

RANGER SAFARIS LIMITED

P. O. Box 9,
ARUSHA, TANZANIA

**FEASIBILITY STUDY FOR EXPANSION & REHABILITATION
OF TOUR OPERATIONS**

YEAR 2024

Prepared by:
Ranger Safaris Ltd.

RANGER SAFARIS LIMITED

EXPANSION & REHABILITATION PROJECT

1. EXECUTIVE SUMMARY OF PROJECT

Ranger Safaris Limited is a Tanzanian incorporated limited liability company registered on 13th March, 1978 and having its registered office in Arusha.

The overall ambition and vision of the Ranger Safaris rehabilitation & expansion project is to contribute towards growth in the number of tourists visiting Tanzania. The project intends to assist the company by providing better quality of tourists' transportation services which is a key requirement of niche source markets. Consequently, the project will contribute to earning tourism dollars and generate direct and indirect employment within the tourism supply chain. Our efforts to entice luxury tourists from North America, Australia, South America, Europe, the Middle East, and India along with other source markets will contribute to the conservation and preservation of our National Parks. It will also assist the local tribes in improving their living standard, as when tourism flourishes, they are able to improve their standard of living with the adoption of wildlife tourism-based activities and conservation.

The wildlife tourism market is growing rapidly as travellers begin to explore more nature-based destinations and want more experiential travel experience. As per Future Market Insights Analysts, the global wildlife tourism market is estimated to be valued at US\$ 135 Billion in 2024 and is projected to increase at a CAGR of 5.4% during the forecast period 2024-2030. During the pandemic our fleet was ageing without being allocated on safaris and with the tourists growing interest in destination Tanzania, it is imperative for us to provide them with a quality safari vehicles.

2. SUMMARY OF COMPANY LEGAL FORMATION

Ranger Safaris Limited was incorporated in year 1978 having company registration number 6186. Since its registration, the company's main activity remained tour operations. The Company started its operations with only 4 vehicles and has now grown to operating fleet size of 124 vehicles. The company has undergone major expansion in the past and injected capital through its foreign partners in 1994. The Company owns almost 6 acres of land right in the middle of Arusha town where its modern offices and workshop are located.

The company employs more than 140 employees and indirectly supports the livelihood of suppliers and its employees directly or indirectly associated with tourism services. This not only includes tourism-based activities but through the purchase of various other

elements from other industries, making it a key generator of revenue for numerous companies across multiple industries. The company also owns a few residential properties which are used for accommodating their senior staff.

The share capital of Ranger Safaris Limited is TShs 967,050,000.00 and retained profits are TShs 4,235,289,000.00 as at 31st October 2023 which reflects the healthy position of the Company. The Fixed Assets of the Company stands at TShs 2,168,760,000 as of date. It has been the Company's policy to plough back part of its profit to maintain its fleet to international standards and ensure the appropriate image is perceived by the international when considering Tanzania as a destination of choice.

All the Company records and information are up to date on BRELA Portal.

3. COMPANY SHAREHOLDING STRUCTURE AND NATIONALITY

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Nationality</u>
Travel Union Inc	1,151,248	Incorporated in Mauritius
Leibniz Service GmbH	383,750	Incorporated in Germany
Mr. Sanjay Gajjar	1	Indian
Mr. Ali Moledina	1	Canadian
TOTAL	1,535,000	

4. DESCRIPTION OF PROJECT LOCATION

The registered office and project location of the company is located at below:

Ranger Safaris Limited
Plot number 556,
Block X, Area F,
Wachagga Street,
P. O. Box 9, Arusha

5. DESCRIPTION OF PROJECT OBJECTIVE

Quality of tourist transport and guiding service is key to the success of any tourism undertaking in the world. The ever-increasing cost of fuel and high maintenance cost of older vehicles has progressively led to the use of newer vehicles in safari operations.

The few companies operating in the country with the newer fleet are winning the business of high-end tourists given the high demand against the limited supply of quality

safari vehicles. Having assessed the scope and potential growth opportunity to develop and grow our market share within the tourism sector, we must invest into new vehicles. This will help ensure we provide the right image locally and internationally to continue the positive reputation of the destination and service our clients with memorable experiences. They will then become ambassadors to our brand and the destination. We much also further enhance and modernize our workshop to ensure our vehicles are maintained to the highest standard to ensure the safety and well-being of all our travellers. Again, this provides a positive spotlight on the destination with the investment to raise the bar in service delivery.

