BUSINESS PLAN

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OF

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PANDA OIL COMPANY LIMITED

OF

2025 TO 2030

TO

TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONES AUTHORITY

Contents

1.0. EXECUTIVE SUMMARY.

Panda Oil Company Limited is a company registered under the laws of United Republic of Tanzania on 21st March, 2025 and granted Certificate of Incorporation Number 183438123. The Development of Fuel Storage Facilities project aims to establish modern, safe, and efficient fuel storage infrastructure to support reliable fuel supply for industrial, commercial, and retail markets. The project will address growing demand for petroleum product storage driven by energy consumption growth, supply chain requirements, and strategic fuel reserves.

The facility will store and manage petroleum products such as diesel, petrol (gasoline), kerosene, and aviation fuel, depending on market demand. The project emphasizes safety, regulatory compliance, environmental protection, and operational efficiency.

The venture seeks to generate revenue through fuel storage fees, throughput charges, and long-term storage contracts with fuel marketers, distributors, and institutional clients.

2.0. COMPANY STRUCTURE.

Panda Oil Company Limited is a foreign company owned by Chinese. With its One Hundred Thousand (100,000) ordinary shares all taken by the shareholders. The authorized share capital of the company is Tanzanian Shillings Two Billion and Seven Hundred Million Only (Tshs. 2,700,000,000/=).

Name	Number of shares taken by each subscriber	Share percent%
WANG DONGMEI	5,000	5%
JING GANG RUI SHENG INTERNATIONAL TRADE CO., LIMITED	95,000	95%

3.0. COMPANY PLAN.

This project focuses on the Construction of fuel storage facilities company capital planned is **USD 1,927,525** which 50% will come from foreign equity and 25% will come from local loan and other 25% from foreign loan. At full capacity of the project will directly employ 110 people (5 foreigners and 105 local) and indirectly employ more than 110 people.

Through the analysis conducted, the shareholders of the company have realized the feasibility of this project. The market analysis conducted has revealed that the services will penetrate the market and the company can establish its niche. Financial analysis has shown that the investment will pay-off as it has been predicted to make profits.

The object of this business plan is to present the business idea so that the Tanzania Investment and Special Economic Zones Authority (TISEZA) can provide incentives and immunities to the project presented. The incentives will help

this project to develop and since this is a commercial, socially and fiscally rational project the management believes that it deserves the incentives.

4.0. INTRODUCTION

The business will operate as fuel storage and handling company, providing bulk storage services for petroleum products. It will not necessarily engage in fuel retail but will focus on storage, handling, and distribution support.

4.1. Vision

To become a reliable and industry-leading fuel storage facility known for safety, efficiency, and supply reliability.

4.2. Mission

To provide secure, environmentally responsible, and cost-effective fuel storage solutions that support uninterrupted energy supply.

5.0. OBJECTIVES.

5.0.1. To establish a compliant and modern fuel storage facility.

5.0.2. To secure long-term storage contracts with fuel marketers.

5.0.3. To achieve operational break-even within (2–3) years.

5.0.4. To maintain zero major safety or environmental incidents.

5.1. STRATEGIC OBJECTIVES.

5.1.0. Short-Term Goals (1-2 years):

5.1.1. To secure licenses, permits, and environmental approvals.

5.1.2. To construct main depot with storage capacity of (5) million liters.

5.1.3. To develop supply chain partnerships with fuel importers and refineries.

5.1.4. To acquire fleet (5-tankers).

5.1.5. To hire key management and technical staff.

5.1.6. To begin operations with regional distribution.

5.1.7. To achieve minimum (60%) storage utilization.

5.1.8. To establish fuel contracts with industrial and transport clients.

5.1.9. To begin construction of two satellite depots.

5.2.1. Medium-Term Goals (3-5 years):

5.2.2. To expand storage to (10) million liters.

5.2.3. To operate (10) fuel tankers.

5.2.4. To expand market to neighboring cities/regions.

5.2.5. To digitize inventory and logistics management systems.

5.2.6. To introduce mobile fuel delivery services.

5.2.7. To achieve (80 %+) storage utilization.

5.2.8. Diversify into aviation fuel and lubricants.

5.2.9. To strengthen safety, compliance, and ESG standards.

5.2.10. Partner with energy firms and logistics providers.

5.3.1. Long-Term Goals (5+years):

5.3.2. Operate in (3+) regions with full logistics infrastructure.

5.3.3. Build fuel analytics and demand forecasting systems.

5.3.4. Target (15) million liters monthly distribution.

6.0. MARKET ANALYSIS.

6.1. Industry Overview.

Fuel storage infrastructure is a critical component of the energy supply chain. Growing industrialization, transportation needs, and power generation demand have increased the need for strategic fuel reserves and reliable storage facilities. Tanzania also serves as a transit corridor for landlocked countries such as Zambia, Rwanda, Burundi, DRC, and Uganda.

6.2. Target Market.

6.2.0. Oil marketing companies.

6.2.1. Fuel importers and exporters.

6.2.2. Power generation companies.

6.2.3. Aviation and marine fuel suppliers.

6.2.4. Government and institutional fuel reserves.

6.3. Market Demand.

- Demand for fuel storage is driven by:

6.3.1. Volatility in fuel supply and pricing.

6.3.2. Need for bulk storage for cost efficiency.

6.3.3. Regulatory requirements for strategic reserves.

6.3.4. Expansion of transportation and industrial sectors.

6.4. Competitive Analysis.

Competitors include existing private and government-owned storage facilities. Competitive advantage will be achieved through:

- Modern infrastructure.
- Competitive pricing.
- Strategic location.
- High safety and environmental standards.

7. 0. PRODUCTS AND SERVICES.

- The business will offer: -
  - 7.0.1. Bulk fuel storage services.
  - 7.0.2. Fuel handling and transfer services.
  - 7.0.3. Throughput and loading services.
  - 7.0.4. Long-term and short-term storage contracts.
  - 7.0.5. Inventory management and reporting.

7.1. **Location and Infrastructure.**

- The facility will be strategically located near:
- Ports, refineries, pipelines, or major transport routes.

7.2. Infrastructure Components:

- 7.2.0. Above-ground storage tanks.
- 7.2.1. Loading and offloading systems.
- 7.2.2. Firefighting and safety systems.
- 7.2.3. Security and monitoring systems.
- 7.2.4. Environmental protection systems.

