

1977 PRESTIGE -1 LOGISTICS LIMITED

PRE-FEASIBILITY STUDY REPORT ON:

INVESTMENT IN ACQUISITION AND OPERATION OF FUEL TRANSPORT TRUCKS

Presented To:

TANZANIA INVESTMENT CENTRE

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DAR ES SALAAM, TANZANIA

MAY 2025

1977 PRESTIGE-1 LOGISTICS LIMITED

Strategic Pre-feasibility Report

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BRIEF SUMMARY PROJECT

COMPANY: 1977 PRESTIGE-1 LOGISTICS LIMITED

LOCATICATION: DAR ES SALAAM, KIGAMBONI, VIJIBWENI, VIJIBWENI STREET,
KISIWANI ROAD, PLOT NO P779, BLOCK NO.F

CONTACTS: P. O. Box 35642 DAR ES SALAAM,

OBJECTIVE: INVESTMENT IN ACQUISTION AND OPERATION OF FUEL TRANSPORT TRUCKS

PROJECT VALUE: USD 505,000

BENEFITS: JOBS CREATION, GOVERNMENT INCOME, IMPORT SUBSTITUTION,

IMPLEMENTATION PERIOD: 5 YEAR

EXECUTIVE SUMMARY

Introduction

This project is a strategic investment initiative aimed at establishing a modern, efficient, and safety-compliant fleet of fuel transport trucks to serve the petroleum distribution market across Tanzania and its neighboring landlocked countries. The project will be implemented under the facilitation and support of the **Tanzania Investment Centre (TIC)** and is aligned with national priorities to improve energy logistics, enhance road safety, and strengthen fuel distribution infrastructure.

Company Description

1977 Prestige-1Logistics Limited is a Limited company registered under the Companies Act. The Company was incorporated 08th January 2025, and bears Certificate of Incorporation No. 181007575. 1977 Prestige-1Logistics Limited has its registered office in Kigamboni Municipality. Our company goals and objectives seek to ensure we generate an income that benefits both Nationals and non-Nationals so that we strengthen the economic status of the society. The company believes in customers, suppliers, and investors therefore it struggles to create good Rapport with both parties.

Business Description

1977 Prestige-1Logistics Limited, is limited Company incorporated in Tanzania under the Company Act. The Company was incorporated 08th May, 2025 and bears Certificate of Incorporation No. 181007575. The Company will be responsible in investing in Acquisition And Operation Of Fuel Transport Trucks Project

Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates justify that the company is operating within the ambit of the law of Tanzania land.

Project Promoters

The project will be managed and operated by **1977 PRESTIGE-1 LOGISTICS LIMITED**.

NAME OF SHAREHOLDERS	NATIONALITY	SHARE PERCENTAGE
1. PRESTIGE INVESTMENTS SA	BURUNDI	40.96%
2 HILARY OCHIENG ONYANGO	KENYAN	18.26%
3. AMIR RAMADHAN SHAMWANY	TANZANIAN	0.4%
4. PETER HENRY OCHONG OGUTU	KENYAN	11.5%
5. FRANCK IGIRANEZA	BURUDIAN	28.16%

Operations

The project will be managed and operated by **1977 PRESTIGE-1 LOGISTICS LIMITED**. The Company will run its activities in a more professional way and it seeks to satisfy its customers by meeting customer expectations. Although the company will use an automated system, people will also be used to manage the operations.

PROJECT LOCATION

The project shall be located at Dar es Salaam, Kigamboni, Vijibweni Plot no 779, Block F

PRODUCTS

The primary "products" of this project are not traditional consumer goods, but rather services and operational deliverables resulting from the ownership and use of a specialized fleet of fuel transport trucks. These products can be grouped into core service offerings, logistics infrastructure, and value-added services that contribute to national and regional fuel supply chain efficiency.

A. Fuel Transport Services (Core Product)

This is the main product of the project. It involves the safe, timely, and compliant transportation of petroleum products including:

- Diesel (AGO)
- Petrol (PMS)
- Kerosene (IK)
- Jet A-1 (aviation fuel)
- Heavy Fuel Oil (HFO) – for industrial clients

The company will offer bulk road haulage of these products from:

- Depots and refineries (e.g., Dar es Salaam, Tanga, Kigamboni)
- Import terminals: To final destinations: inland fuel stations, industrial zones, power generation plants, mining areas, and across borders to countries such as Zambia, Malawi, Rwanda, and DRC.

This core service will meet the needs of:

- ❖ Oil Marketing Companies (OMCs)
- ❖ Independent fuel station operators
- ❖ Industrial and commercial fuel consumers
- ❖ Government institutions (e.g., TANESCO, TPDC, defense)

B. Fleet Leasing Services (Optional Product Offering)

In addition to in-house fuel transport operations, the company may offer short-term or long-term leasing of fuel trucks to licensed transporters or fuel companies. This includes: Full-service lease (with driver, maintenance, and tracking), Dry lease (truck only). This model increases asset utilization and generates revenue when trucks are not assigned to core contracts.

C. Route Optimization & Fleet Monitoring (Technology-Driven Services)

Using advanced fleet management software and GPS systems, the company will provide:

- Real-time tracking and delivery monitoring for clients
- Digital delivery records and trip logs
- Route optimization for cost and time savings
- Fuel consumption analytics and loss prevention reports

This data-driven service is a value-added product that enhances operational transparency and customer trust, and may be monetized through service-level agreements with large clients.

D. Emergency Fuel Delivery Services

This is a specialized, on-demand service for institutions and companies that require immediate fuel supply to maintain operations. Clients may include: Hospitals and emergency centers,

Telecommunication companies, Construction and mining firms, Remote manufacturing facilities. This product emphasizes speed, reliability, and 24/7 response capacity, with premium pricing for emergency deliveries.