In addition, to keep pace with changing times and the growing demands of foreign tourists, the company needs to expand its fleet of vehicles which comprises of four-wheel drive vehicles for safari, minibuses for luxury transfers and 30-seat coach for our large group movement. This will ensure our safari operations continue to portray a positive and forward-looking image of the destination. In this regard, the company proposes an expansion and rehabilitation plan as mentioned hereunder. Our Company wants to remain competitive to attract luxury tourists by offering them the most comfortable tourist vehicles equipped with charging points, fridges, radio calls, bigger tinted windows, front hatch and high-density cushion seats for extra comfort to meet the rising standards of the luxury travel market and ensure we keep pace with other comparative destinations.

6. SUMMARY OF SECTOR PERFORMANCE

Tanzania's inbound tourism revenue almost doubled to USD 2,560.7 million in 2022 from USD 1,310.3 million in 2021, consistent with the rise in the number of tourist arrivals. Tanzania received 1,454,920 tourists in 2022, compared to 922,692 in 2021, and 616,491 in 2020. In 2020, revenues were down to USD 1 billion as it was severely affected by the COVID-19 pandemic and its impact on international travel, from a peak of USD 2.6 billion in revenues and 1.5 million arrivals in 2019. The sector's contribution to GDP fell from 10.6% in 2019 to 5.3% in 2020 and climbed to 5.7% in 2021.

(source: <https://www.tanzaniainvest.com>)

However, given the ongoing rapid recovery of the sector, the Tanzania National Business Council (TNBC) forecasts that the share of tourism in the country's GDP will reach 19.5% in 2025/26.

Following the marketing strategy of our Hon. President in The Royal Tour of Tanzania, the new national tourism plan aims to significantly increase the number of non-resident visitors to Tanzania. This calls for joint efforts between the public and private sectors to improve tourism infrastructure to meet the targeted growth of tourist numbers. The current weather conditions caused by El Nino have deteriorated road conditions in our national parks and the tourism rebound will help park authorities to raise revenue and maintain infrastructure in our game parks.

There is a need to expand our tour operations capacity to support the vision of our Hon. President. It is for the emerging business opportunities that Ranger Safaris Ltd. is expanding and replacing its ageing fleet to enhance tourism service delivery to tourists visiting Tanzania.

7. SUMMARY OF MARKET ANALYSIS

The tourist vehicle rental business in Tanzania is at a green level of development. The Tanzania market is growing fast and challenging its neighbours, but we must continue to develop in both the public and private sectors to ensure we grow beyond. It is reliably estimated that demand for tourists' vehicles and guiding services as a part of safari package offerings will continue to rise as confidence in long-haul travel is back and international airlines are showing interest in their operations in Tanzania. Despite of a greater number of destination management companies offering tourism packages, there is a gap and demand for a reliable and newer safari vehicle for a high-end North American, European, and Asian clientele.

From the foregoing, it is evident that Ranger Safaris Limited will find a wide market potential to engage the addition of **67 vehicles** mainly since the fleet will consist of new, safe, comfortable, reliable and luxurious safari vehicles at competitive rates. A conclusion can be drawn that the company will not face any market problems to threaten the investment.

8. SUMMARY OF PROJECT DESCRIPTION INCLUDING CAPACITY AND EMPLOYMENT GENERATION

Our expansion and rehabilitation project aims at improving the comfort and safety standards of tourists' safari vehicles. It will ensure the company has the required assets to continue to run its business, attract new clients and ensure their safety against sub-

hiring lower standard vehicles that could be detrimental to ours and the destination's reputation. The capacity building with additional safari vehicles will reduce dependency on third-party sub-hired vehicles plus it will support the Government's vision of growth in tourists' arrivals for the next five years.

Through this additional investment, it will create additional employment for a minimum of 40-50 Tanzanian citizens (138 Tanzanians currently employed) to work with us as driver guides, mechanics, and office staff to handle the growth of our business. Also, this project investment will help us to increase our business with hoteliers and other tourism supply chain companies which will indirectly help to generate employment and revenue for multiple industry sectors. The first component of the project focuses on supporting capacity building for improving the quality of tourists' transport services. The second component relates to the improvement, upskilling and training our guides and other support staff in-house. The third relates to the management of the project. This component includes specific support for project coordination, management, and evaluation.

