BUSINESS PLAN FOR THE

IMPLEMENTATION PROGRAMME

OF

M/S CUSNA INVESTMENT LIMITED

IN

EXPANDING AND OPERATING A PROJECT FOR CARGO TRANSPORTATION

PREPARED BY
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M/S CUSNA INVESTMENT LIMITED
EXPANDING AND OPERATING A PROJECT FOR CARGO TRANSPORTATION

1. INVESTMENT PROPOSAL

The Feasibility study has been prepared by **M/S CUSNA INVESTMENT LIMITED** for the company's cargo transportation project to cover Tanzania Mainland and neighboring & landlocked countries such as Kenya, Uganda, Rwanda, Burundi, DRC, Zambia, Malawi and Mozambique.

The Business Proposal was prepared to give an analysis of the financial, human, technical and other resources required for cargo transportation project and also assess its economic viability and commercial viability in order to allocate funds for cargo transportation Project especially in acquiring trucks, tractor., Horses, communication equipment, workshop equipment, security & cargo handling equipment, generators, transformer etc.

The certificate of incentives will enable the project to qualify for duty exemption on fleet of cargo vehicles, supporting vehicles such as hardtop & pickups, related equipment, workshop equipment, cargo handling equipment, generators, transformer etc and enjoy services under one stop shop at Tanzania investment Centre such as approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

2. COMPANY'S BACKGROUND

M/S CUSNA INVESTMENT LIMITED is a private owned company incorporated in Tanzania by Registrar of Companies under company's ordinance on 24th day of August 1994 with Certificate of Incorporation No: 25941

M/S CUSNA INVESTMENT LIMITED was incorporated with a major objective of conducting business of cargo transportation. Currently the Company intends expand the cargo haulage Project by importing more cargo vehicles and other related facilities for making cargo haulage Project successful. The company will import trucks, tractors, horse, pickups, hardtops, trailers, forklifts, crane, reach stacker, security & Communication equipment, workshop equipment, generators etc.

The company determines to win and dominate the Market in East and Central Africa by having new trucks, tractor, horse, hardtop, pickups, workshop in order to service the trucks & supporting vehicles so that the trucks will be in good condition all the time.

The main purpose of the Intended cargo haulage project is to provide quality facility for cargo haulage business to correspond with the clients' demand especially in this competitive market. The quality of company's cargo haulage business will guarantee clients satisfaction in expansion programme.

There is an extensive market in Tanzania Mainland as well as landlocked & neighboring Countries to absorb cargo haulage facility which will be efficiently provided by M/S **CUSNA INVESTMENT** LIMITED. It is on the basis of the above reasons the management resolved to expand the facility for cargo transportation.

In the intended programme, the proposed cargo haulage project will import trucks, tractors, horse, pickups, hardtop, trailers, forklifts, crane, reach stacker, security &Communication equipment, workshop equipment, generators etc.

Hence the proposed programme of three years in setting up facilities for cargo transportation project is estimated to be USD 1,600,000. The estimated capital investment cost of USD 1,600,000 will be on trucks, tractors, horse, pickups, hardtop, trailers, forklifts, crane, reach stacker, security & communication equipment, workshop equipment, generators etc.

3. THE POTENTIAL MARKET

There is very big market potential for the cargo transportation business in Tanzania Mainland and landlocked & neighboring Countries. In Tanzania Mainland there are **regions / very remote** with **poor roads - poor infrastructure in far regions** and acute shortage of this facility especially for **increased trade**. And another reason is the **growth of business in remote areas**. They need merchandise from Dar es salaam where is the source of business.

The **economic growth** influenced such movement of goods especially industries and businessmen as the demand is growing day by day for the increased imported goods, **transit and transshipment of containers to landlocked countries**

Land locked countries need cargo haulage services to transport fuel and containers from Dar es Salaam Port to their countries which do not have Ports. And the market is growing day by day due to growth of business, industries, oil marketing companies (OMC), mining companies etc.