E. Cross-Border Fuel Logistics Services

As Tanzania is a major corridor for fuel transit, the project will offer international fuel logistics services, including: Customs-cleared transport from Dar es Salaam port to neighboring countries, Compliance with regional road transport and fuel handling standards (COMESA, SADC, EAC), Documentation and weighbridge support, Border clearance and escort coordination (where needed). This service is a high-margin offering targeting regional trade and cross-border contracts.

F. Fuel Supply Chain Partnerships (Future Product Extension)

In later phases, the company may form strategic partnerships to offer end-to-end fuel supply services, such as: Joint ventures with OMCs to manage supply chains, Depot-to-pump delivery contracts, Scheduled bulk deliveries for industries, Integration with digital fuel order platforms. This would expand the product line beyond transport into fuel logistics management, offering bundled solutions.

SUMMARY TABLE OF PRODUCTS

Product	Description	Target Clients
Fuel Transport Services	Road haulage of petroleum products from depots to destinations	OMCs, fuel stations, industries, government
Fleet Leasing Services	Truck leasing with/without drivers and maintenance	Fuel traders, smaller logistics firms
GPS Tracking & Fleet Monitoring	Real-time tracking and analytics for customers	OMCs, corporate fuel buyers
Emergency Fuel Delivery	On-demand fuel supply for urgent operational needs	Hospitals, telecoms, mines, power plants

Product	Description	Target Clients
Cross-Border Fuel Logistics	Regional transport services with customs and compliance support	Exporters, regional OMCs
Fuel Logistics Partnerships (Future Scope)	Integrated logistics and fuel delivery solutions through strategic partnerships	OMCs, industries, public sector institutions

Industry Overview

Tanzania’s fuel transport industry plays a critical role in supporting the country's growing energy needs and its strategic position as a petroleum distribution hub for East and Central Africa. With increasing domestic consumption of petroleum products—driven by rapid urbanization, industrialization, and infrastructure development—the demand for reliable fuel transport services has surged. Additionally, Tanzania serves as a key transit corridor for landlocked countries such as Zambia, Malawi, Rwanda, and the Democratic Republic of Congo, with fuel imports channeled through the port of Dar es Salaam and transported inland primarily by road tankers. However, the sector remains fragmented and challenged by an aging fleet, safety concerns, limited use of technology, and inefficient logistics systems. These challenges present a significant market opportunity for investment in modern, compliant, and technology-driven fuel transport services.

Supported by a stable regulatory framework under the Energy and Water Utilities Regulatory Authority (EWURA) and investment facilitation through the Tanzania Investment Centre (TIC), the government encourages private sector participation in upgrading the country’s petroleum logistics infrastructure. The introduction of well-maintained fuel trucks equipped with real-time tracking, safety systems, and professionally trained drivers directly addresses key pain points in the industry. With strong demand from oil marketing companies, industrial consumers, and cross-border clients, the outlook for the fuel transport sector is positive. Strategic investment in this space not only promises financial returns but also contributes to national fuel security, improved road safety, and the professionalization of a vital logistics sub-sector.

Financial Overview

The proposed project involves a capital-intensive investment in the acquisition, operation, and maintenance of a fleet of fuel transport trucks. The financial model is structured around a phased rollout, beginning with an initial fleet size of 10 to 20 fuel tankers, with an average carrying capacity of 30,000 to 40,000 litres per truck. The total estimated initial investment ranges between USD 1.5 million to USD 3 million, depending on the size, brand, and specifications of the trucks, as well as the costs of fleet management systems, licensing, insurance, and depot setup.

Revenue Projections:

The company expects to generate income through long-term fuel transport contracts with oil marketing companies (OMCs), industrial clients, and cross-border trade clients. On average, each truck can complete 3–4 trips per week, transporting 30,000–40,000 litres per trip, with a freight charge ranging from USD 0.03–0.05 per litre depending on distance and route.

Operating Costs:

Operating expenses include fuel, driver salaries, truck maintenance, regulatory compliance, tolls, and administrative costs. Operating margins are expected to be between 25% to 35% net after all expenses.

Break-Even and ROI:

With steady contracts and high fleet utilization, the project is expected to reach break-even within 2–3 years. Return on Investment (ROI) is estimated at 25% to 35% annually post break-even, with the potential for higher margins as the fleet scales and operational efficiency improves.

Financing Strategy:

The project may be funded through a combination of equity investment, debt financing, and TIC-facilitated incentives, such as duty exemptions on imported capital goods and tax holidays. Discussions with development finance institutions (DFIs) and local banks are encouraged for structured lending under energy and transport financing programs.

Organization Mission

To deliver safe, reliable, and efficient fuel transport solutions that support Tanzania’s growing energy demands and regional trade integration. We are committed to upholding the highest standards of safety, environmental responsibility, and operational excellence by deploying modern transport technologies, skilled personnel, and a customer-focused service model. Through strategic partnerships, regulatory compliance, and innovation, we aim to become a trusted logistics partner in the petroleum distribution value chain — contributing to national development, job creation, and sustainable infrastructure growth across East and Central Africa.

Vision Statement

To become the leading provider of safe, modern, and technology-driven fuel transport solutions in Tanzania and the greater East and Central African region — setting industry benchmarks in reliability, compliance, and sustainability, while powering the growth of regional economies through seamless energy logistics.

Goals and Objectives

- Establish a modern and efficient fuel transport operation
- Ensure compliance with safety and regulatory standards
- Capture market share and build long-term client relationships.
- Support national development and job creation.
- Achieve financial sustainability and growth

COMPANY OVERVIEW

Ownership

1977 Prestige-1 Logistics Limited the project of Acquisition and Operation of Fuel Transport Trucks in The project shall be located at Dar es Salaam, Kigamboni, Vijibweni Plot no 779, Block F

OVERVIEW OF THE PROJECT

The project entails acquiring and operating a modern fleet of fuel transport trucks to provide safe, efficient, and reliable road haulage of petroleum products within Tanzania and across neighboring countries. By leveraging advanced vehicles equipped with GPS tracking and safety features, the project aims to serve oil marketing companies, industrial consumers, and regional fuel traders. This investment responds to Tanzania's growing energy needs, expanding infrastructure, and its strategic position as a fuel distribution hub for East and Central Africa.