9. PROJECT INVESTMENT STRATEGY AND PROJECT COST

Investment Strategy

- Reach every potential tourist through E-Commerce and increase awareness of the improved product in both the leisure and corporate markets.
- Introduction of various new itineraries embedded with learning and discovery about Tanzania.
- Broaden horizon to increase the length of stay in Tanzania by offering international services at competitive rates and more varied experiences.
- Increase the Country's market share for Wildlife enthusiasts and compete with Kenya, South Africa, Botswana and other neighbouring Countries.
- Increase the awareness of the resident market through the introduction of safaris at competitive pricing structures and for them to enjoy the experience of their own countries' natural resources.
- Introduce state of art ERP software to cut down response time with overseas agents to see booking status on real-time basis and enhance controls in all functional areas of tour operations.
- Support and train staff to deliver the highest standard of tourism services.

Expansion of existing operations by investing the below mentioned amount for acquiring new vehicles, work equipment and IT infrastructure.

The detailed list of Ranger Safaris Limited's project investments is summarized below:

Description	Number of units	Cost per unit (USD)	Total cost (USD)
4WD pick-ups	55	62,000	US\$ 3,410,000
Pick-up conversion into game drive vehicles	55	19,500	US\$ 1,072,500
Mini Buses for airport transfers	8	35,000	US\$ 280,000
Coaster Bus for group transfers	2	48,750	US\$ 97,500
4WD Station Wagon (less than 3000 cc engine)	2	70,000	US\$ 140,000
Generator and Hoist for workshop			US\$ 80,000
Furniture & Fittings			US\$ 25,000
Computers, printers & software			US\$ 40,000
Other expenses			US\$ 5,000
TOTAL	67		US\$ 5,150,000

The estimated cost of the vehicles shown has been made after a careful assessment of the current market costs. Allowances have been given wherever necessary for escalation of the cost during the project implementation period.

10. YEARWISE PROJECTED INVESTMENT PLAN & IMPLEMENTATION SCHEDULE FOR VEHICLES

We anticipate completing the entire project within the span of five years with investment in vehicles as summarized below:

Description	2024	2025	2026	2027	2028
➤ Four Wheel drive vehicles	10	12	10	12	11
Cost per 4WD vehicle including conversion	US\$ 79,000	US\$ 80,000	US\$ 81,500	US\$ 83,000	US\$ 83,773
➤ Mini Bus	1	2	2	1	2
Cost per Mini bus	US\$ 33,500	US\$ 34,500	US\$ 35,000	US\$ 35,750	US\$ 35,874
➤ Coaster Bus	Nil	Nil	1	1	Nil
Cost per Coaster bus	Nil	Nil	US\$ 47,500	US\$ 50,000	Nil
➤ 4WD Station Wagon (less than 3000 cc engine)	1	Nil	1	Nil	Nil
Cost of Station Wagon	US\$ 68,000	Nil	US\$ 72,000	Nil	Nil
Total Investment per year	US\$ 891,500	US\$ 1,029,000	US\$ 1,004,500	US\$ 1,081,750	US\$ 993,250

PROJECTED INVESTMENT AMOUNT IN VEHICLES FOR TOUR OPERATIONS– **US\$ 5,000,000/-**

TOTAL PROJECTED INVESTMENT VALUE IN VEHICLES & OTHER CAPEX ITEMS – **US\$ 5,150,000/-**

11. MEANS OF PROJECT FINANCING

Internal Financing:

The entire investment will be funded from internally generated cash flow through operations to invest in the said project over the period of five years commencing from the year 2024 thus indicating the project is viable both financially and economically.

Estimates of sales revenue, costs, and profitability for the 1st year to the 5th year for an expansion of our tour operations are provided in the attachment marked as '**Annexure 1**'.

12. CONCLUSION

Analysis of the viability of the previous projects successfully undertaken in the past by Ranger Safaris proves that all our projects were financially viable and economically attractive. Our strong track record and consistent operations for the past 45 years with our ability to manage the vehicles and other activities of safari operations gives us strong confidence to manage this project efficiently.

The suggested implementation period combined with the fact that the proposed investment in vehicles can be delivered over the period to support the business requirements of our company with tourism now gaining significant traction.

From a national point of view, the timely implementation of the project will lead to the following economic benefits:

- Tour operating business will contribute towards the expansion of the country's ground tour service capacity to achieve the Government's ambition of attracting more tourists into our country.
- Efficient operations of the company will increase the foreign exchange inflows and earning capacity of the nation to meet the requirements of US Dollars for importation of fuel and other essential imports.
- The company will provide direct employment to an additional 50 people in the country and indirect employment to many others; and
- The government will earn substantial revenue from the tour operations in the form of corporate tax, VAT, park fees and other levies.

Given the above, it is our humble request to offer a Certificate of Incentives to our company to enable the timely implementation of our project under the Tanzania Investment Act, 2022.

