

BUSINESSPLAN

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OF

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PANDAOILCOMPANYLIMITED

OF

2025TO2030

TO

TANZANIAINVESTMENTCENTRE

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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. It is the manufacturing company that specializes on the storage and distribution of fuels including; wholesale and retail of diesel fuel and related products for industrial, commercial, and personal use; It also deals with operation on fuel distribution stations, depots, and supply chains. It deals on the business of buying, selling, and distributing diesel and petroleum products to wholesalers, retailers, and end-users across all industries requiring such fuel. With a strong presence in the storage and distribution of fuel the company wants to build a reputation for providing high-quality of fuels to clients.

2.0.PRODUCTS AND SERVICES.

- Storage of petroleum products (diesel, PMS, kerosene, Jet A-1).
- Fuel distribution via tanker trucks.
- Wholesale supply to retail stations and industrial clients.
- Remote tank monitoring and delivery scheduling.

3.0.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%

4.0. COMPANY PLAN.

- This project focuses on the establishment of fuel storage and distribution 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 (8 foreigners and 102 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 Centre (TIC) can provide incentives and immunities to the project presented. The incentives will help this project to develop and since this is a financial, socially and fiscally rational project the management believes that it deserves the incentives.

5.0. INTRODUCTION.

The Board of Directors and Senior Management staff of the company to establish goals and a strategy to achieve those goals for the coming five years. The purpose of this Strategic Plan is to outline the strategy by which we plan to meet our goals. The Strategic Plan is to be used:

5.1. Executive Plan:

Mission:

- To provide safe, efficient, and reliable fuel storage and distribution solutions that support energy needs for industries, transportation, and commercial enterprises.

Vision:

- To be the leading independent fuel logistics provider in the country by 2030, known for operational excellence, safety, and environmental compliance.

5.2. Strategic Objectives.

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

- Secure licenses, permits, and environmental approvals.
- Construct main depot with storage capacity of (5) million liters.
- Develop supply chain partnerships with fuel importers and refineries.
- Acquire fleet (5-tankers).
- Hire key management and technical staff.
- Begin operations with regional distribution.
- Achieve minimum (60%) storage utilization.
- Establish fuel contracts with industrial and transport clients.
- Begin construction of two satellite depots.

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

- Expand storage to (10) million liters.
- Operate (10) fuel tankers.
- Expand market to neighboring cities/regions.
- Digitize inventory and logistics management systems.
- Introduce mobile fuel delivery services.
- Achieve (80 %+) storage utilization.
- Diversify into aviation fuel and lubricants.
- Strengthen safety, compliance, and ESG standards.
- Partner with energy firms and logistics providers.

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

- Become top (3) regional fuel distributor.
- Operate in (3+) regions with full logistics infrastructure.
- Build fuel analytics and demand forecasting systems.
- Target (15) million liters monthly distribution

5.3. Market Analysis.

5.3.0. Industry Overview.

- Fuel distribution is a critical link in the energy value chain.
- Growing industrialization and transportation demand.
- Governments increasingly emphasizing private sector participation.

5.3.1. Target Market Segments:

- Fuel retailers and independent stations.
- Construction and logistics companies.
- Government agencies and emergency services.
- Telecom base stations and backup generator clients.

5.3.2. Geographic Focus:

- **Phase1:** Local operations within [Region/City].

- **Phase 2:** Expand to neighboring states or countries.

5.3.3. Market Size Estimate (sample):

- Local fuel consumption: (500) million liters/year.
- Target market share by Year 5:10%=50 million liters/year.

5.4. Marketing & Sales Strategy.

5.4.1. Marketing Channels:

- Direct B2B sales teams.
- Industry exhibitions and fuel trade forums.
- Digital marketing (website, social media, CRM automation).
- Strategic partnerships and distributor agreements.

5.4.2. Sales Strategy.

- Offer competitive pricing and flexible payment terms.
- Prioritize long-term contracts with key clients.
- Loyalty programs and volume discounts.

5.4.3. Customer Retention Tactics.

- 24/7 delivery and customer support.
- Data-driven delivery planning.
- Mobile app for client ordering and status updates (by Year 3).