The recent market survey undertaken by the company has realized that there is high demand for cargo transportation business in Tanzania as well as **Land locked** countries which do not have the ports to receive their imported goods. They get their containers of imported goods through **Dar es salaam Port-**

growth of import & export business in the neighboring Countries.

High quality fleet, efficiency and goodwill are the factors which will make the cargo haulage project to dominate the market. There are few cargo haulage companies which can compete with the company's services due to Business strategy, Promotion, Budgetary Plan, efficiency, goodwill, promptness and fleet of vehicles.

The company also intends to increase cargo transport services such as Transit, Transshipment, Internal cargo transportation within Tanzania Mainland where there is acute shortage of such services due to remoteness and poor roads.

4. PROJECTS FACILITIES:

- Trucks, tractors, fuel tankers, horse,
- Hardtops & Pickups,
- Forklift, reach stackers, crane,
- Radio calls, Base Station, GPS, car tracking systems & security equipment.
- Workshop equipment, generators, compressors etc

5. THE COMPANY'S OBJECTIVES

M/S CUSNA INVESTMENT LIMITED is a project for setting up facilities for cargo transportation business in Tanzania Mainland and will be operating in Tanzania and neighboring Land Locked countries.

The mission of intended cargo haulage project is basically aimed at transportation business, marketing & promotion of the intended cargo transportation project in order to increase clients in Tanzania Mainland and from neighboring and land locked countries to achieve the following objectives.

- To foster the growth of wet and dry cargo transportation industry in Tanzania.

- To reduce dependence on external cargo transporters from other countries

- To promote local business, import & export, transit, transshipment, agriculture, mining, and industries by cargo transportation services.

- To promote growth and expansion of private sector.

- The Company will create more employments (drivers. Turnboys, mechanic, accountants, managers etc.)

- Skill development (human resources development) through on job training and use of vehicles and new technology application.

- Income generation, alleviation of poverty and improve their social welfare employees such as drivers, turnboys, mechanics and other staffs etc.

- The Company contributes to the government revenue through taxes and other levies like Corporate taxes, PAYE etc

6. FUTURE PLANS

- High performance in cargo transportation business

- To increase cargo transport services in Tanzania and neighboring & landlocked countries and hence resulting foreign earnings in addition to the prevailing local market.

- To increase new fleet of vehicles with introduction of new technology.

- To increase the volume/ capacity of cargo to be transported.

7. SHAREHOLDERS /PROMOTERS

M/S **CUSNA INVESTMENT** LIMITED is a project for cargo transportation. The following are the shareholders/ promoters of **M/S CUSNA INVESTMENT** LIMITED and their shareholder's position are:-

No	Name of Shareholders	Nationality	Shares	Percent %
1.	Baraka Cassian	Tanzanian	40	64.52
2.	Mathew Peter Mushi	Tanzanian	18	29.0
3.	Mabula Ernest Maduhu	Tanzanian	1	1.6
4.	Faustine Paul Munishi	Tanzanian	1	1.6
5.	Henry Stephen Mwawuganga Mbogho	Kenyan	2	3.2
	TOTAL		62	100%

Therefore, the authorized capital of the company is Tshs. 10,000,000/= divided into 100 ordinary shares of Tshs. 100,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

8. LOCATION

The company's business premises are located at Plot No. 2177/205, Block 2178/205 Nkrumah street, Gerezani/ Ilala - Dar es salaam Region. Postal Address P. O. Box 11107 Dar es salaam.

9. COMPANY'S IMPLEMENTATION SCHEDULE

9.1 MARCH - 2024

- ❖ Preparing feasibility study for the proposed Cargo transportation Project.
- ❖ Registration of cargo transportation project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- ❖ Getting Certificate of Incentives

9.2 APRIL - 2024

- ❖ Application for Import Duty exemption on trucks, tractors, supporting vehicles, workshop equipment, security & communication equipment, cargo lifting equipment after being awarded certificate of incentives in the Expansion Programme.
- ❖ Importing trucks, tractors, supporting vehicles, workshop equipment, security & communication equipment, cargo lifting equipment, generators, transformer etc.
- ❖ Clearing the Fleet of cargo haulage vehicles from customs control.