8.0. OPERATIONS PLAN

8.1. **Daily Operations**

8.1.0. Fuel receipt and dispatch.

8.1.1. Inventory monitoring.

8.1.2. Quality control checks.

8.1.3. Safety inspections.

9.0. REGULATORY AND LEGAL COMPLIANCE

- The project will comply with all relevant Tanzanian laws and regulations, including: -

9.0.1. Energy and Water Utilities Regulatory Authority (EWURA) licensing.
9.0.2. National Environment Management Council (NEMC) environmental approvals.
9.0.3. Occupational Safety and Health Authority (OSHA) requirements.
9.0.4. Local government and land-use approvals

10.0. STAFFING

10.0.1. Facility Manager.
10.0.2. Operations Supervisor.
10.0.3. Safety & Compliance Officer.
10.0.4. Technicians and Operators.
10.0.5. Security and Administrative Staff.
10.0.6. Health, safety, and environment (HSE).

10.1. Safety is a core priority. The project will implement: -

10.1.0. Fire detection and suppression systems.
10.1.1. Emergency response plans.
10.1.2. Staff safety training.
10.1.3. Environmental spill prevention and control.
10.1.4. Regular audits and inspections.

11. 0. MARKETING AND SALES STRATEGY.

11.1. Marketing Approach.

11.1.0. Direct engagement with fuel marketers.
11.1.1. Long-term contract negotiations.
11.1.2. Partnerships with logistics companies.
11.1.3. Industry networking and tenders.

11.2. Pricing Strategy.

- Pricing will be competitive and based on: -

11.2.0. Storage volume.
11.2.1. Duration of storage.
11.2.2. Throughput services.
11.2.3. Market rates

12. 0. Financial Plan

12.1. **Capital Requirements**: -

- Initial capital will cover: -
  - 12.1.0. Land acquisition or lease.
  - 12.1.1. Construction of storage tanks.
  - 12.1.2. Equipment and safety systems.
  - 12.1.3. Licensing and permits.
  - 12.1.4. Working capital

12.2. Revenue Streams.

12.2.0. Storage fees (per liter or cubic meter).
12.2.1. Throughput and handling charges.
12.2.2. Long-term contract fees.

12.3. Profitability.

- The project is expected to achieve: -
  - 12.3.0. Stable recurring income.
  - 12.3.1. Strong cash flow after operational stabilization.
  - 12.3.2. Long-term asset appreciation.

13.0. Risk Analysis and Mitigation

- **Key Risks:**

13.0.1. Fuel price volatility.
13.0.2. Regulatory changes.
13.0.3. Environmental or safety incidents.

13.1. Mitigation Measures:

13.1.0. Long-term contracts.
13.1.1. Comprehensive insurance coverage.
13.1.2. Strong HSE systems.
13.1.3. Regulatory compliance monitoring.

13.2. Implementation Timeline

Phase	Activity	Duration

Phase	Activity	Duration
Phase 1	Feasibility & Approvals	3-6 months
Phase 2	Construction & Installation	6–12 months
Phase 3	Testing & Commissioning	1–2 months
Phase 4	Commercial Operations	Ongoing

14.0. HISTORICAL BACKGROUND.

14.1. Early Beginnings: Refinery and Storage Origins (1960'S–1990'S)

14.2. TIPER Terminal: From Refinery to Storage Hub.

- The foundations of Tanzania's fuel storage infrastructure trace back to the Tanzanian and Italian Petroleum Refinery **(TIPER)** built in 1966 at Kigamboni, Dar es Salaam, originally as a small oil refinery. It had a capacity of about 600,000 tons per year and was constructed under a joint agreement between the Tanzanian government and Italian oil company Eni/AGIP.

- In **1969,** the Government of Tanzania purchased 50% of the refinery. After the refinery's closure in **2000**, due to economic inefficiency amid structural changes in the petroleum sector, the remaining facilities were rehabilitated and transitioned into a major petroleum storage terminal, now operated as **TIPER (Tanzania International Petroleum Reserves)**.

14.3. Tazama Pipeline & Early Tank Farms.

- Construction of the Tazama crude oil pipeline between Dar es Salaam and Ndola (Zambia) in the late 1960s and early 1970s included building associated tank farms in Dar es Salaam to handle storage for crude moving through the pipeline. The development of these storage tanks was pivotal for managing fuel flows not just for domestic distribution but also for transit and regional supply, especially for landlocked neighboring countries.

14.4. Sector Liberalization and Growth (1990s–2010s).

14.4.1. Deregulation and Private Entry.

In the late 1990s and early 2000s, Tanzania liberalized its petroleum sector, allowing private companies to play a greater role in importation, distribution, and storage of fuels. This liberalization accompanied reforms that dismantled monopolistic supply models and encouraged investment in downstream infrastructure.

With deregulation, oil marketing companies and independent terminal operators began building their own storage facilities and depots across the country. By mid-2010s there were dozens of licensed depots, with the majority concentrated around Dar es Salaam due to proximity to import terminals.

14.4.2. New Private Storage Terminals.

- **Sahara Tanzania Limited**, part of the Sahara Group, commissioned its first major (36) million litre petroleum storage terminal in Kigamboni in 2017, boosting fuel storage and distribution capacity significantly.
- Over subsequent years the company expanded its storage capacity further, reaching (72) million litres by 2021**,** and continued investing in more tanks and loading infrastructure to support efficient fuel distribution nationally and regionally.

14.5. Recent Government Initiatives and Strategic Expansions (2020s–Present).

14.5.1. Addressing Capacity Shortfalls.

- Despite growth in private storage, Tanzania has faced challenges from insufficient overall fuel storage capacity, which has contributed to inefficiencies such as long ship waiting times and higher demurrage costs at ports, often affecting domestic fuel prices.

14.6. New Government-Led Storage Projects.

- In **2025**, the Tanzanian government-initiated construction of (15) new oil storage tanks at Kigamboni with a combined capacity of about **378,000 cubic meters** for petrol, diesel, and aviation fuel and reserve storage. This project is aimed at expanding national storage infrastructure, stabilizing the supply chain, and reducing costs associated with fuel handling.

15.0. THE OUT LOOK OF THE BUSINESS STRENGTH AND GROWTH POTENTIAL

15.0. 1. MAJOR CUSTOMERS.

- Here are the major customers of fuel, categorized by sector: -

15.1. **Transportation Sector.**

- This is the largest consumer of fuel globally.

15.2. **Aviation**:

- Commercial airlines (e.g. Delta, Emirates, Lufthansa).
- Private jet operators**.**
- Cargo airlines (e.g. Fed Ex, UPS).

15.3. **Road Transport:**

- Logistics and delivery companies (e.g. Amazon, DHL, UPS).

15.4. **Private vehicle owners**.

15.4.0. Shipping &Marine**:**

15.4.1. Cargo shipping companies (e.g. Maersk, MSC, and COSCO).

15.4.2. Fishing fleets.

15.4.3. Cruise lines (e.g. Carnival, Royal Caribbean).

15.5. **Railways:**

- Freight and passenger rail companies (especially in areas without full electrification).