5.5. Operations Plan.

5.5.0. Infrastructure.

- 1stDepot: (5) million-liter capacity with modular expansion.
- Fleet:5–10 tanker trucks with GPS and compliance features.
- Systems: ERP, fuel inventory management, fleet management software.

5.5.1. Supply Chain.

- Importation and purchase from refineries.
- In bound logistics by barge, rail, or pipeline (if available).
- Outbound distribution by road to end customers.

5.5.2. Technology.

- Fuel quality monitoring sensors. Real-time vehicle tracking systems.
- Customer order and delivery platform.
- Regulatory Compliance.
- NUPRC, NMDPRA, DPR, and fire/environmental agency licenses.
- Environmental Impact Assessment (EIA) in Year1.
- Periodic safety and compliance audits.

5.6. Financial Plan.

5.6.0. Financial Strategy.

- Revenue Growth: Focus on high-margin products and emerging markets to drive revenue growth.
- Cost Management: Optimize production costs and reduce over head expenses.
- Investment in Growth: Allocate funds for market expansion, R&D, and acquisitions.

5.6.1. Funding Sources.

- Equity (founders and investors).
- Bank loans or infrastructure grants.
- Strategic partnerships or joint ventures.

5.7. Risk Management.

Risk	Mitigation
Fuel price volatility	Long-term contracts, hedging.
Regulatory changes	Compliance team, lobbying.
Accidents/spills	Strict safety protocols, insurance.
Competition	Service differentiation, fast delivery

5.8. Exit Strategy.

- IPO or private equity acquisition by 2032.
- Potential joint ventures with energy multinationals.
- Expand into renewable energy logistics (solar, hydrogen).

6.0. BACKGROUND.

Panda Oil Company Limited is a company incorporated under Tanzanian Law.

- **Early Years:** Initially focused on storage and distribution of fuel and related products for industrial, commercial, and personal use.
- **Expansion:** Over the years, the company has expanded its product line to include fuel distribution stations, depots, storage tanks, Pumps and loading arms).
- **Technological Advancements:** Invested heavily in research and development to incorporate Centralized depot with multi-product tanks, Real-time tracking and automated inventory control.
- **Global Reach:** Entered international market sin [Year], establishing a presence in(List of Countries/Regions).

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

7.1. MAJOR CUSTOMERS.

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

7.1.0. Transportation Sector.

- This is the largest consumer of fuel globally.

7.1.1. Aviation:

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

7.1.2. Road Transport:

- Logistics and delivery companies (e.g. Amazon, DHL, UPS).
- Public transportation (buses, taxis).
- Ride-sharing services (e.g. Uber, Bolt, Lyft).

7.1.3. Private vehicle owners.

- **Shipping & Marine:**
 - Cargo shipping companies(e.g. Maersk, MSC, COSCO)
 - Fishing fleets.
 - Cruise lines (e.g. Carnival, Royal Caribbean).

7.1.4. Railways:

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

7.1.5. 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.

7.1.6. 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.

7.1.7. 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.
- For Emergency or backup generators.

7.1.8. 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.

7.1.8. Commercial and Residential Consumers.

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

8.0. OFFICES OF THE COMPANY.

- The office of the Company is located at DAR-ES-SALAAM REGION, KINONDONI DISTRICT, MIKOCHE NI WARD, POSTAL CODE 14112, MIKOCHE NI ‘A’ STREET, PLOTNO.33, BLOCK D, HOUSE NO. 12.

9.0. 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.

10.0. 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.

10.1. 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).

10.2. Site Building Plan (July, 2025–July, 2026):

Month	Phase	Activities	Milestones/Deliverables
July,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.
August,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.
September, 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.
October, 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.
November, 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.
December, 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.
January, 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.
February, 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.
March,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.
April, 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.
May, 2026	Final Touches	-Landscaping and external works (parking, pathways, signage).	-Landscaping and external works completed.
June, 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.
July, 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).
September, 2026	Operational Readiness	-Monitor initial production and address any operational issues.	-Facility fully operational and running smoothly.

11.0. CURRENT POSITION AND FUTURE OUTLOOK.

11.1. Mission Statement.

- To provide safe, efficient, and reliable fuel storage and distribution solutions that support energy needs for industries, transportation, and commercial enterprises.

