Strengths of the business are –

- Promoters have sound experience in this business and have talented Management.
- Rapid growth in the sector due to effective management
- Influence & Networking of Directors in the Business Sector.
- Business location is at a prominent place.
- Good roads and highways in Tanzania.
- Confirmed business via agreement entered with a few companies.

WEAKNESSES

Weakness of the business are –

- New entry in the logistics market
- Stiff competition from the local market
- Limited market share growth

OPPORTUNITIES

Opportunities of the business are –

- Potential market encourages foreign investors
- Increasing market share due to rail transport limitations

- Augmented demand for world–class logistics and warehousing services
- Increased use of logistics services in sectors such as technology, consumer retail, automotive and industrial

THREATS

Threats of the business are –

- Complex Tax Structure
- Unorganized sector and competition
- Different laws in different countries
- Increasing fuel rates therefore increasing transportation costs

6.0 SERVICES OFFERED BY TYCL (T) COMPANY LIMITED

Management understands that your supply chain needs are unique and that’s exactly why the company has engaged the best minds in the Transport industry to create specific transport solutions customized to suit your ever-changing cargo movement environment. TYCL (T) COMPANY LIMITED transport vans, trucks, and trailers (closed body trailers, flatbed trailers, and low loaders) from precision transport are designed for seamless execution, TYCL (T) COMPANY 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.

TYCL (T) COMPANY LIMITED Transportation and the company Customs Brokerage Service allow the company to complete the supply chain, and cargo transit and offer 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 TYCL (T) COMPANY 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

TYCL (T) COMPANY 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 terminalnetwork 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.

TYCL (T) COMPANY LIMITED Transport Logistics also supplement road transport fleet with our access to our East Africa railway transport line. TYCL (T) COMPANY 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 TYCL (T) COMPANY LIMITED transportation LowLoaders comprise of a variety of unique low loader trailer configurations, TYCL (T) COMPANY LIMITED capital is still constantly engineering new low loader transport solutions for our customers’ Low Loader Transportation requirements. TYCL (T) COMPANY 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 dynamiccarrier, TYCL (T) COMPANY 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 TYCL (T) COMPANY LIMITED Transportation has the low loaders andheavy transport equipment to transport any sized machines. We have low loader expertise required to transport, arrange all the permits, liase 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 alwayskeep 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.

7.0 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.

8.0 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

9.0 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.

10.0 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

FORECASTED STATEMENT OF PROFIT & LOSS IN USD											
	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
Gross profit before Depreciation			185,760	185,760	213,624	245,668	282,518	324,896	373,630	429,675	494,126
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
Gross profit				137,760	165,624	197,668	234,518	276,896	325,630	381,675	446,126
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
Accumulated profit				96,432	212,369	350,736	514,899	708,726	936,667	1,203,839	1,516,128

APPENDIX II

PROJECTED STATEMENT OF CASHFLOW IN USD									
	0	1	2	3	4	5	6	7	8
SOURCES:									
Profit after Depreciation	-	96,432	115,937	138,367	164,163	193,827	227,941	267,172	312,289
Equity		567,000							
Total Sources		656,432	115,937	138,367	164,163	193,827	227,941	267,172	312,289
Applications:									
Capital expenditure		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
Sub total		144,432	163,937	186,367	212,163	241,827	275,941	315,172	360,289
Total applications	0	144,432	308,369	494,736	706,899	948,726	1,224,667	1,539,839	1,900,128