9.3 MAY- 2024

- ❖ Recruiting new Drivers. Turn boys, Mechanics and other administration staffs.
- ❖ Fully commencement of cargo transportation business.

10. CAPITAL INVESTMENT COST

Land/Building	USD $	50,000
Plant/Machinery	USD $	250,000
Vehicles	USD $	1,100,000
Furniture and Fittings	USD $	-
Pre-expenses	USD $	100,000
Working Capital	USD $	100,000
TOTAL CAPITAL	**USD $**	**1, 600,000**

The proposed project for cargo transportation is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

11. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S CUSNA INVESTMENT LIMITED has firmed up finances for the implementation programme by its own fund and loan: -

Own fund (equity)	USD $	300,000	
Local loan	USD $	1,300,000	-
TOTAL	**USD $**	**1,600,000**	

12.CARGO HAULAGE FACILITIES

i. -Trucks.
ii. - Tractors,
iii. - Horse,
iv. - Hard Top,
v. - Pickups.
vi. - Forklift.
vii. - Crane,
viii. - Radio Calls and Radio Base Station.
ix. - GPS & Car tracking Systems, CCTV.
x. - Mobile workshop, Tool boxes
xi. - Weigh bridge, Generators, Transformers

xii. Communication &security system
xiii. Cargo Handling Equipment etc

13. SUBMISSION

M/S CUSNA INVESTMENT LIMITED wishes to submit its investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of cargo haulage Project.

The cargo transportation Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued the Certificate of incentives. Thereafter the Company will import trucks, tractors, Horse, pickups, hardtop, workshop equipment, forklift, crane, security & communication equipment, generators, and transformer etc.

The Project will qualify for Duty exemption on Capital/Deemed Capital Goods which are trucks, tractors, supporting vehicles, workshop equipment, communication equipment, cargo lifting equipment, generators, transformer etc.

14. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments such as Industry, mining, agriculture, Trade/ Business, tourism, export & imports, natural resources such as fishing, bee keeping & timber processing in Tanzania led the need for the cargo transportation facility which has influenced the promoters of the intended cargo project to invest in the proposed cargo transportation project in to facilitate the above mentioned sectors.

The economic growth influenced such movement of goods especially industries and businessmen as the demand is growing day by day for the increased imported goods, transit and transshipment of containers to landlocked countries.

15. COMPETITION/MARKET

Despite there being numbers of cargo transporters of containers in Tanzania still the facility is not enough compared to the level of demand.

However, the proposed project for cargo transportation intends to provide trustworthy, efficiency and quality services to dominate the local and export market because the project ensures high quality, promptness and goodwill.

16. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

17. BUSINESS STRATEGY

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- Technology/quality fleet of vehicles,
- Advertisement/promotion,
- Employing qualified and experienced drivers, mechanics,
- On job training,
- Business Discipline.

18. ENVIRONMENTAL ISSUE

The cargo transportation business and the whole vehicle servicing is environmental friendly. The workshop activities of services vehicles will not cause any harm to people.

19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. Baraka Cassian is the Managing Director of the Company; he is well versed in cargo transportation. The other Directors are Mathew Peter Mushi, Mabula Ernest Maduhu, Faustine Paul Munishi and Henry Stephen Mwawuganga Mbogho.

20. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being cargo transportation in its implementation programme will usher in the technology (Transfer of knowledge/technology) by using vehicles and workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Further the country can reduce its dependence on cargo transporters from neighboring countries. Hence Tanzanian businessmen, farmers, miners. Oil marketing companies, importers and industries will be able to get the service from local cargo haulers at affordable price.