15.6. **Industrial Sector.**

- Industries use fuel for power, heating, and as a raw material.
- **Manufacturing plants;** need for Steel, cement, paper, and chemical factories.
- **Construction companies**; Use diesel for heavy equipment and generators.
- **Mining companies**; Fuel is used in excavation, transport, and processing equipment.

15.7. **Agricultural Sector.**

- Fuels are used for machinery and production processes.
- **Large-scale farms and agribusinesses**; need for Tractors, harvesters, irrigation pumps.
- **Agro-processing companies**; for powering food processing plants and transport vehicles.

15.8. **Power Generation.**

- **Fuel is used in thermal power plants**, especially in developing regions.
- **Electric utilities and power companies**; Use coal, diesel, natural gas, or fuel oil for electricity generation.

15.9. **Government and Military.**

- These are strategic fuel consumers; -
- **Defense forces**; for Military vehicles, aircraft, ships, and bases.
- **Public service fleets**; need it for Police, fire services, municipal vehicles.

15.10. **Commercial and Residential Consumers.**

- Backup generators for buildings and homes.
- Fuel retailers (gas stations); Purchase large quantities from wholesalers or refiners.

16.0• Market Demand & Growth Drivers.

16.0.1. Increasing Fuel Imports & Consumption.

- Tanzania's fuel imports rose by about **10.9% in 2023/24**, with over **4.3 billion litres** brought in for local consumption, reflecting rising transport, industrial and agricultural energy needs. Growing demand increases pressure on existing storage infrastructure, creating opportunities for additional capacity development.

16.0.2. LPG and Clean Energy Transition.

- The LPG market is expanding rapidly, with consumption up to 38% in 2023/24 and more import/storage terminals planned. This is important because fuel storage isn't limited to petrol/diesel: LPG storage and distribution hubs are increasingly strategic assets.

16.0.3. Population & Economic Growth.

- Tanzania's population and economy are expanding, with urbanization increasing energy consumption per capital which in turn boosts demand for reliable storage and distribution infrastructure.

16. 1. Business Strengths & Competitive Opportunities.

16.1.0. Strategic Geographic Position.

- **Dar es Salaam, Tanga, Mtwara** serve as major fuel import and distribution hubs with existing storage tanks. Expansion can draw regional demand from landlocked neighbors **(e.g., Zambia, DRC, Rwanda, Burundi, Malawi, and Uganda)**. Tanzania's ports and logistic connectivity give fuel storage investors a potential regional distribution advantage over inland competitors.

16.1.1. Existing Government Support.

- Government and regulatory authorities (e.g., EWURA) are actively licensing more fuel importers, distributors, and storage operators, which promotes market entry. Planned expansions of storage tanks by public bodies like TPDC signal public–private synergy opportunities.

16.1.2. Regulatory Improvements & Centralized Procurement.

- The inclusion of LPG in Tanzania's Petroleum Bulk Procurement System aims to reduce costs and stabilize supply logistics, making large-scale storage more economically viable. Strong regulation also increases confidence among investors and partners.

16.1.3. Regional Fuel Corridor Positioning.

- Tanzania is positioning itself as a **fuel trade and storage hub** in East and Central Africa, a strategic role requiring large storage capacity, especially for seasonal inventories and regional exports.

16.2. Growth Potential & Future Trajectory.

16.2.0. Capacity Expansion Plans.

- Existing facilities are being expanded (e.g., Sahara Group increased its capacity to 72 million L), and new tanks are being tendered, indicating ongoing capacity growth. TPDC's plans for new tanks totaling 162,000 tones underline future storage capacity scaling.

16.2.1. Complementary Infrastructure Development.

- Fuel storage success depends on transport logistics improvements (roads, rail, ports), and Tanzania has been investing in those sectors, which indirectly boosts storage viability and ROI.

16.2.2. LPG & Alternative Fuels.

- With LPG demand rising quickly, investments in LPG storage depots and cylinder-filling infrastructure offer high growth potential alongside traditional fuels.

16.2.3. Regional Export Demand.

- Landlocked neighbors rely heavily on Tanzania's logistics for fuel imports, making additional buffer and transit storage critical for regional energy security and transit trade.

16.3. Risks & Challenges to Consider; -

16.3.0. Import Dependence & Price Volatility.

- Tanzania relies heavily on imported fuel products. Global price volatility can impact profit margins and storage demand forecasts.

16.3.1. Technological & Regulatory Standards.

- Increasing regulatory emphasis on storage safety and quality may require higher upfront investments in modern terminals, a barrier for low-capital entrants.

16.3.2. Emerging Fuel Alternatives.

- Growth in compressed natural gas(CNG) usage presents a competitive dynamic that may shift portions of transport fuel demand away from liquid fuels over the long term.

16.4. Summary: Business Outlook & Growth Potential

Factor	**Outlook**
Market Demand	Strong and expanding, rising fuel imports and LPG growth
Strategic Position	Excellent ports & transit corridor roles boost competitiveness
Investment Landscape	Favorable government support & private licensing expanding
Growth Trajectory	High-capacity expansion and regional export dynamics
Risks	Import dependence, regulatory compliance costs, alternate fuels

16.5. The business outlook for fuel storage facilities in Tanzania is strong and promising. Growth is driven by: -

- Rising domestic fuel consumption and LPG adoption, Strategic location as a regional fuel corridor, Public and private investments in storage infrastructure.
- **Government policy support and regulatory frameworks**.
- Despite some risks (import volatility, compliance costs), the long-term growth potential is compelling for investors with capital, logistical know-how, and long-term strategy, especially those who align storage development with regional trade flows and diversified fuel types.

17.0. OFFICES OF THE COMPANY.

- The office of the Company is located at **DAR-ES-SALAAM REGION, KINONDONI DISTRICT, MIKOCHENI WARD, POSTAL CODE 14112, MIKOCHENI 'A' STREET, PLOT NO.33, BLOCK D, HOUSE NO. 12**.

17.1. INDUSTRY LOCATION.

- The project shall be located at **DAR-ES-SALAAM REGION, KIGAMBONI DISTRICT, VIJIBWENI WARD, POSTAL CODE 17108, VIJIBWENI INDUSTRIAL AREA STREET, TIPPER ROAD, PLOT NO. 37 BLOCK NO. 36, HOUSE NO. 36.**

18.0. Supplies Plan.

- The company will source its supplies from Tanzania and the neighboring EAC countries for products that cannot be sourced from the country. Importation will be done for only those things which cannot be bought from Tanzania.