RANGER SAFARIS Limited - Projected Profit & Loss Account (in US\$)

Exchange rate	2,520	2,580	2,630	2,670	2,730
PARTICULARS	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
+Total Turnover	\$ 22,388,543	\$ 24,269,186	\$ 26,350,266	\$ 28,993,221	\$ 30,145,201
-Accommodation & Meals	\$ 11,352,986	\$ 12,295,248	\$ 13,373,202	\$ 14,754,526	\$ 15,350,832
-Park Fees	\$ 5,002,429	\$ 5,433,023	\$ 5,891,521	\$ 6,508,090	\$ 6,816,960
-Air Charter	\$ 2,379,962	\$ 2,579,457	\$ 2,797,605	\$ 3,075,918	\$ 3,201,538
-Vehicle Expenses	\$ 977,701	\$ 1,031,744	\$ 1,108,859	\$ 1,205,019	\$ 1,253,590
-Vehicle Depreciation	\$ 325,172	\$ 493,035	\$ 611,019	\$ 718,559	\$ 771,542
-Drivers Salaries & Allow	\$ 506,789	\$ 537,713	\$ 567,567	\$ 618,539	\$ 654,249
-Direct Cost of Sale	\$ 20,545,039	\$ 22,370,220	\$ 24,349,772	\$ 26,880,651	\$ 28,048,711
=MARGIN I	\$ 1,843,504	\$ 1,898,966	\$ 2,000,494	\$ 2,112,570	\$ 2,096,491
-Advertisement & publicity	\$ 1,389	\$ 1,744	\$ 1,901	\$ 2,622	\$ 3,114
-Marketing Expenses	\$ 1,389	\$ 1,744	\$ 1,901	\$ 2,622	\$ 3,114
=MARGIN II	\$ 1,842,115	\$ 1,897,222	\$ 1,998,593	\$ 2,109,948	\$ 2,093,377
-Personnel Costs	\$ 1,199,303	\$ 1,301,136	\$ 1,404,726	\$ 1,524,669	\$ 1,644,378
-Office Material	\$ 8,690	\$ 9,336	\$ 10,075	\$ 10,916	\$ 11,744
-External Service	\$ 41,687	\$ 44,789	\$ 48,331	\$ 52,368	\$ 56,338
-Audit fees	\$ 22,698	\$ 24,388	\$ 26,316	\$ 28,514	\$ 30,676
-Rents & Incidental Costs	\$ 17,658	\$ 18,972	\$ 20,472	\$ 22,182	\$ 23,864
-Communication	\$ 13,362	\$ 14,357	\$ 15,492	\$ 16,786	\$ 18,059
-EDP costs	\$ 25,153	\$ 27,024	\$ 29,162	\$ 31,597	\$ 33,993
-Travel & Representation Exps	\$ 25,788	\$ 27,707	\$ 29,898	\$ 32,395	\$ 34,851
-Entertainment Exp	\$ 1,300	\$ 1,397	\$ 1,507	\$ 1,633	\$ 1,757
-Depreciation (excl Vehicles)	\$ 15,809	\$ 17,707	\$ 19,862	\$ 21,515	\$ 22,617
-Tax & Insurance	\$ 89,239	\$ 91,522	\$ 94,271	\$ 97,502	\$ 100,127
-Repairs & Maint (excl veh)	\$ 16,883	\$ 18,139	\$ 19,573	\$ 21,208	\$ 22,816
-Bank Chgs. & Commissions	\$ 8,584	\$ 9,223	\$ 9,953	\$ 10,784	\$ 11,602
-Other Overhead expenses	\$ -	\$ -	\$ -	\$ -	\$ -
-Overhead Expenses	\$ 1,486,153	\$ 1,605,695	\$ 1,729,639	\$ 1,872,070	\$ 2,012,823
=OPERATIONAL RESULT	\$ 355,962	\$ 291,526	\$ 268,954	\$ 237,879	\$ 80,554
+Financial Results	\$ -	\$ -	\$ -	\$ -	\$ -
-Interest on Loan	\$ -	\$ -	\$ -	\$ -	\$ -
+Result of Exchange	\$ 87,181	\$ 91,772	\$ 94,382	\$ 97,483	\$ 99,390
+Extraordinary Result	\$ 33,355	\$ 31,589	\$ 29,536	\$ 26,217	\$ 18,315
+Other Results	\$ 120,536	\$ 123,361	\$ 123,918	\$ 123,700	\$ 117,705
=P&L GROSS RESULT	\$ 476,498	\$ 414,887	\$ 392,872	\$ 361,578	\$ 198,259
-Tax on Profit	\$ 142,950	\$ 124,466	\$ 118,052	\$ 108,473	\$ 59,478
=P&L NET RESULT	\$ 333,548	\$ 290,421	\$ 274,820	\$ 253,105	\$ 138,781
Cash Profit	\$ 675,603	\$ 801,594	\$ 905,413	\$ 992,873	\$ 933,139
Cash & Cash Equivalents at the year end	\$ 2,473,150	\$ 2,220,744	\$ 2,071,657	\$ 1,982,780	\$ 1,897,669
Projected Investment	\$ 941,500	\$ 1,054,000	\$ 1,054,500	\$ 1,081,750	\$ 1,018,250