Project Justification

- 1. Growing Fuel Demand:** Tanzania's economic growth and urbanization have steadily increased domestic fuel consumption, necessitating reliable transport services.
- 2. Regional Transit Role:** Tanzania is a key corridor for fuel imports destined for landlocked neighbors, creating high demand for cross-border transport logistics.
- 3. Safety & Compliance Gaps:** Existing transport fleets are often outdated, posing risks and inefficiencies; modern, compliant trucks will enhance safety and reduce losses.
- 4. Government Support:** The regulatory environment and incentives through the Tanzania Investment Centre (TIC) make the project financially viable and attractive to investors.
- 5. Market Opportunity:** Limited availability of professionally managed fuel transport providers creates a niche for growth and service differentiation.

Project Scope

- 1. Fleet Acquisition:** Purchase of 10–20 modern fuel tankers with capacity ranging from 30,000 to 40,000 liters each.
- 2. Operations:** Fuel haulage from ports, refineries, and depots to retail stations, industries, and cross-border destinations.
- 3. Technology:** Implementation of fleet management and GPS tracking systems for real-time monitoring and operational efficiency.
- 4. Safety and Training:** Establish comprehensive safety protocols and regular training programs for drivers and operational staff.

5. **Client Base:** Contractual partnerships with oil marketing companies, industrial users, government agencies, and regional fuel traders.
6. **Geographical Coverage:** Nationwide operations with targeted expansion into neighboring countries within the East and Central African region.

Implementation Plan

Phase 1 (0-6 months): Finalize funding arrangements, acquire initial fleet, set up operational base, recruit key staff, and establish regulatory compliance.

Phase 2 (6-12 months): Launch operations with the first fleet batch, initiate contracts with primary clients, and deploy fleet management systems.

Phase 3 (12-24 months): Scale fleet size, expand service routes domestically and regionally, intensify driver training, and optimize logistics processes.

Phase 4 (24 months+): Evaluate operational performance, explore leasing and value-added services, and pursue strategic partnerships for long-term growth.

INDUSTRY TRENDS:

The fuel transport industry in Tanzania is experiencing dynamic growth, shaped by both regional economic developments and national policy initiatives. One of the most significant trends is the increasing demand for petroleum products, driven by population growth, rapid urbanization, and expansion in key sectors such as construction, mining, manufacturing, and agriculture. As Tanzania continues its industrialization agenda under Vision 2025, the demand for reliable fuel logistics has become critical to sustaining development. The country's strategic location as a regional fuel distribution corridor for landlocked neighbors like Zambia, Rwanda, Uganda, Burundi, and the Democratic Republic of Congo further amplifies this demand, positioning Tanzania as a vital hub in East and Central Africa's energy supply chain.

Another key trend is the modernization and regulation of fuel transport logistics. Regulatory bodies such as EWURA and LATRA are enforcing stricter safety, environmental, and operational standards, which is prompting a shift from older, unsafe vehicles to newer, compliant, and technologically equipped fleets.

Transport companies are increasingly investing in fleet management systems, GPS tracking, and digital logistics tools to improve operational efficiency and accountability. At the same time, there is a noticeable rise in public-private partnerships and infrastructure development (such as port expansions, fuel depots, and road upgrades), which further supports fuel distribution across the country. Additionally, regional integration under EAC and SADC is encouraging cross-border harmonization of transport regulations, enabling streamlined fuel logistics across multiple countries. These trends indicate a strong future outlook and a favorable environment for investment in professional fuel transport services.

MARKETING STRATEGY

MARKET SEGMENTATION

The fuel transport market in Tanzania and its neighboring regions can be segmented based on client type, geography, and service needs. Understanding these segments helps in targeting high-potential customers and tailoring services for operational efficiency and profitability.

A. By Client Type

Oil Marketing Companies (OMCs): Large fuel distributors like TotalEnergies, Oryx, Lake Oil, Puma Energy, and Taifa Gas rely on outsourced transport for bulk delivery to retail stations and depots. They require reliable, compliant, and timely transport solutions.

Industrial and Commercial Clients: Manufacturing plants, mining companies, construction firms, and large farms require regular, bulk fuel deliveries to power machinery and generators. They often sign long-term contracts for dedicated fuel transport services.

Government and Parastatal Agencies: Government institutions and public utilities (like TANESCO, army logistics units, or road authorities) require fuel transport for emergency, infrastructure, or operational purposes, especially in remote regions.

Cross-Border Traders and Regional Distributors: These clients move fuel from Dar es Salaam port to landlocked countries like Zambia, Rwanda, DRC, and Malawi. They need licensed, cross-border-compliant logistics partners with strong documentation and safety standards.

B. BY GEOGRAPHY

Urban and Industrial Zones: High demand for intra-city and depot-to-station deliveries, with strong competition and need for rapid turnaround times.

Rural and Remote Areas: Less served due to logistical challenges but increasingly important as infrastructure improves. High margins due to limited competition.

Regional Corridors: Strategic routes for international fuel transit to neighboring landlocked countries. Ideal for cross-border operations and high-volume delivery.

C. By Service Needs

Bulk Fuel Hauling: High-volume transport from port to storage depots, typically involving larger tankers and requiring port clearance capabilities.

Retail Station Distribution: Medium-volume, frequent deliveries from depots to service stations. Focused on schedule reliability and station coverage.

D. Target Market Focus

The primary target market will be Oil Marketing Companies and Cross-Border Traders, as they offer consistent, large-scale business with long-term contracts. Secondary focus will be on industrial clients and government tenders, where relationships and service reliability can generate premium pricing and customer loyalty.