11.2. Vision Statement.

- To be the leading independent fuel logistics provider in the region by 2030, known for operational excellence, safety, and environmental compliance.

- These statements reflect a focus on innovation, quality, sustainability, and customer satisfaction, which are key pillars for a company in the storage and distribution of fuel industry.

- **We engage in spirited teamwork.**

- We are a team, and we collaborate with each other to ensure we make use of the intellectual capital and know-how at PANDA OILCOMPANY LIMITED. We demonstrate high level of enthusiasm, fun, and excitement.

- **We help our members, communities and each other.**

- We provide “help” to our key stakeholders, thereby helping them to achieve their goals.
- To continuously offer services and facilities that meet the changing needs of our members and to become the preferred service provider of customers, through continuous technological and customer care improvements with qualified and motivated employees, and contribute to national development and reducing the poverty. The Society is a member owned financial institution whose purpose is to promote the financial well- being of its members by providing comprehensive and progressive financial services and having access to a Society system that is strong, stable and successful.

11.3. The Operating Principles of Our Company.

- **Quality Assurance.**

- **High Standards:** Adhere to strict quality control measures at every stage of production, from raw material sourcing to final assembly.

- **Testing and Certification:** Ensure all storage facilities meet international safety and performance standards (e.g., EPA IMO, ISO).

- **Efficient Production Processes.**

- **Automation:** Use automated machinery and robotics for precision and consistency in storage and distribution.

- **Supply Chain Management:** Maintain a robust supply chain to ensure timely delivery of raw materials and components.

- Cost Management.
 - **Cost-Effective Production:** Optimize production processes to reduce costs without compromising quality.
 - **Economies of Scale:** Leverage large-scale production to lower per-unit costs.
 - **Pricing Strategy:** Offer competitive pricing while maintaining profitability.
- Employee Development.
 - **Training Programs:** Provide regular training to employees on new technologies, safety protocols, and quality standards.
 - **Employee Engagement:** Foster a positive work culture to boost morale and productivity.
 - **Talent Retention:** Attract and retain skilled workers through competitive compensation and career growth opportunities.

11.4. Objectives.

11.4.0. Market Penetration and Customer Acquisition.

- Identify and target key customer segments (e.g., fuel retailers, logistics firms, industrial users).
- Gain market share by offering reliable supply, competitive pricing, or value-added services.
- Establish contracts or partnerships with fuel suppliers and clients.

11.4.1. Infrastructure Development.

- Secure and develop suitable sites for fuel storage facilities (e.g., tank farms, depots).
- Ensure compliance with environmental and safety standards in the facility design.
- Optimize logistics hubs to support regional or national distribution efficiently.

11.4.2. Financial Viability and Profitability.

- Demonstrate a strong return on investment (ROI) for investors or stakeholders.
- Outline capital and operational expenditures with detailed cost projections.
- Develop a sustainable revenue model (e.g. per-liter storage/distribution fees, bulk sales).

11.4.3. Efficient Distribution Logistics.

- Design a robust logistics and transportation network (truck fleets, pipelines, rail, etc.).
- Minimize distribution delays and fuel losses through route optimization and quality controls.
- Implement inventory and fuel tracking systems (e.g. SCADA, GPS, and ERP).

11.4.4. Safety and Regulatory Compliance.

- Adhere to national and international regulations (e.g. OSHA, NFPA, EPA, local zoning laws).
- Implement comprehensive risk management and emergency response plans.
- Train staff and contractors in safety protocols, hazardous materials handling, and fire prevention.

11.4.5. Environmental Sustainability.

- Plan for spill prevention, emissions controls, and waste management.
- Explore options for cleaner fuels or integration with renewable energy storage(future-ready).
- Maintain good community and environmental relations.

11.4.6. Technological Integration.

- Use automation, telemetry, and real-time data monitoring to enhance operational control.
- Implement software systems for inventory, scheduling, billing, and customer management.

11.4.7. Strategic Growth and Scalability.

- Define short-term and long-term expansion plans (more sites, larger fleet, and regional expansion).
- Identify potential joint ventures or strategic alliances for growth.
- Prepare for adaptability in response to fuel market trends or policy shifts (e.g., energy transition).