18.1. Industrial Building Plan.

- At full capacity, the project will provide an area of (120,000) square meters in terms of developed structures (building and industrial shades).

18.2. Site Building Plan (October, 2025–October, 2026):

Month	Phase	Activities	Milestones/Deliverables
October,2025	Planning Design	-Conduct site survey and soil testing.	-Site survey report and soil analysis completed.
		-Finalize architectural and engineering designs.	-Approved building designs and layouts.
		-Obtain necessary permits and approvals from local authorities.	-All permits and approvals secured.
		- Develop a detailed project timeline and budget.	-Project timeline and budget finalized.

November,2025	Site Preparation	-Clear and level the site.	-Site cleared and ready for construction.
		-Install temporary utilities (water, electricity, and sanitation).	-Temporary utilities operational.
		-Set up construction offices and storage facilities.	-Construction offices and storage facilities ready.
November, 2025	Foundation Work	- Excavate and prepare foundations for the main building.	- Foundation excavation completed.
		-Pour concrete for foundations and basement (if applicable).	- Foundations and basement completed.
		- Install drainage and utility lines (water, electricity, sewage).	-Drainage and utility lines installed.
December, 2025	Structural Work	-Erect steel structures For the fuel tank construction	- Steel structure framework completed.
		- Construct walls, roofs, and floors.	-Building envelope (walls, roofs, floors) completed.
		-Install fire safety systems and insulation.	-Fire safety systems and insulation installed.
January, 2025	Utilities &Services	-Install electrical Wiring, plumbing system.	-Electrical, plumbing system installed.
		-Set up compressed air, gas, and water supply systems for storage.	-Utility systems for storage operational.

		-Install lighting and ventilation systems.	- Lighting and ventilation systems operational.
February, 2025	Interior Work	-Construct office spaces, meeting rooms, and employee facilities.	-Office spaces and employee facilities completed.
		-Install flooring, ceilings, and partitions.	-Interior finishing completed.
		-Setup IT infrastructure and network systems.	-IT infrastructure and network systems operational.
March, 2025	Storage setup	- Install production lines and machinery for storage Facilities.	-Production lines and machinery Installed.
		- Set up quality control labs and testing facilities.	-Quality control and testing facilities operational.
		-Install conveyor systems and material handling equipment.	-Conveyor systems and material handling equipment installed.
April, 2026	Warehouse Storage	-Construct ware house areas for raw materials and finished goods.	-Warehouse areas completed.
		-Install shelving, racks, and inventory management systems.	- Storage systems and inventory management operational.
		-Setup loading docks and logistics areas.	-Loading docks and logistics areas ready.
May,2026	Safety &Compliance	-Install safety equipment (fire extinguishers, alarms, emergency exits).	-Safety equipment installed and operational.
		-Conduct safety inspections and compliance checks.	-Safety and compliance certifications obtained.

		- Train staff on safety protocols and emergency procedures.	-Staff training completed.
June, 2026	Testing &Commissioning	- Test all machinery, equipment, and systems.	-Machinery, equipment, and systems tested and operational.
		-Conduct trial runs of production lines.	-Trial runs completed successfully.
		- Address any issues or defects identified during testing.	-All issues resolved.
July, 2026	Final Touches	-Landscaping and external works (parking, pathways, signage).	-Landscaping and external works completed.
August,2026	Final Touches	-Landscaping and external works (parking, pathways, signage).	-Landscaping and external works completed.
		-Clean and sanitize the entire facility.	-Facility cleaned and ready for operations.
		-Conduct final inspections and approvals.	-Final inspections and approvals completed.
September, 2026	Handover& Launch	-Handover the facility to the operations team.	-Facility handed over to operations team.
		-Officially launch the facility and begin full- scale production.	-Facility operational and production started.
		-Organize an inauguration event (optional).	-Inauguration event completed (if applicable).

October, 2026	Operational Readiness	-Monitor initial production and address any operational issues.	-Facility fully operational and running smoothly.

19.0. CURRENT POSITION AND FUTURE OUTLOOK.

19.1.CURRENT POSITION.

The Development of Fuel Storage Facilities project is presently at a stage where foundational planning and initial implementation activities are underway. Key milestones achieved to date include: -

19.1.1. Strategic Planning & Approvals.

- Completion of feasibility studies assessing location suitability, environmental impacts, and logistical requirements.
- Secured preliminary regulatory approvals and land use clearances from relevant authorities.
- Established high-level project scope, objectives, and stakeholder engagement frameworks.

19.1.2. Design & Technical Preparation.

- Conceptual and preliminary engineering designs finalized for storage tanks, safety systems, loading/unloading infrastructure, and access roads.
- Technical specifications drafted for key components including; tank materials, fire suppression systems, spill containment, and monitoring sensors.
- Third-party assessments conducted for compliance with national fuel handling and environmental safety standards.

19.1.3. Procurement & Contracts.

- Tender documents prepared and competitive bidding initiated for main construction contractors and critical equipment suppliers.
- Initial vendor short-listing completed for storage tank fabrication, installation services, and quality assurance consultants.
- Funding secured through a mix of internal capital allocations and external financing arrangements.

19.1.4. Risk & Compliance Management.

- Comprehensive risk registers established covering safety, environmental, financial, and operational risks.
- Environmental and Social Impact Assessments (ESIAs) underway, with mitigation strategies drafted for key risk areas.
- Stakeholder consultations completed with local authorities, utility providers, and community representatives.
- Overall, the project has successfully moved from conceptualization to execution readiness, with a clear road-map for the next implementation phases. Preliminary groundwork positions the project to transition into full-scale construction planning and execution.

19.2.FUTURE OUTLOOK.

- The fuel storage facilities project has a robust future outlook driven by strategic demand, economic benefits, and enhanced energy security:

19.2.0. Construction & Implementation

- Full construction is scheduled to begin within the next quarter, with staged delivery of storage tanks and associated infrastructure.
- Projected commissioning of Phase 1, providing primary storage capacity and distribution interfaces within the next 12-18 months.
- Use of modular construction techniques to enable phased capacity build-out, allowing incremental operational capability.

19.2.1. Operational Efficiency & Market Impact.

- Once operational, the facilities will significantly enhance fuel supply reliability and reduce dependence on interim storage solutions.
- Improved storage capacity supports regional fuel distribution, stabilizes supply chains, and reduces volatility in fuel availability.
- Integration with digital monitoring and automated inventory management will optimize throughput and safety performance.

19.2.2. Economic & Strategic Benefits.

- Creation of direct and indirect employment opportunities during the build-out and operational phases.
- Strengthened infrastructure base that attracts downstream investment in related logistics and energy sectors.
- Enhanced national energy resilience, reducing risks associated with supply disruptions and price fluctuations.