POSITIONING STRATEGY

Our positioning strategy is built around the core value of being a “trusted, technology-driven partner for safe, efficient, and compliant fuel transportation across Tanzania and the region.” In an industry where reliability, safety, and regulatory compliance are non-negotiable, we aim to distinguish ourselves by offering a premium, professionally managed fuel logistics service that meets the evolving needs of oil marketing companies, industrial clients, and cross-border fuel traders.

We position our brand as modern, dependable, and safety-first, leveraging advanced fleet management systems, real-time GPS tracking, automated dispatch, and preventive maintenance protocols. Unlike many competitors operating with aging fleets and minimal oversight, we will offer end-to-end visibility,

performance accountability, and service customization. Our tankers will meet or exceed EWURA and LATRA safety standards, giving us a competitive edge in winning regulated tenders and long-term contracts. Moreover, by maintaining a skilled, uniformed, and continuously trained driver workforce, we will reinforce our image as a high-integrity logistics partner, capable of handling sensitive and high-value fuel deliveries with consistency and professionalism.

In marketing communications and client acquisition, we will emphasize our role as an enabler of energy distribution, not just a transporter. We will target decision-makers at OMCs and industrial firms with a clear message: “Reduce your fuel logistics risk—partner with a transport provider that puts safety, technology, and timeliness first.” This clear and differentiated positioning will help us gain trust, command premium rates, and grow our footprint through both referrals and formal procurement channels.

PRODUCT STRATEGY

Our product strategy is centered on delivering a high-quality, dependable, and safety-compliant fuel transport service that meets the logistical needs of oil marketing companies, industrial fuel users, and regional distributors. Unlike traditional transport providers that offer basic haulage, our strategy focuses on providing a value-added, service-oriented logistics solution using modern fuel tankers equipped with real-time GPS tracking, automated dispatch systems, and full regulatory compliance with EWURA, LATRA, and regional transport protocols.

To differentiate ourselves in a competitive market, our fleet will consist of purpose-built fuel tankers with varying capacities to serve diverse customer needs—ranging from depot-to-retail station deliveries to cross-border bulk fuel hauling. Each unit will be supported by a centralized operations control system, enabling route optimization, fuel theft prevention, and performance monitoring. In addition, we will offer customized service plans for long-term contract clients, including scheduled deliveries, 24/7 support, digital reporting, and emergency response coverage.

Our product will be continuously improved based on client feedback, market demands, and technological advancements. By blending modern transport assets with responsive customer service and

data-driven logistics, we aim to create a premium product offering that stands out for its reliability, transparency, and professionalism in Tanzania's fuel transport industry.

PRICING STRATEGY

Our pricing strategy is designed to balance competitive rates with premium service value, targeting clients who prioritize safety, reliability, and regulatory compliance in fuel logistics. We will adopt a contract-based and volume-tiered pricing model, offering discounts for long-term partnerships and high-volume commitments while maintaining a standard rate card for ad-hoc or one-time services. Pricing will reflect operational costs such as fuel, maintenance, insurance, and driver training, as well as the added value of GPS tracking, timely delivery, and compliance assurance. This approach ensures profitability, market competitiveness, and client retention through transparent, service-justified pricing.

PROMOTION STRATEGY

Our promotion strategy will focus on building strong brand visibility and trust through a combination of direct marketing, strategic partnerships, and digital outreach. We will target decision-makers in oil marketing companies, industrial firms, and government agencies through business-to-business (B2B) engagements, including presentations, trade fairs, and industry networking events. A professional website and active presence on LinkedIn and industry platforms will showcase our fleet, safety standards, and technology capabilities. In addition, we will leverage client referrals, local advertising, and strategic alliances with fuel depots and logistics hubs to reinforce our reputation as a reliable and compliant fuel transport provider in Tanzania and the region.

DISTRIBUTION STRATEGY

Our distribution strategy is based on a centralized hub in Dar es Salaam, supported by regional satellite points in key commercial areas. This hub-and-spoke model enables efficient routing, timely deliveries, and strategic access to both domestic and cross-border markets. Using GPS-enabled fuel tankers and real-time fleet management systems, we ensure safe, compliant, and optimized fuel transport. We will also collaborate with oil depots, ports, and customs authorities to streamline loading and clearance, ensuring a seamless, scalable, and dependable distribution network across Tanzania and neighboring countries.

CUSTOMER RETENTION STRATEGY

To retain customers and build long-term loyalty, we will focus on consistency, reliability, and value-added service delivery. Key to this will be maintaining a high standard of operational performance, including on-time delivery, transparent communication, and proactive problem resolution.

In addition, we will implement incentive-based contracts such as volume discounts, loyalty rewards, and priority service for long-term partners. Clients will have access to a digital portal for real-time tracking, electronic proof of delivery, and detailed performance reports—enhancing trust and transparency. Through reliable execution, continuous engagement, and performance-driven value, we aim to become a trusted logistics partner, not just a transport provider.

COMPETITIVE STRATEGY

Our competitive strategy is focused on differentiation through quality, compliance, and technology. While many fuel transport providers in Tanzania operate aging fleets with minimal oversight, we will stand out by offering a modern, well-maintained fleet equipped with GPS tracking, real-time monitoring, and digital delivery verification systems. This technology-driven approach not only ensures safety and efficiency but also builds client confidence through transparency and accountability.

We will also leverage regulatory compliance as a competitive advantage, strictly adhering to EWURA and LATRA standards, enabling us to compete effectively in high-value contracts and tenders, especially with large oil marketing companies and government agencies. Our investment in driver training, safety protocols, and preventive maintenance will further enhance our reputation for reliability and risk-free delivery.

Moreover, we will offer customized service packages, flexible contract terms, and responsive customer service—creating value beyond just transport. By combining operational excellence with strategic pricing, long-term relationship building, and a strong regional expansion plan, we aim to secure a sustainable market position as a premium logistics provider in Tanzania’s petroleum sector.