12.0. FUEL STORAGE AND DISTRIBUTION BUSINESS SECTOR PERFORMANCE IN TANZANIA.

12.1. Sector Overview & Performance.

- **Imports & Consumption.**

- Tanzania imported 4.3 billion Litre of petroleum products in FY2023/24 a 10.9% rise from the previous year- signaling strong domestic and regional demand. Transit volumes to landlocked countries (Zambia, Rwanda, and DRC) increased by 13.1% over the period. Domestic consumption reached 4.63 billion Litre, with 60% going to transport, 29% to industry and agriculture, and the rest to aviation and mining.

- **Storage Infrastructure. Onshore Terminal & Warehouses.**

- The country operates (23) petroleum terminals with a combined 1.63 million m³ storage capacity enough for (123) days' national demand. Inland depots hold an additional 70,937 m³, though the road tanker network remains central to distribution.

- **Major Players:**

- The TIPER terminal (joint venture with Oryx Energy's) in Kigamboni has ~213,200 m³ capacity.
- Oryx Energy's leads the scene with integrated fuel sourcing, regional storage facilities (307,800 m³ fuel + 7,868 m³ LPG), blending, distribution networks, and over (47) service stations.

- **Ongoing Expansion Projects.**

- 15 new tanks at Dar es Salaam port (+420,000 m³: diesel, petrol, jet fuel) are under construction to shorten ship unloading times from (11) days to 3 to 4 days, set to finish by end of 2026. PBPA plans a Mbamba Bay storage facility to support fuel routing to Malawi & Mozambique by January 2026.

- **Distribution & Transit.**

- Tanzania relies heavily on road tankers due to limited pipelines, though the Tazama crude line (Dar-Ndola, 1,710 km) remains crucial for Zambian diesel exports, transporting roughly 600,000 tons/year but originally designed for 1.1 million tons. A proposed refined petroleum pipeline (Dar-Ndola, 1,349 km) valued at \$1.5 billion aims to enhance product flows inland.

- **Retail Fuel Outlets.**

- Licensed outlets increased from 2,361 to 2,597 by June, 2024 (+10%), with rural capacity growing by 33% (480 new rural stations). From October, 2020 to March, 2022, stations surged from 1,270 to 2,032 a jump of (762) locations driven by urban growth and policy incentives.

- **Regulation & Quality Assurance.**

- EWURA executed 840 inspections on petroleum facilities, with (79%) fully compliant; 763 samples were tested to ensure product quality. Price cap compliance remains high (98%), with only 1.2% of outlets in breach during FY 2022/23.
- Import systems like Bulk Procurement System (BPS) save US\$200 million/year, reduce demurrage costs by \$170 million, minimize off loading losses (1,300 m³/month), and promote regional import via Tanzania.

- **Opportunities:**

- Expand CNG infrastructure and mother station rollout.
- Complete storage tank and pipeline expansion projects.
- Increase rural terminal network to boost access and convenience.

- Tanzania's fuel sector shows strong infrastructure growth port and storage capacity are rapidly increasing, distribution becoming more streamlined, retail network expanding, and LPG gaining traction. Combined with sizeable efficiency gains and regional export growth, the sector is positioning Tanzania as a more reliable and competitive fuel hub. Remaining areas to address include diversifying transport modes and ensuring equitable penetration into rural regions.

- Tanzania's fuel storage and distribution sector is experiencing robust growth, underpinned by massive import volumes (11%), terminal expansions, and a significant increase in retail stations. Regulatory efficiency via EWURA and BPS helps stabilize prices, ensure quality, and drive cost-savings. Meanwhile, infrastructure upgrades (storage tanks, pipelines,

CNG network) point toward enhanced future resilience and regional connectivity.

- To sustain momentum, stakeholders should prioritize completing storage expansion (Dar-es-Salaam, Mbamba Bay), accelerating pipeline projects (e.g., TZPPP), and scaling up CNG and rural distribution networks. Together, these moves would support domestic fuel security, regional export capacity, and investor confidence.
- However, the global fuel logistics sector is expected to grow steadily, driven by transportation, industrial demand, and energy infrastructure needs. In Africa and other developing markets, demand for dependable fuel logistics is rising due to urbanization, manufacturing growth, and unreliable public energy grids.