Accounting period runs from 1st November to 31st October

Cash & Cash Equivalents includes opening cash & bank balances as per Audited Financial Statements prepared by PwC for the financial 2022-23 plus cash generated from business operations from 1st Nov 2023 onwards minus amount invested during the year.

FORM P.A. 1

SERIAL NO.:

TICN:



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM FOR CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations: Regulation 42, Government Notice
No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938

DAR ES SALAAM

Tel. 2116328

Fax. 2118253

e-mail: information@tic.co.tz

Website: www.tic.co.tz

(Please fill the form in duplicate)

THE UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/~~We~~ SANJAY GAJJAR
(director/~~directors~~/agent of RANGER SAFARIS LTD.
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
EXPANSION OF TOUR OPERATIONS
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT NO. 556,
BLOCK X, AREA F, WACHAGGA STREET, ARUSHA

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at PLOT NO. 556, BLOCK X,
AREA F, WACHAGGA STREET,
ARUSHA
4. The Principal Officers of the Company are
- MR. SANJAY GAJJAR
.....
MR. ALI MOLEDINA
.....
5. Auditors of the Company are PRICEWATERHOUSE COOPERS
P.O. BOX 45, DAR ES SALAAM
6. The authorized share capital of the Company is Tshs./US\$ 976,500,000/-
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$
8. The month and day of the financial year end is **31ST OCTOBER**

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, **SANJAY GAJJAR** of Post Office Number **9, ARUSHA TANZANIA** do solemnly and sincerely declare that I am a director/~~data~~ authorized agent of **RANGER SAFARIS LTD.**

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at **ARUSHA** }
~~Dares Salaam~~ }
 The **3rd** day of **April** **24** }
 200**7** }

[Handwritten Signature]
 Applicant

Before me: **NEEMA MTAYANGULWA**

[Handwritten Signature]
 Commissioner for Oaths



Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: **RANGER SAFARIS LIMITED**

COI Number: **6186** Status: **PRIVATE COMPANY INCORPORATED UNDER THE COMPANIES ORDINANCE (CAP 212)**
 COI Date: **13-3-1978**

Post Box: **9**

Town: **ARUSHA, TANZANIA**

Sector: **TOURISM**

Sub-Sector: **DESTINATION MANAGEMENT COMPANY**

Investment Financing Plan in Million US\$/Tshs

Foreign Equity	Local Equity	Foreign Loan	Local Loan
NIL		NIL	NIL

Project Objectives:

FOR EXPANSION OF TOUR OPERATIONS

Capacity:

Employment: Foreign: **4** Local: **138** Total: **142**

Implementation Period: **FIVE YEARS**

Project Location

Site/Plot/Block No.: **556, BLOCK X, AREA F,**

Street: **WACHAGGA** District: **ARUSHA** Region: **ARUSHA**
 (Attach sketch map showing project location)

Shareholders	Nationality	%
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- | | | |
|-----------------------------|------------------|-------------------|
| 1) TRAVEL UNION INC. | MAURITIUS | 74.99986 % |
| LEIBNIZ-SERVICE GmbH | GERMAN | 25% |
| SANJAY GAJJAR | INDIAN | 0.00007% |
| ALI MOLEDINA | CANADIAN | 0.00007% |

Investment Breakdown	US\$/Tshs.M
Land/Building -
Plant GENERATOR & HOIST 80,000
Vehicles 5,000,000
Furniture & Fittings 25,000
Pre-expenses 5,000
Others COMPUTERS & IT. 40,000
Working Capital -
TOTAL 5,150,000

Contact Details:

Name: SANJAY GAJJAR Title: MANAGING DIRECTOR
 Telephone: 0754 786407 Fax:
 Email: sanjay@rangersafaris.co.tz