The cargo haulage project will cause more people to be employed in as drivers, turn boys, mechanic, security Guards, accountant, logistic manager and about 100 local people and 5 foreigners people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on training and in a long run will improve the technical competence in the cargo transportation.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of cargo transportation done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the cargo transportation project so that the project will import and enjoy tax exemption on Capital/Deemed Goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of USD $ 340,000 this operating year. The profit amount is expected to steadily rise to USD $ 345,000 in year two, USD $ 350,000 in year three and USD $ 355,000 in year four.5TH YEAR - 360,000

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

23.3 Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

24. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S** CUSNA INVESTMENT **LIMITED**

24.1 Effect of cost increase on profitability (on the basis of year II CARGO TRANSPORTATION INCOME in "......" USD $)

Income	Costs	Increase	Profit before depreciation
945,000	600,000	%	345,000
945,000	630,000	5%	315,000
945,000	660,000	10%	285,000

24.2 Effect of CARGO TRANSPORTATION INCOME decrease/drop on profitability (on the basis of year II costs in "......" USD $)

Income	Income Decrease	Cost	Profit before depreciation
945,000	%	600,000	345,000
897,750	5%	600,000	297,750
850,500	10%	600,000	250,500

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S CUSNA INVESTMENT LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD $ '000')

Income	**Years**				
	I	**II**	**III**	**IV**	**V**
Sales Income	910.0	945.0	980. 0	1,015.0	1,050.0
Total Income	**910.0**	**945.0**	**980.0**	**1,015.0**	**1,050.0**
Utilities	200.0	200.0	200.0	200.0	200.0
Salaries and wages	100.0	100.0	100.0	100.0	100.0
Transportation/fuel	70.0	80.0	90.0	100.0	110.0
Administrative Expenses	150.0	160.0	170.0	180.0	190.0
Other Expenses	50.0	60.0	70.0	80.0	90.0
Total Expenditure	**570.0**	**600.0**	**630.0**	**660.0**	**690.0**
Net Profit (pre tax and depreciation)	340.0	345.0	350.0	355.0	360.0

Appendix II

M/S CUSNA INVESTMENT LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD $ '000')

Year	I	II	III	IV	V
Cash inflow					
ncome from operation	340.0	345.0	350.0	355.0	360.0
	340.0	**345.0**	**350.0**	**355.0**	**360.0**
Cash outflow					
nterest payments	130.0	117.0	104.0	91.0	78.0
Loan re-payment	130.0	130.0	130.0	130.0	130.0
Wear & tear	10.0	12.0	14.0	16.0	18.0
Taxes	10.0	11.0	12.0	13.0	14.0
	280.0	**270.0**	**260.0**	**250.0**	**240.0**
Surplus cash generated	**60.0**	**75.0**	**90.0**	**105.0**	**120.0**

Appendix III
(Fig. USD $ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	365.0	370.0	375.0	380.0	885.0	3,625.0
	365.0	**370.0**	**375.0**	**380.0**	**385.0**	**3,625.0**
Cash outflow						
Interest payments	65.0	52.0	39.0	26.0	13.0	**715.0**
Loan re-payment	130.0	130.0	130.0	130.0	130.0	**1,300.0**
Wear & tear	20.0	22.0	24.0	26.0	28.0	**190.0**
Taxes	15.0	16.0	17.0	18.0	19.0	**145.0**
	230.0	**220.0**	**210.0**	**200.0**	**190.0**	**2,350.0**
Surplus cash generated	**135.0**	**150.0**	**165.0**	**180.0**	**195.0**	**1,275.0**

M/S CUSNA INVESTMENT LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD $ '000')

	Repayment			
Year	Principal	Interest	Total	Amount
O				1,300.0
I	130.0	130.0	260.0	1,170.0
II	130.0	117.0	247.0	1,040.0
III	130.0	104.0	234.0	910.0
IV	130.0	91.0	221.0	780.0
V	130.0	78.0	208.0	650.0
VI	130.0	65.0	195.0	520.0
VII	130.0	52.0	182.0	390.0
VIII	130.0	39.0	169.0	260.0
IX	130.0	26.0	156.0	130.0
X	130.0	13.0	143.0	0.0

Appendix 1V

M/S CUSNA INVESTMENT LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD $ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	100.0	150.0	200.0	250.0	350.0
2.	Long term Loan	260.0	247.0	234.0	221.0	208.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		473.5	**568.6**	**663.7**	**758.8**	**903.9**
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	173.5	268.6	363.7	458.8	603.9
		473.5	**568.6**	**663.7**	**758.8**	**903.9**