13.0. MARKETING ANALYSIS AND STRATEGIES.

- This section analyses the status of the market in as far as fuel storage facilities and its distribution industry are concerned in the United Republic of Tanzania. It covers the status –quo of the market, SWOT analysis, assesses market worthiness and outlines market strategy for the planned of the business.

13.1. MARKET OVERVIEW.

- The fuel storage and distribution industry plays a critical role in the global energy supply chain. It encompasses the infrastructure, logistics, and technologies involved in safely storing and transporting liquid fuels such as gasoline, diesel, jet fuel, LPG, and crude oil from refineries to end users (retailers, industrial users, and power plants).

13.2. Key Market Drivers:-

- Growing energy demand, particularly in emerging economies.
- Urbanization and industrialization, increasing transport and power generation needs.
- Strategic reserves and energy security, prompting investment in storage capacity.
- Volatility in crude oil prices, influencing storage as a speculative asset.
- Transition fuels (e.g. LNG, LPG) during the shift to cleaner energy sources.

13.2.0. Key Market Segments:-

- **By Product:** Crude oil, gasoline, diesel, jet fuel, LNG, LPG.
- **By Storage Type:** Underground tanks, above-ground tanks, floating roof tanks, spherical tanks (for gases).
- **By End User:** Oil companies, power utilities, airports, maritime logistics, commercial distributors.

13.3. Competitive Landscape:

- **Major Players:** Shell, ExxonMobil, BP, Vitol, Kinder Morgan, Vopak, Total Energies.
- **Emerging Competitors:** Regional players expanding terminals and logistics.
- **Market Consolidation:** M & A activities are reshaping the logistics value chain.
- **Regulations:** Strict environmental and safety compliance (e.g. EPA, IMO, ISO standards).

13.4. SWOT Analysis.

Strengths

Established infrastructure
Critical energy role
Economies of scale

Weaknesses

High capital investment
Dependence on fossil fuel demand
Regulatory risks

Opportunities

Expansion into LNG and clean fuels
Digitalization and automation
Government investments in strategic reserves

Threats

Volatile oil prices
Renewable energy competition
Environmental activism and policy pressure

13.5. MARKET STRATEGIES.

13.5.0. Key Strategies:-

- **Infrastructure Expansion.**
 - Invest in storage terminals near ports, refineries, and demand centers.
 - Upgrade distribution networks (pipelines, trucks, rail tankers) for efficiency.
 - Deploy modular storage units for scalability and remote areas.
- **Diversification of Fuel Types.**
 - Incorporate LNG, bio-fuels, and hydrogen into storage port-folios.
 - Support multi-fuel depots to serve diversified energy demands.
- **Technology Integration.**
 - Use IoT and SCADA systems for real-time monitoring.
 - Implement AI for demand forecasting and route optimization.
 - Enable block chain for transparent and secure transactions.
- **Strategic Partnerships.**
 - Collaborate with logistics firms, port authorities, and oil majors.
 - Secure long-term contracts with utilities, aviation, and defense sectors.
- **Regulatory Compliance and Sustainability.**
 - Invest in emission control systems, secondary containment, and safety protocols.
 - Align with ESG standards to access green financing and maintain public trust.
- **Geographic Diversification.**
 - Target fast-growing regions: Sub-Saharan Africa, Southeast Asia, Latin America
 - Leverage FTA and trade corridors for cross-border distribution.

13.6. Future Outlook.

- 2025–2030 Forecast: Global fuel storage capacity is expected to grow at a CAGR of 3–5%, with strategic oil reserves and LNG demand driving the market.
- Digital logistics and smart terminals will reduce OPEX by up to 20–30%.
- De-carbonization policies will shift investments toward transitional fuels and cleaner infrastructure.

13.7. Recommendations.

- Prioritize investment in flexible infrastructure adaptable to fuel mix changes.
- Pursue digital transformation projects to increase efficiency and safety.
- Develop risk management frameworks to handle price and supply chain volatility.
- Expand into emerging markets and transitional energy segments.