19.2.3. Sustainability & Compliance.

- Implementation of best-in-class environmental controls to minimize emissions, protects groundwater, and manages risks of spills.
- Alignment with national climate goals and international safety standards to ensure long-term operational sustainability.
- Continued stakeholder engagement to address community concerns and leverage local economic participation.

19.2.4. Long-Term Expansion Potential.

- Future phases will explore increasing storage capacity, integrate renewable fuel blends, and support alternative energy storage (e.g., hydrogen).
- Scalability built into the base design to accommodate future demand without major infrastructure redesign.

20.0. THE DEVELOPMENT OF FUEL STORAGE FACILITIES PERFORMANCE SECTOR IN TANZANIA

20.1. HISTORICAL BACKGROUND.

20.1.0. TIPER Terminal

The Tanzania International Petroleum Reserves Ltd **(TIPER)** emerged from the old AGIP refinery site and was converted into a major fuel storage terminal after the refinery shut down in 2000.

TIPER is a joint venture between the Tanzanian government and Oryx Energy's (50/50) and has been central to Tanzania's fuel storage capacity for decades.

20.1.1. Early Expansion and Upgrades

In 2015, TIPER invested in upgrading storage infrastructure, **boosting capacity** from 141,000 m^3 to over 213,000 m^3 with additional tanks to improve fuel handling efficiency.

20.2. Capacity Growth & Market Role.

20.2.0. Long-Term Capacity Increases.

- Over the past 20 years, TIPER has expanded its storage capacity significantly growing from about 140 million litres to around 254 million litres, an increase of roughly **80 %**.

- This increased reserve volume allows oil marketing companies to hold larger supplies, helping to mitigate supply disruptions and potentially reduce port demurrage costs.

20.2.1. Private Sector Storage Expansion.

- Companies like Sahara Tanzania Limited have also invested in storage infrastructure. For example, Sahara expanded its petroleum product storage capacity to 72 million litres to improve availability and reliability in the Tanzanian market.

20.3. Recent Government-Led Storage Projects.

20.3.0. Kigamboni Mega Expansion.

- To address a **critical shortage of fuel storage facilities**, which has historically contributed to supply inefficiencies and higher fuel prices, the Government has embarked on a major project in Kigamboni (Dar es Salaam)**.** The development includes 15 new oil storage tanks with a combined capacity of around **378,000 m³**. Tanks are allocated for **diesel, petrol, aviation fuel**, and a **reserve tank** to support strategic stockpiles.
- The project aims to **reduce vessel off-loading time**, lower demurrage costs at the port, and stabilize fuel prices. As of early monitoring reports, construction had advanced beyond initial stages, with oversight intensified by the Tanzania Ports Authority to ensure quality and performance.

20.3.1. Additional TPDC Initiatives.

- The **Tanzania Petroleum Development Corporation (TPDC)** has also planned enhancements including **refurbishment of existing tanks** and construction of six new tanks, intended to bolster national reserves and reduce vulnerability to global market swings.

20.4. Performance & Impact on Supply Chain.

20.4.1. Fuel Security and Stability.

- Expanded storage capacity has helped Tanzania hold larger fuel reserves, an important element for safeguarding against supply disruptions, price spikes, or logistical delays.
- Improved infrastructure connects storage terminals directly with distribution networks, which supports efficient fuel disbursement to depots nationwide.

20.4.2. Market Efficiency.

- With greater reserves and storage capability, the need for frequent smaller imports decreases, enabling importers to bring in larger consignments that last longer potentially lowering overall import costs and improving availability during peak demand.

20.5. Challenges.

- Although capacity has grown, **oil marketing companies increasingly building their own storage facilities** has introduced competition and complexity for centralized storage operators like TIPER.
- Continued investment and maintenance are required to ensure infrastructure remains efficient, resilient, and responsive to future demand growth.

20.6.Strategic Outlook.

- Tanzania's fuel storage landscape is transitioning from **limited capacity and reliance on older facilities** to a **more diversified and resilient system** that includes government-led expansion projects and private sector

contributions. The nation is positioning its storage infrastructure as a backbone for **energy security, price stability, and efficient fuel logistics** critical for economic activities ranging from transportation to industry.

21. 0. CHALLENGES FACING THE DEVELOPMENT OF FUEL STORAGE FACILITIES IN TANZANIA.

21.1. **Insufficient Existing Storage Capacity.**

- Tanzania has historically lacked enough large-scale, modern fuel storage facilities to meet rising demand, which has contributed to delays in offloading imported products and supply chain inefficiencies at major ports such as Dar es Salaam. This shortfall has been a major motivator for recent government projects to build additional tanks.

21.2. **High Construction and Investment Costs**.

- Building new storage facilities requires significant capital investment. The cost of land, specialized equipment, engineering, and safety systems can be prohibitive, especially without strong incentives or guaranteed returns for private investors. Projects need financing structures that attract both public and private capital, yet investment risks from fuel price volatility and regulatory change make some investors cautious.

21.3. **Logistics and Infrastructure Constraints.**

- Fuel storage does not exist in isolation; it is part of a broader logistics chain. Tanzania's transport and logistics infrastructure still faces challenges that cascade into storage development: -
- Inadequate handling and storage facilities at ports and inland depots.
- High logistics costs and delays in cargo movement.
- Poor connectivity between storage sites and distribution networks.
  However, these constraints increase the total cost and time required to build and operate new storage facilities.

21. 4. **Regulatory and Policy Barriers.**

- The petroleum sector in Tanzania is highly regulated, with oversight from multiple agencies such as EWURA, PBPA, TPDC, and others. Navigating licensing, compliance, and environmental standards can be complex and time-consuming, slowing down project approvals and increasing compliance costs.

21.5. **Safety, Environmental and Technical Standards.**

- Fuel storage facilities must meet strict international safety and environmental standards to avoid spills, explosions, leaks, and contamination. Ensuring technical compliance from leak detection to fire suppression and environmental mitigation adds to project complexity. These requirements can be particularly challenging when local expertise and enforcement mechanisms are still developing.

21.6. **Market Uncertainties and Demand Forecasting.**

- Fuel demand can fluctuate significantly based on global oil price volatility, currency exchange risks, and regional supply shifts. These market uncertainties can make it harder for both public and private entities to forecast long-term storage needs accurately, reducing confidence in large infrastructure investments.

21.7. **Limited Private Sector Participation.**

- While the public sector drives many major storage projects, private sector engagement especially from smaller capital firms has been limited in some areas of the fuel value chain. This constrains competition and investment diversity, which are needed to expand storage capacity more rapidly.