PROJECT DESCRIPTION

Location and Site

The project will be based in Tanzania, (Details of the Location)

Promotion Strategy

Our promotion strategy will focus on building brand awareness and trust among key stakeholders through targeted B2B marketing. We will engage directly with oil marketing companies, industrial clients, and government agencies using personalized outreach, presentations, and participation in industry events and trade fairs. Digital channels such as a professional website, LinkedIn, and industry forums will showcase our modern fleet, safety standards, and technology advantages. We will also leverage client testimonials and referrals to enhance credibility, complemented by local advertising in industry publications and collaborations with fuel depots and logistics hubs to broaden our reach. This multi-channel approach will position us as the preferred, reliable, and compliant fuel transport provider in Tanzania and the region.

Pricing Strategy

Cost-Plus Pricing

Cost-plus pricing involves calculating all the costs of providing fuel transport services—like trucks, fuel, wages, and insurance—and then adding a fixed profit margin on top. This ensures all expenses are covered while guaranteeing a consistent profit. It's a simple, transparent method ideal for logistics businesses where costs are measurable and pricing needs to balance competitiveness with profitability.

Market-Oriented Pricing

A strategy where prices are set primarily based on market conditions, including competitor pricing, customer demand, and perceived value, rather than just the company's costs. For your fuel transport project, this means analyzing what other fuel transport providers charge, understanding what clients are willing to pay for reliable and safe services, and positioning your pricing accordingly—whether that means matching, undercutting, or charging a premium based on your service quality and value-added features. This approach helps you stay competitive and aligned with market expectations while maximizing revenue opportunities.

Geographic Pricing

A strategy where the price of fuel transport services varies depending on the delivery location or distance. For your project, this means charging different rates based on factors like the region served, road conditions, border crossing fees, and fuel consumption. For example, transporting fuel to remote or cross-border destinations might carry higher prices due to increased costs and risks, while deliveries within urban areas could be priced lower. This approach helps reflect the true cost of service in each area, ensuring profitability while remaining fair and competitive across diverse geographic markets.

Value-Based Pricing

Sets prices according to the perceived value your fuel transport service provides to customers rather than solely on costs. For your project, this means understanding how much clients—like oil companies or industrial users—value your safety record, timely deliveries, compliance with regulations, and use of modern technology. If your service reduces their risks, downtime, or losses, you can charge a premium price reflecting these benefits. This strategy focuses on delivering and communicating superior value, enabling you to maximize revenue while building strong customer relationships.

Customer Segmentation

Customer segmentation involves dividing the fuel transport market into distinct groups based on specific characteristics, needs, and behaviors to tailor services and marketing efforts effectively.

Oil Marketing Companies (OMCs): Large fuel distributors that require bulk transport of petroleum products from ports and depots to retail stations across the country. They prioritize reliability, safety compliance, and capacity.

Industrial Clients: Manufacturing plants, mining operations, construction firms, and agricultural businesses needing consistent, on-demand fuel deliveries to power machinery and operations. They value customized delivery schedules and flexible contracts.

Government and Public Sector: Includes agencies and utilities requiring fuel transport for infrastructure projects, emergency services, and public transportation fleets. They focus on compliance, security, and accountability.

Cross-Border Traders and Regional Distributors: Entities involved in moving fuel across borders to neighboring landlocked countries. Their key concerns include regulatory compliance, timely delivery, and seamless customs clearance.

Retail Fuel Stations: Smaller-scale clients needing frequent, smaller volume deliveries to maintain fuel availability for end consumers.

Segmenting customers this way helps prioritize resources, develop targeted marketing strategies, and design service packages that meet the unique demands of each group.

Competitive Analysis

The fuel transport industry in Tanzania features a mix of established local operators and smaller independent transporters. Most competitors operate aging fleets with limited technology integration, often resulting in inconsistent service quality, safety risks, and regulatory compliance challenges. These gaps present an opportunity for a modern, professional operator to differentiate through superior fleet quality, advanced logistics technology, and strict adherence to safety and environmental standards.

Key competitors typically compete primarily on price, which can lead to compromises in service reliability and safety. In contrast, our strategy focuses on value differentiation by offering technologically equipped tankers with GPS tracking, real-time fleet monitoring, and proactive maintenance programs. This reduces risks of delays, fuel theft, and accidents—common issues that undermine competitor services.

Moreover, while some competitors have limited geographic coverage, mainly focusing on urban centers, our approach targets nationwide distribution with strategic regional hubs and cross-border operations, tapping into underserved markets and regional trade corridors.

Our compliance with regulatory bodies such as EWURA and LATRA positions us favorably to secure contracts that demand high safety and operational standards, giving us access to premium client segments like major oil marketing companies, government agencies, and international traders.