14.0. Challenges facing fuel storage and distribution in Tanzania.

- Fuel storage and distribution in Tanzania faces several critical challenges that impact energy security, economic growth, and environmental sustainability. These challenges include:-

14.0.1. Inadequate Infrastructure.

- **Limited storage capacity:** Many regions in Tanzania lack adequate fuel storage facilities, leading to supply disruptions during high-demand periods or logistical delays.
- **Aging and insufficient transport networks:** Poor road conditions and an underdeveloped rail system hinder the efficient movement of fuel across the country.

14.0.2. Port Congestion and Inefficiencies.

- **Dar-es-Salaam Port bottlenecks:** The primary fuel import hub often experiences congestion, delays in offloading, and long clearance times, which can delay distribution inland.
- **Limited offloading infrastructure:** Insufficient berth and fuel handling equipment further slowdown operations.

14.0.3. Logistical Challenges.

- **Long distances and high transport costs:** Moving fuel to remote and inland areas is costly and time-consuming, especially due to poor road conditions and fuel theft risks.
- **Pipeline limitations:** There is a heavy reliance on road tankers because of limited or non-existent pipeline infrastructure for fuel distribution.

14.0.4. Regulatory and Bureaucratic Hurdles.

- **Complex permitting and licensing:** Delays in approvals for storage facilities or transport can hamper operations.
- **Price regulation issues:** Government-controlled pricing can affect investment in fuel infrastructure if margins are too thin.

14.0.5. Security Concerns.

- **Fuel theft and vandalism:** Fuel tankers and storage depots are often targeted, especially in transit over long distances.
- **Lack of surveillance systems:** Weak security technologies make it hard to monitor and respond to incidents quickly.

14.0.6. Environmental and Safety Risks.

- **Spillages and accidents:** Poor handling practices and aging equipment lead to fuel spills, posing environmental and health hazards.
- **Limited emergency response capacity:** Inadequate training and equipment for fire or spill response exacerbates risks.

14.0.7. Investment and Financing Constraints.

- **Limited private sector participation:** Uncertain returns, regulatory constraints, and lack of incentives deter investment.
- **High capital requirements:** Building and maintaining modern fuel infrastructure is expensive, and government budgets are constrained.

14.0.8. Regional Dependence.

- **Dependence on imported fuel:** Tanzania imports almost all of its refined petroleum, making it vulnerable to international price fluctuations and supply chain disruptions.
- **Cross-border coordination:** Inefficiencies in coordinating with neighboring countries (e.g., Zambia, Rwanda, and Burundi) for transit routes and infrastructure planning.

14.1. Possible Solutions.

- **Expand and modernize infrastructure**(e.g., ports, pipelines, storage tanks)
- **Public-private partnerships;** to attract investment.
- **Regulatory reforms;** to streamline procedures.
- **Strengthen security** and environmental controls.
- **Regional cooperation;** for cross-border fuel corridors.

15.0. SUMMARY OF PROJECT DESCRIPTION.

- **Project Summary:** Panda Oil Company Limited.
- **Project Name:- (PANDA FUEL STORAGE FACILITIES AND DISTRIBUTION)**
- **Main Activity:- STORAGE AND DISTRIBUTION OF FUEL TO STATION.**

15.1. Annual Investment Plan:

- **Executive Summary.**
- This project aims to establish a robust fuel storage and distribution infrastructure that ensures reliable, safe, and efficient supply to targeted regions. It includes the construction of storage facilities, acquisition of distribution vehicles, installation of safety and monitoring systems, and capacity-building for staff.

- **Employment Creation.**

- The project aims to create over (110) jobs, with the following distribution:-
- **Skilled Labour:** 40 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).
- The number of employees will increase as the project expands to meet production and market demands.

- **Materials to Be Used.**

- **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.

- **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.

- **Safety and Compliance.**

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

- **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.

15.2. 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.

- **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	Q3–Q4	Local University or TVET center

15.3. Skill Retention Measures.

- Bonded training contracts for key staff.
- In-house certification and refresher courses.
- Creation of SOP manual and digital knowledge base.