21.8. **Dependence on Imports.**

- Because Tanzania imports most of its refined petroleum products (rather than refining domestically), it depends heavily on international supply chains. This dependence makes the country vulnerable to disruptions (e.g., shipping delays or foreign market shocks), which worsens supply volatility and underscores the need for larger strategic storage yet also complicates planning and financing.

21.9. **Aging and Under-Maintained Infrastructure.**

- Some of the existing fuel storage and pipeline infrastructure dating back decades require upgrading or replacement. Insufficient maintenance can lead to leaks, inefficiencies, and reduced usable capacity, which in turn demands more resources to modernize rather than merely expand.

22.0. **SOLUTIONS THAT COULD PURSUE TO OVERCOME THESE FUEL STORAGE CHALLENGES**.

Here's a clear policy-oriented outline of strategic options Tanzania could pursue to overcome fuel storage challenges.
22.1. **Expand and Modernize National Fuel Storage Capacity.**

- **To invest in new strategic petroleum reserves (SPRs),** to cover longer consumption periods (e.g., 90 days instead of short-term buffers).
- **To upgrade aging storage infrastructure** at key hubs such as Dar es Salaam, Tanga, and Mwanza to reduce losses and safety risks.
- **To promote geographic diversification of storage facilities;** to avoid over-concentration at ports.

22.2 **Strengthen Public–Private Partnerships (PPPs).**

- To encourage private sector investment in storage terminals through tax incentives, land access, and guaranteed throughput agreements.
- To allow independent storage operators to enter the market to reduce bottlenecks and improve competition.
- To improve regulatory clarity so investors face lower political and regulatory risk.

22.3. **Improve Port and Logistics Integration.**

- To expand off-port (inland) storage depots connected by pipelines, rail, or road to decongest Dar es Salaam Port.
- To rehabilitate and extend fuel pipelines to industrial zones and neighboring countries.
- To align fuel storage planning with railway and port expansion projects (e.g., SGR development).

22.4. **Enhance Regulatory and Institutional Frameworks**.

- To strengthen coordination between EWURA, TPDC, and port authorities to avoid overlapping mandates.
- To introduce minimum storage obligations for oil marketing companies scaled to market share.

- To improve data transparency on national fuel stocks to support **evidence-based planning**.

22.5. **Promote Regional Energy Security Cooperation.**

- Position, Tanzania as a regional fuel storage and transit hub for landlocked neighbors (Zambia, Rwanda, Burundi, and DRC).
- To develop joint storage facilities or stock-sharing agreements under EAC or SADC frameworks.
- To harmonize fuel standards and regulations to facilitate cross-border fuel movement.

22.6. **Leverage Financing and Development Support.**

- To access concessional financing from development banks for large-scale storage and pipeline projects.
- To use blended finance models to de-risk private investment in long-term infrastructure.
- To Link fuel storage investments to industrialization and energy-security goals under national development plans.

22.7. **Reduce Long-Term Dependence on Imported Fuels.**

- To support gradual energy diversification (natural gas, renewable, EV infrastructure).
- To promote domestic gas utilization for power and industry to ease pressure on liquid fuel storage.
- To integrate fuel storage policy with climate and energy transition strategies.

23.0. SUMMARY OF PROJECT DESCRIPTION.

Project Summary: Panda Oil Company Limited.

Project Name*:* - (**THE DEVELOPMENT OFFUEL STORAGE FACILITIES)**.

Main Activity: - CONSTRUCTION OF FUEL STORAGE FACILITIES AND DISTRIBUTION TO STATION.

23.1. Annual Investment Plan:

23.1.0. Executive Summary.

The project involves the development of modern fuel storage facilities designed to safely receive, store, and distribute petroleum products in compliance with applicable technical, environmental, and safety standards. The scope includes site preparation, construction of storage tanks and associated infrastructure, installation of mechanical, electrical, and fire protection systems, and integration of monitoring and control systems to ensure safe and efficient operations.

The facilities will be designed to meet current and projected demand, enhance supply reliability, and minimize environmental and operational risks. Key considerations include adherence to international best practices for fuel storage, implementation of spill prevention and containment measures, and incorporation of health, safety, and environmental (HSE) management systems. Upon completion, the project will strengthen fuel supply security, improve logistical efficiency, and support sustainable energy distribution operations.

23.1.1. Employment Creation.

- The project aims to create over (110) jobs, with the following distribution: -

- **Skilled Labour**: (50) employees (e.g. technicians, engineers, quality control specialists).
- **Unskilled Labour**: (60) employees (e.g. assembly line workers, general laborers).
- **Local Employees**: (105) employees (to promote local employment and economic growth).
- **Foreign Employees**: (5) employees (to bring in specialized skills and expertise).

NB: The number of employees will increase as the project expands to meet production and market demands.

23.2. **Materials to Be Used**.

23.2.0. Storage Infrastructure.

- Double-walled steel fuel tanks (above-ground or underground).
- Concrete for tank foundations and bund walls.
- Anti-corrosive coatings and linings.
- Leak detection and grounding system.

23.2.1. Distribution Equipment.

- Fuel-grade stainless steel piping.
- Diesel/petrol delivery pumps (explosion-proof).
- Hoses and nozzles with grounding cables.
- GPS and fuel monitoring units for tankers.

23.2.2. Safety and Compliance.

- Fire suppression systems (foam or dry chemical).
- Vapor recovery systems.
- Emergency shut-off valves
- Spill kits and containment barriers.

23.2.3. IT & Monitoring Systems.

- Fuel management software (SCADA or ERP-compatible).
- Tank level sensors and alarms.
- Fleet telemetric and tracking systems.
- Data storage servers or cloud solutions.

23.3. **Transfer of Skills and Capacity Building**.

- **Objectives**

- Develop in-house technical expertise for operations, maintenance, and safety.
- Build a team capable of managing fuel logistics efficiently and sustainably.

23.3.1. Strategy.

Activity	Target Audience	Timeline	Partner/Provider
Safety and Hazmat Handling Workshops	All site staff	Q2	Local Fire Depot HSE consultant

Equipment Operation and Maintenance	Technicians and Engineers	Q2–Q3	OEM or Technical College
Fuel Management Software Training	Admin &Operations Staff	Q3	Software Vendor
Distribution &Logistics Best Practices	Drivers, Dispatch, Supervisors	Q3	Logistics Expert or Consultant
Management and Compliance Training	Senior Management &Supervisors	Q4	Compliance Trainer/ISO Auditor
Internship Program	Engineering and logistics students	Q4	Local University or TVET center

23.4. Skill Retention Measures.

23.4.0. Bonded training contracts for key staff.

23.4.1. In-house certification and refresher courses.

23.4.2. Creation of SOP manual sand digital knowledge base.

23.4. Monitoring and Evaluation.

23.4.0. Monthly Reports on construction progress, budget tracking, and milestones.

23.4.1. Quarterly Skill Assessment-to gauge training effectiveness.

23.4.2. Annual Audit-to assesses system integrity, safety compliance, and investment utilization.

23.4.3. KPIs: Fuel loss percentage, delivery times, system down time, safety incidents.

23.5. Key Highlights:

- **Economic Impact**: The project will contribute to Tanzania's industrial growth by creating jobs, promoting local manufacturing, and reducing reliance on the development of fuel storage facilities.
- **Sustainability**: Use of eco-friendly materials and energy-efficient technologies to minimize environmental impact.