Competitive Advantage

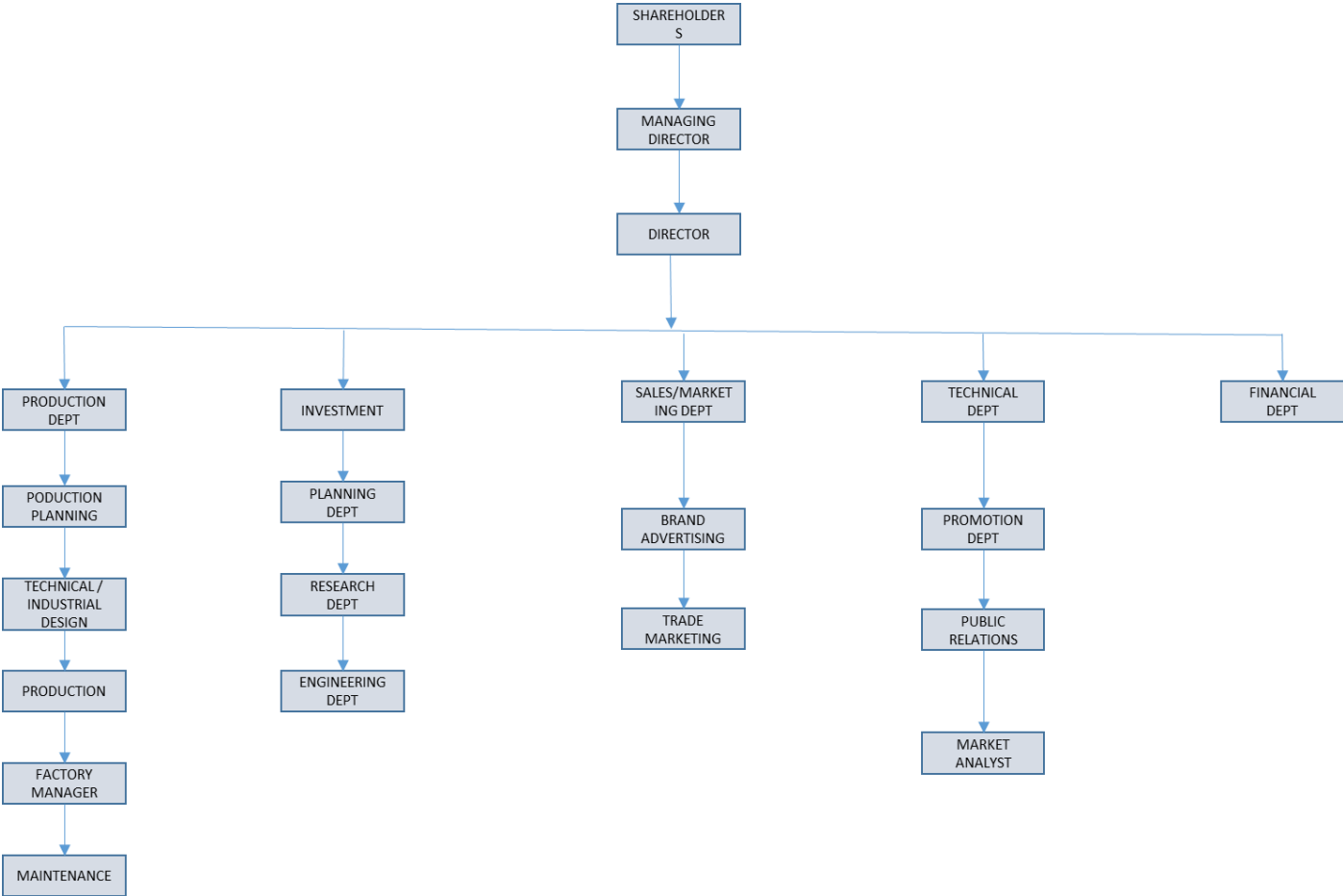
Our competitive advantage lies in combining modern, well-maintained fleets **with** cutting-edge technology and strict regulatory compliance to deliver unmatched safety, reliability, and efficiency in fuel transportation. Unlike many competitors operating older vehicles and manual processes, our GPS-enabled tankers and real-time fleet management systems provide clients with transparency, timely updates, and enhanced security of their valuable cargo. This technology-driven approach minimizes risks such as fuel theft, delays, and accidents.

Additionally, our commitment to regulatory compliance with EWURA and LATRA standards not only ensures safer operations but also opens doors to lucrative contracts with oil marketing companies, government agencies, and regional distributors who demand strict adherence to safety and environmental guidelines. Our trained and professional driver workforce further reinforces this advantage by maintaining high service quality and operational discipline.

Strategically, our nationwide distribution network with regional hubs enables faster deliveries and access to underserved rural and cross-border markets, giving us an edge over competitors focused only on urban centers. Collectively, these factors position us as the preferred, premium fuel transport provider in Tanzania and the broader East African region.

ORGANIZATION AND MANAGEMENT PLAN

Organizational Structure



MANAGEMENT STRATEGY

Our management strategy is designed to ensure operational excellence, strategic growth, and continuous improvement in the acquisition and operation of fuel transport trucks. We will build a skilled leadership team with expertise in logistics, fleet management, regulatory compliance, and customer relations to guide day-to-day operations and long-term planning.

Key elements include implementing a structured organizational hierarchy with clear roles and responsibilities—from operations managers overseeing fleet maintenance and driver performance, to a dedicated safety and compliance officer ensuring adherence to EWURA and LATRA regulations. We will invest in ongoing training and development programs for drivers and staff to maintain high safety standards and customer service quality.

Operationally, we will adopt performance monitoring systems utilizing GPS tracking and data analytics to optimize routes, reduce downtime, and track key performance indicators (KPIs). This data-driven approach will support proactive decision-making and continuous process improvements.

Strategic partnerships with fuel depots, insurance providers, and maintenance service companies will enhance operational resilience and scalability. The management team will also prioritize transparent communication with stakeholders and regular financial and operational reporting to ensure accountability and foster investor confidence.

BUDGET MANAGEMENT

Budget management will focus on maintaining financial discipline and ensuring that funds are allocated effectively across all business areas. The Finance Manager will oversee the budgeting process, tracking revenue, costs, and investments to ensure that the business operates within its financial means. Regular financial reports will be generated to monitor cash flow, identify potential issues, and adjust the budget as needed. Additionally, cost controls will be put in place to minimize waste and maximize profitability, while ensuring that funds are available for critical operational needs and future growth. This approach will help maintain financial stability and support the company's long-term objectives.

TIME MANAGEMENT

Time management will be a key factor in ensuring the successful execution of the project. The company will implement a detailed project timeline with clear milestones and deadlines for each phase, from the initial installation to full deployment and ongoing maintenance. The Operations Manager will be responsible for tracking progress and ensuring that all tasks are completed on schedule. Regular team meetings will be held to address any delays or bottlenecks and adjust timelines accordingly. By prioritizing tasks and setting realistic deadlines, the company aims to optimize productivity, reduce downtime, and ensure that all projects are completed efficiently, helping the business meet its goals in a timely manner.