- **Monitoring and Evaluation.**

- **Monthly Reports on construction progress**, budget tracking, and milestones.
- **Quarterly Skill Assessment**, to gauge training effectiveness.
- **Annual Audit**, to assess system integrity, safety compliance, and investment utilization.
- **KPIs**: Fuel loss percentage, delivery times, system down time, safety incidents.

- **Key Highlights:**

- **Economic Impact**: The project will contribute to Tanzania’s industrial growth by creating jobs, promoting local manufacturing, and reducing reliance on 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 producing fuel storage facilities that meet modern consumer demands.

16.0. 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.

16.1. 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%

• **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).

16.2. 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	FINANCING IN USD
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
FIXED CAPITAL	1,780,000

• **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.

16.3. FINANCIAL PROJECTIONS.

16.3.0 SALES PROJECTIONS.

- The company projects steady sales growth over the first five years of operations. From Year 1 to Year 5, the company expects to achieve sales amounting to USD3,270,000, USD3,852,288, USD4,656,808, USD5,186,078, and USD5,849,557, respectively. The cost of sales is projected to be USD156, 000, USD 198,016, USD360, 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.

16.3.1. 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 grow to USD5, 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** in Year1 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.

16.4. 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.

16.5. 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

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

- **Marketing Analysis Completion.**

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

- **Registrations Completion.**

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

- **Land Acquisition Completion.**

- Date: TBD(Dependent on legal processes)
- Dependency: Critical for starting Site Development Phase 1.
 - **Site Development Phase 1 Completion.**
 - Date: February, 2026.
 - Dependency: Must be completed before Phase 2 begins. Includes factory setup, infrastructure, and utilities.
 - **Site Development Phase 2 Completions.**
 - Date: August, 2026.
 - Dependency: Marks the completion of the manufacturing facility, including installation of machinery and equipment.
 - **Production Launch.**
 - Date: August, 2026
 - Dependency: Facility must be fully operational, and staff trained for fuel storage and distribution.
 - **Market Entry and Distribution.**
 - Date: October, 2026
 - Dependency: Production must meet quality standards, and distribution channels must be established.
 - **First-Year Review and Expansion Planning.**
 - Date: December, 2027
 - Dependency: Evaluate production efficiency, market performance, and plan for scaling operations.

16.7. PROJECT RATIONALE.

- This project rationale can be viewed from monetary, fiscal, and social perspectives. Based on the financial analysis conducted, this project holds significant promise for success within the Tanzanian economy.

- **Monetary Benefits:**
 - The project will generate income for supplier SMEs (Small and Medium Enterprises) by creating demand for raw materials, components, and services required for fuel storage and distribution.
 - It will also stimulate economic activity by creating employment opportunities across various stages of the value chain, from production to distribution.
- **Fiscal Benefits:**
 - The project will contribute to government revenue through the payment of taxes, including Income Tax and Value Added Tax (VAT) on sales.
 - It will also support the government’s industrialization agenda by reducing reliance on imported fuel storage facilities.
- **Social Benefits:**
 - The project will contribute to social development by providing affordable, high-quality fuel storage facilities to Tanzanian households, improving living standards.
 - It will also foster skills development by creating training and employment opportunities for local workers, particularly in technical and commercial roles.
 - By promoting local production, the project will reduce the country’s trade deficit and enhance self- sufficiency in the storage and distribution of fuel industry.

17.0. CONCLUSION.

- The fuel storage and distribution project demonstrates strong financial viability with positive cash flow beginning in Year 1 of operations (2026). By Year 3, the project reaches solid profitability, with a cumulative net income that justifies the capital investment.
- By leveraging Tanzania’s strategic location, skilled workforce, and supportive government policies, we are poised to capitalize

on the increasing demand for affordable and energy-efficient fuel storage facilities.

- With a dedicated team, robust financial projections, and a commitment to quality and innovation, we are confident in our ability to achieve our business objectives. This project will not only establish a strong presence in the Tanzanian market but also contribute to the country's economic growth, industrialization, and social development.
- We look forward to the opportunities that lie ahead and are excited to embark on this journey towards sustainable growth, profitability, and positive societal impact in the fuel storage and distribution industry sector.