- **Scalability**: The project is designed to expand production capacity and product lines overtime.
- **Skill Development**: Emphasis on training and skill transfer to empower local employees and improve industry standards.
- **Innovation**: Focus on Construction of fuel storage facilities that meet modern consumer demands.

24.0. FINANCIAL ANALYSIS.

- This section covers project financing and financial projections. Project financing includes source of funding and financing of items in the project. Financial projections on other hand, covers sales projections, income projections, projected retained earnings and projected cash flow.

24.1. PROJECT FINANCING.

- The project will be financed through a combination of foreign equity (50%) amounting to **USD 963,763** a Local loan (25%) amounting to **USD 481,881** and a foreign loan (25%) amounting to **USD 481,881**.

Table: **Project Financing:**

Details Local:	Amount (USD)	Percentage
Equity	0.0	0%
Loan	481,881	25%
	481,881	25%
Sub-total Foreign:		
Equity	963,763	50%
Loan	481,881	25%
Sub-total	1,445,644	75%
GRAND TOTAL	1,927,525	100%
Total Equity	963,763	50%

Total Loan	963,762	50%

24.1.2. Summary of Financing.

Foreign Equity: USD 963,763 (50% of total capital).

Foreign Loan: USD 481,881(25% of total capital).

Local Loan: USD 481,881(25% of total capital).

Total Equity: USD 963,763(50% of total capital).

Total Loan: USD 963,762(50% of total capital).

24.2. FINANCIAL OF PROJECT ITEMS.

- The invested capital of USD1, 927,525 will cover various items in the project, including land and buildings, vehicles, and other items, as shown in Table 6 below.

Table: Financing of Items.

ITEMS	FINANCINGINUSD
Land &Buildings	1,400,000
Plant	-
Vehicles	200,000
Furniture &Fittings	100,000
Pre-Expenses	55,000
Others	25,000
Working Capital	147,525
TOTAL	1,927,525
FIXEDCAPITAL	1,780,000

24.2.1. Breakdown of Financing; -

- **Land &Buildings**: USD1, 400,000(for acquiring land and constructing facilities for manufacturing and assembly operations).
- **Vehicles**: USD 200,000(for transportation and logistics purposes).

- **Furniture& Fittings**: USD100, 000(for office and operational setup).
- **Pre-Expenses**: USD55, 000(for initial set up costs, permits, and licenses).
- **Others**: USD 25,000 (miscellaneous expenses).
- **Working Capital**: USD147, 525(for day-to-day operational expenses, raw materials, and labor costs).

Summary:

- Fixed Capital: USD1, 780,000(covering land, buildings, vehicles, furniture, and pre-expenses).
- Working Capital: USD 147,525(for operational expenses).
- Total Capital: USD1, 927,525.

24.3. FINANCIAL PROJECTIONS.

24.3.0. SALES PROJECTIONS.

- The company projects steady sales growth over the first five years of operations. From Year 1 to Year5, the company expects to achieve sales amounting to USD 3,270,000, USD 3,852,288, USD 4,656,808, USD 5,186,078, and USD 5,849,557, respectively. The cost of sales is projected to be USD 156, 000, USD 198,016, USD 360, 145, USD 502, 393, and USD 644,767 for the same period.

- The table below provides a detailed breakdown of the sales, cost of sales, and gross profit projections for the first five years:

Table: Gross Profit Projection.

Years	Y1	Y2	Y3	Y4	Y5
Sales	3,270,000	3,852,288	4,656,808	5,186,078	5,849,557
Cost of Sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790

The project is expected to yield a consistent gross profit throughout the first five years of operation. In Year 1, the profit is anticipated to be the lowest due to significant investment in promotional campaigns and the brand being relatively new in the market. As sales gradually pick up, the gross profit is expected to increase steadily over the subsequent years.

24.3.1. INCOME PROJECTION.

The project is expected to generate profits throughout the first five years. The projected profits, operating expenses, EBIT (Earnings before Interest and Taxes), loan interest, and taxes are detailed in the table below:

Table: Income Projection.

Years	Y1	Y2	Y3	Y4	Y5
Total Sales	3,270,000	3,852,288	4,656,808	5,186,078	5,849,557
Less: Cost of Sales	156,000	198,016	360,145	502,393	644,767
Gross Profit	3,114,000	3,654,272	4,296,663	4,683,685	5,204,790
Less: Operating Expenses	170,300	155,046	186,176	197,762	226,051
EBIT	2,943,700	3,499,226	4,110,487	4,485,924	4,978,739
Less: Loan Interest	2,859,600	3,414,126	4,026,387	4,401,824	4,894,639
Less: Taxes (30%)	857,880	1,024,538	1,207,916	1,320,547	1,468,392

Key Highlights:

Year1: The Company expects a gross profit of USD 3, 114, 000, with operating expenses of USD170, 300 and EBIT of USD2, 943,700. After accounting for loan interest and taxes, the net profit will be calculated accordingly.

Year5: By the fifth year, the gross profit is projected to growtoUSD5, 204,790, with EBIT reaching USD 4,978,739.

Table: Projected Cash Flow.

Years	Y1	Y2	Y3	Y4	Y5
Cash from Operations					
Profit before Tax	2,859,600	3,415,126	4,026,387	4,401,824	4,894,639
Adjustment for Non-Cash Items	-	-	-	-	-
Change in Working Capital					
Receivables(-ve)	-450,000	-450,000	-465,000	-380,000	-395,000
Trade Payables and Accruals	5,000	3,500	3,600	5,800	2,500
Capital Additions	585,000	435,000	250,000	-	-
Total	140,000	-11,500	-211,400	-374,200	-392,500
Tax Payments	857,880	1,024,538	1,207,916	1,320,547	1,468,392

Total Cash Flow from Operating Activities	997,880	1,013,038	996,516	946,347	1,075,892
Cash from Investing Activities					
Land Rent	220,000	220,000	220,000	220,000	220,000
Net Cash Flow from Investing Activities	355,600	355,600	355,600	355,600	355,600
Cash Flow from Financing Activities					
Dividends	400,344	478,118	563,694	616,255	685,249
Change in Cash and Cash Equivalent	241,936	179,320	77,222	-25,508	35,042
Opening Cash Balance	12,000	8,000	10,500	6,500	7,500
Closing Cash Balance	8,000	10,500	6,500	7,500	6,800

Key Highlights:

- The company expects a positive cash flow from operating activities, ranging from **USD997, 880** inYear1 to **USD 1,075,892** in Year 5.
- Cash flow from investing activities remains consistent at USD355, 600 annually.
- Dividends paid to shareholders increase steadily over the five years, reflecting the company's growing profitability.
- The closing cash balance remains stable, indicating effective cash management.