RISK MANAGEMENT

Risk management will involve identifying, assessing, and mitigating potential risks that could impact the business's success. The company will conduct regular risk assessments to evaluate potential threats, including financial risks, operational challenges, regulatory changes, and market fluctuations. A risk mitigation plan will be developed, outlining strategies to minimize the impact of these risks, such as diversifying suppliers, maintaining emergency funds, and ensuring compliance with local regulations. The management team will regularly review and update the risk plan, ensuring that the company is prepared for unforeseen challenges. By proactively managing risks, the business aims to safeguard its operations and ensure long-term sustainability in the Tanzanian mining sector.

SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The investment in the acquisition and operation of fuel transport trucks is poised to generate significant social and economic benefits both locally and nationally. Economically, the project will contribute to job creation by employing drivers, mechanics, logistics staff, and administrative personnel, thereby supporting livelihoods and reducing unemployment in the transport sector. The reliable transport of fuel will enhance the efficiency of the energy supply chain, reducing fuel shortages and supporting continuous operation of industries, businesses, and public services, which in turn stimulates broader economic growth.

Socially, the project promotes road safety and environmental responsibility through adherence to stringent regulatory standards and use of modern, well-maintained vehicles. This reduces accidents, fuel spills, and pollution, fostering safer communities along transport routes. Additionally, by improving access to fuel in remote and underserved areas, the project supports regional development, enabling better healthcare, education, and infrastructure services powered by reliable energy. The project's contribution to cross-border trade will strengthen regional integration, boosting economic cooperation and shared prosperity within East Africa.

DRIVERS TO INVESTMENT IN ACQUISITION AND OPERATION OF FUEL TRANSPORT TRUCKS

Several key factors drive the investment in acquiring and operating fuel transport trucks in Tanzania. Firstly, the growing demand for petroleum products due to expanding industrial activity, urbanization, and increasing vehicle ownership creates a critical need for efficient, reliable fuel distribution networks. This demand growth ensures a steady market for transport services.

Secondly, infrastructure development and regional integration efforts across East Africa are enhancing road connectivity and cross-border trade, opening new routes and markets for fuel transport operators. Investors can capitalize on these expanding trade corridors, especially for cross-border fuel logistics.

Thirdly, regulatory reforms and stricter enforcement by bodies like EWURA and LATRA are encouraging modernization of the transport fleet, pushing operators towards safer, compliant, and technologically equipped vehicles. This creates a competitive advantage for investors with modern fleets.

Fourth, rising concerns over safety, environmental impact, and fuel theft have increased demand for professional, technology-enabled fuel transport services that offer transparency and risk mitigation.

Finally, government incentives, including potential tax breaks and support for investments under the Tanzania Investment Centre (TIC), make the sector more attractive for both local and foreign investors, reducing entry barriers and improving profitability prospects.

FINANCIAL ANALYSIS

Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied. Revenues have been conservatively estimated based on experience of the promoters and trends in the packaging materials products industry.

15.2 Project Investment

The estimated capital investment cost of the project is US\$ **505,000** out of which US\$**375,000** will be fixed investment costs.

1977 PRESTIGE-1LOGISTICS LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	25,000.00
Machinery & Equipment	220,000.00
Motor Vehicles	75,000.00
Furniture & Fixtures	5,000.00
Pre exp	0.00
Others	5,000.00
Working Capital	175,000.00
TOTAL	505,000.00

For the project to be a reality a total investment amounting to US \$505,000 is needed

Financing pattern

The project will be financed by equity **US\$375,000** and loan **US\$ 130,000**

Project operating costs

In order to realize its intended objective, the project will have to meet operating cost not exceeding 15% of annual total revenue and 75% of total revenue is cost of sales

Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from the project commences from the first year of operation.

1977 PRESTIGE-1 LOGISTICS LIMITED SUMMARY OF REVENUE "US\$"

	1	2	3	4	5
Revenue	2,610,000	2,818,800	3,044,304	3,287,848	3,550,876

Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years' period. The position depicted is that the project earns profit throughout its life

Accumulated after tax profits grow from. US\$ in first year **154,875** to US\$ in the year 5th **858,503**

1977 PRESTIGE-1 LOGISTICS PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5
Revenue	2,610,000.00	2,818,800.00	3,044,304.00	3,287,848.32	3,550,876.19
Cost of Sales	1,957,500.00	2,114,100.00	2,283,228.00	2,465,886.24	2,663,157.14
Operating Expenses	391,500.00	422,820.00	456,645.60	493,177.25	532,631.43
Profit before Depreciation & Interest	261,000.00	281,880.00	304,430.40	328,784.83	355,087.62
Interest	24,000.00	180,000.00	16,000.00	6,000.00	-
Depreciation	15,750.00	15,750.00	15,750.00	15,750.00	15,750.00
Gross Profit	221,250.00	86,130.00	272,680.40	307,034.83	339,337.62
Tax (30%)	66,375.00	25,839.00	81,804.12	92,110.45	101,801.29
Profit After Tax	154,875.00	60,291.00	190,876.28	214,924.38	237,536.33
Accumulated Profit	154,875.00	215,166.00	406,042.28	620,966.66	858,503.00

Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1 US\$**194,625**. of operation to the 5th year US\$ **1,183,25**

1977 PRESTIGE-1 LOGISTICS LIMITED PROJECTED CASH FLOWS STATEMENT (US\$)

	0	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	0	261,000.00	281,880.00	304,430.40	328,784.83	355,087.62
Equity	205,000.00					
Loan	300,000.00					
Total Sources	505,000.00	261,000.00	281,880.00	304,430.40	328,784.83	355,087.62
Applications:						
Capital expenditure	325,000.00		-	-	-	-
working Capital & Others	180,000.00	-	-	-	-	-
Cash	0	194,625.00	256,041.00	222,626.00	256,674.00	253,286.00
Tax	-	66,375.00	25,839.00	81,804.12	92,110.45	101,801.29
Sub total	505,000.00	261,000.00	281,880.00	304,430.12	348,784.45	355,087.29
Total applications	505,000.00	261,000.00	281,880.00	304,430.12	348,784.45	355,087.29
Accumulated cash		194,625.00	450,666.00	673,292.00	929,966.00	1,183,252.00

9.1 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholder's equity increases from US\$**205,000** in the first year of operation to US\$**547,536** in the 5th year.