24.4. NPV Analysis.

- The project has a positive Net Present Value (NPV), indicating its potential for success. The NPV analysis is based on the projected cash flows and a discount rate of 2.1%.

Table: NPV Analysis**.**

Years	Y1	Y2	Y3	Y4	Y5
Change in Cash and Cash Equivalent	241,936	176,320	777,222	-25,508	35,042

Discount Rate (2.1%)	0.021	0.021	0.021	0.021	0.021
Overall NPV	236,960	-	-	-	489,644

Key Highlights:

- The positive NPV confirms the project's viability and potential to generate value for the company.
- The overall NPV of USD489, 644 by Year 5 reflects the project's profitability and strong financial performance.

24.5. PROJECT IMPLEMENTATION SCHEDULE (2025–2027).

At Risk	Task Name	Assigned To	Start Date	End Date	Status
01.	Registrations	Directors	June, 2025	August,2025	ALREADY
02.	Marketing Analysis	Directors &Managers	June, 2025	August, 2025	Started
03.	Land Acquisition	Directors & Legal Team	May,2025	TBD	ALREADY
04.	Site Development Phase 1	Directors &Contractors	July,2025	February, 2026	Not Started
05.	Site Development Phase 2	Directors &Contractors	February, 2025	August, 2026	Not Started

24.6. FUTURE EVENTS AND MILESTONES (2025–2027).

24.6.0. Marketing Analysis Completion.

- Date: September, 2025.
- Dependency: Required for finalizing product offerings, target markets, and budget allocation.

24.6.1. Registrations Completion.

- Date: October, 2025
- Dependency: Necessary for legal compliance, stakeholder engagement, and resource allocation.

24.6.2. Land Acquisition Completion.

- Date: TBD (Dependent on legal processes)
- Dependency: Critical for starting Site Development Phase 1.

24.6.3. Site Development Phase 1 Completion.

- Date: March, 2026.
- Dependency: Must be completed before Phase 2 begins. Includes factory setup, infrastructure, and utilities.

24.6.4. Site Development Phase 2 Completions.

- Date: September, 2026.
- Dependency: Marks the completion of the manufacturing facility, including installation of machinery and equipment.

24.6.5. Production Launch.

- Date: October, 2026
- Dependency: Facility must be fully operational, and staff trained for the construction of fuel storage facilities.

24.6.6. Market Entry and Distribution.

- Date: November, 2026
- Dependency: Production must meet quality standards, and distribution channels must be established.

24.6.7. First-Year Review and Expansion Planning.

- Date: December, 2027
- Dependency: Evaluate production efficiency, market performance, and plan for scaling operations.

24.7. PROJECT RATIONALE.

24.7.1. The development of fuel storage facilities is a strategic priority for Tanzania's economic growth, energy security, and industrial development. As the country continues to experience steady population growth, urbanization, and expansion of key productive sectors such as manufacturing, mining, agriculture, transport, and construction, the demand for reliable and affordable petroleum products has increased significantly. Adequate fuel storage infrastructure is therefore essential to support sustainable economic development and national energy resilience.

24.7.2. Tanzania currently relies heavily on imported petroleum products to meet domestic energy needs. Limited fuel storage capacity exposes the economy to supply disruptions, price volatility in international markets, logistical bottlenecks at ports, and seasonal shortages, particularly in inland and remote regions. Expanding fuel storage facilities will enhance the country's ability to maintain strategic fuel reserves, stabilize supply chains, and mitigate the economic impacts of external shocks such as global price fluctuations or regional supply interruptions.

24.7.3. Improved fuel storage capacity will also strengthen Tanzania's role as a regional trade and logistics hub. Given its strategic geographic position and port infrastructure, particularly the Port of Dar-es-Salaam, Tanzania serves as a key transit corridor for landlocked neighboring countries. Modern and expanded storage facilities will improve efficiency in fuel handling, reduce congestion at ports, and support regional fuel distribution, thereby generating additional revenue and reinforcing regional economic integration.

24.7.4. From a fiscal and macro-economic perspective, enhanced fuel storage infrastructure contributes to price stability and inflation control. Consistent fuel availability helps stabilize transportation and production costs across the economy, which in turn supports affordable goods and services. This stability is critical for protecting household purchasing power and improving the overall business environment.

24.7.5. The project also supports industrialization and private sector development. Reliable fuel supply is a prerequisite for industrial operations, power generation, and large-scale infrastructure projects. By reducing uncertainty in fuel availability, expanded storage facilities encourage domestic and foreign investment, enhance productivity, and create employment opportunities during both the construction and operational phases of the facilities.

24.7.6. Additionally, modern fuel storage facilities can be designed to meet international safety, environmental, and quality standards. This reduces risks of fuel losses, environmental

contamination, and safety hazards, while improving regulatory compliance and operational efficiency within the energy sector.

25.0. CONCLUSION.

- The development of fuel storage facilities in Tanzania is a critical component of the country's efforts to strengthen energy security, support economic growth, and enhance the reliability of fuel supply. As demand for petroleum products continues to raise due to population growth, industrialization, and expanding transport networks, adequate and well-managed storage infrastructure has become increasingly important. Expanded storage capacity helps stabilize fuel availability, reduce supply disruptions, and cushion the economy against global price volatility and external supply shocks.
- This project has highlighted that strategic investment in modern fuel storage facilities, particularly in ports, inland depots, and border regions can significantly improve distribution efficiency and lower operational costs. Additionally, compliance with safety, environmental, and regulatory standards is essential to minimize risks such as spills, fire hazards, and environmental degradation. The role of government policies, public-private partnerships, and regulatory bodies is therefore central in ensuring sustainable development and effective management of these facilities.
- However, continued development of fuel storage facilities in Tanzania presents a strong opportunity to support national development goals, regional trade, and long-term energy resilience. By prioritizing infrastructure expansion, regulatory enforcement, and technological advancement, Tanzania can build a more secure, efficient, and sustainable fuel supply system that meets current needs while preparing for future energy demands.