1977 PRESTIGE-1 LOGISTICS LIMITED PROJECTED BALANCE SHEET STATEMENT (US\$)

Fixed Assets		1	2	3	4	5
Opening balance	-	325,000	290,250	255,500	220,750	186,000
Total Long-term Assets	-	325,000.00	290,250.00	255,500.00	220,750	186,000
Less depreciation	-	15,750.00	15,750.00	15,750.00	15,750	15,750
Closing balance	-	309,250.00	274,500.00	239,750.00	205,000	170,250
Working capital	180,000	180,000.00	180,000.00	180,000.00	180,000	180,000
Accumulated cash	-	194,625.00	450,666.00	673,292.00	929,966	1,183,252
Total assets	180,000	683,875.00	905,166.00	1,093,042.00	1,314,966	1,533,502
Financed by						
Equity	205,000	310,000.00	310,000.00	310,000.00	310,000	310,000
Net profit	-	154,875.00	60,291.00	190,876.28	214,924	237,536
Total equity	205,000	464,875.00	370,291.00	500,876.28	524,924	547,536
Long term loan	300,000	225,000	150,000	75,000	0	0
Total debts	300,000	225,000.00	150,000.00	75,000.00	-	-
Total equity and debts	505,000	689,875.00	520,291.00	575,876.28	524,924	547,536

PROJECTED PAYBACK PERIOD

Total investment is **US\$505,000** cash accumulation in 54th years is **US\$683,966** which is more than the initial investment by **US\$ US\$ 17,8966**, the project payback Period is within **3 year**

1977 PRESTIGE-1 LOGISTICS LIMITED PROJECTED PAYBACK PERIOD STATEMENT (US\$)

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	154,875.00	15,750.00	170,625.00	170,625.00
2	60,291.00	15,750.00	76,041.00	246,666.00
3	190,876.28	15,750.00	206,626.28	453,292.28
4	214,924.38	15,750.00	230,674.38	683,966.66
5	237,536.33	15,750.00	253,286.33	937,252.99

Projected loan repayment

Total loan is **US\$505,000** to be repaid within 4 years with interest of 8%

1977 PRESTIGE-1 LOGISTICS LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
0				
1	75,000	24000	99,000	300,000
2	75,000	18000	93,000	225,000
3	75,000	12000	87,000	150,000
4	75,000	6000	81,000	75,000
5	0	0	0	0
6	0	0		0

7. PROJECT MAN POWER AND INVESTMENT

Management: The project will be managed by **39** key staffs; the Management Officer will be the Chairperson. Under him/her will be the General manager, the Manufacturing department, the Finance Manager and the Marketing manager.

Manpower: The project will have a high -tech installment of machinery and new technology application

Employees Distribution Summary

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	10	10	10	30
Men	10	40	10	60
TOTAL	20	50	20	90

Training: All workers inclusive will benefit from the internal training for proper operations, quality and security observance. There will be out-dooring trainings for recommended staffs depending on their working requirements. Generally, the plant will apply sophisticated machinery of high technology, it is through the trainings that the Management team plans to transfer technology and skills to local workers and make sure, those foreign workers are employed where inevitable.

ANALYSIS OF STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT)

STRENGTHS

- **Modern Fleet and Technology:** Use of GPS-enabled, well-maintained trucks ensures safety, efficiency, and real-time monitoring.
- **Regulatory Compliance:** Adherence to EWURA and LATRA standards enhances credibility and access to high-value contracts.
- **Strategic Partnerships:** Strong alliances with fuel depots, maintenance providers, and logistics hubs streamline operations.
- **Professional Management and Skilled Workforce:** Experienced team and trained drivers uphold service quality and safety standards.
- **TIC Investment Support:** Benefits from Tanzania Investment Centre incentives, such as tax reliefs and facilitation services.

WEAKNESSES

- **High Capital Requirements:** Initial investment in fleet acquisition and systems can be financially intensive.
- **Operational Risks:** Dependence on fuel price volatility, road conditions, and mechanical reliability.
- **Limited Brand Recognition (Initial Phase):** As a new entrant, may face challenges in winning major contracts early.

OPPORTUNITIES

- **Growing Fuel Demand:** Expanding economic activity and energy needs increase demand for transport services.
- **Regional Trade Expansion:** Opportunities in cross-border fuel logistics to landlocked countries (e.g., Zambia, Rwanda, DRC).
- **Market Gaps:** Opportunity to serve underserved or remote areas where competition is weak.
- **Industry Modernization:** Shift towards technology-driven logistics creates room for innovation-based differentiation.

THREATS

- Intense Competition: Established transporters with longstanding contracts may resist new entrants.
- Regulatory Changes: Sudden shifts in fuel or transport regulations could increase compliance costs.
- Security Risks: Fuel theft, hijackings, and accidents present operational and reputational risks.
- Economic Instability: Inflation, currency fluctuations, or economic downturns could impact margins and demand.

RECOMMENDATION

Based on the strategic analysis and market potential, it is highly recommended to proceed with the investment in the acquisition and operation of fuel transport trucks in Tanzania. The project aligns with national economic growth, increasing fuel demand, and regional trade development, offering strong prospects for profitability and long-term sustainability. With a modern, compliant, and technology-driven fleet, the business can address critical market gaps such as unreliable delivery, fuel theft, and safety risks—positioning itself as a premium logistics provider.

Furthermore, the project benefits from supportive regulatory frameworks and incentives provided by the **Tanzania Investment Centre (TIC)**, which can enhance operational efficiency and reduce startup costs. Strategic execution, coupled with strong risk management and customer-focused service delivery, will ensure competitive advantage and scalable growth. Therefore, investors are encouraged to commit resources to this venture, with confidence in its financial viability and its positive economic and social impact.