

# BUSAZA TRANSPORT CO.LIMITED

## BUSINESS PLAN

08/05/2025

BUSAZA TRANSPORT CO. LIMITED

Kariakoo ward Pemba/livingstone street Clifton apartment 2th floor

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## **EXECUTIVE SUMMARY**

BUSAZA TRANSPORT CO, LIMITED is a newly incorporated private company limited by shares, registered in Tanzania on July 27, 2022, with a focus on freight transport by road, cargo handling, and warehousing. Based in Dar Es Salaam, the company aims to provide efficient, reliable, and cost-effective logistics solutions to meet the growing demand for transportation services in Tanzania and the East African region. With an authorized share capital of 10,000,000 TZS and a strategic location in Kariakoo ward Pemba/livingstone street Clifton apartment 2th floor, BUSAZA TRANSPORT is poised to capitalize on the increasing trade activities and infrastructure developments in the region. The company is led by experienced directors from Burundi and plans to employ a mix of skilled and unskilled local and foreign workers, leveraging modern technology to ensure operational excellence. This business plan outlines the company's legal formation, shareholding structure, project objectives, market analysis, financial projections, and implementation strategy to achieve sustainable growth over the next five years.

### **BUSINESS NAME**

BUSAZA TRANSPORT CO. LIMITED is the official name of the business.

### **BUSINESS TYPE**

BUSAZA TRANSPORT CO. LIMITED is a foreign-owned private company limited by shares, registered in Tanzania.

### **INDUSTRY**

The company operates in the transportation and logistics sector, specializing in freight transport by road, cargo handling, and warehousing.

### **BUSINESS ADDRESS**

The business is located in Kariakoo ward Pemba/livingstone street Clifton apartment 2th floor Ward, Ilala cbd District, Dar Es Salaam, Tanzania, at Plot 72, pemba road livingstone street

Road, Postal Code 14113. The site is strategically positioned near the Dar Es Salaam port and major road networks, facilitating efficient logistics operations.

### **CONTACT INFORMATION**

The primary contact for BUSAZA TRANSPORT CO. LIMITED is Gabriel Ntizeserana, who can be reached via email at gabntisezerana@yahoo.fr, by phone at +25769936444, or through P.O. Box 8602, Dar Es Salaam.

### **MISSION STATEMENT**

To deliver reliable, efficient, and cost-effective freight transport and logistics solutions, enhancing the connectivity and growth of Tanzania's trade and commerce sectors.

### **VISION STATEMENT**

To become a leading logistics provider in East Africa, recognized for operational excellence, sustainability, and customer satisfaction, while fostering economic development and job creation in Tanzania.

## **SUMMARY OF COMPANY LEGAL FORMATION**

BUSAZA TRANSPORT CO. LIMITED was officially registered with the Business Registrations and Licensing Agency (BRELA) in Tanzania on July 27, 2022, under incorporation number 156972878. It operates as a private company limited by shares, with a registered office located Kariakoo ward Pemba/livingstone street Clifton apartment 2th floor Ward, Ilala District, Dar Es Salaam (Postal Code 14113). The company's primary business activities include freight transport by road (Main activity, SIC 4923), cargo handling (SIC 5224), and warehousing and storage (SIC 5210). The company secretary and directors are Gabriel Ntisezerana and MARIE LOUISE BAYAKAREMA, both Burundian nationals, ensuring compliance with Tanzanian corporate governance regulations.

## COMPANY SHAREHOLDING STRUCTURE AND NATIONALITY

The authorized share capital of BUSAZA TRANSPORT CO. LIMITED is 10,000,000 TZS, divided into 1,000 ordinary shares valued at 10,000 TZS each. The shareholding structure is as follows:

- **Gabriel Ntisezerana** (Burundian): 80 shares (8% ownership)
- **MARIE LOUISE BAYAKAREMA** (Burundian): 20 share (2% ownership)
- **African fuel logistics limited** (Burundian) 100 shares (10 ownership)

The company is fully owned by Burundian nationals, reflecting a foreign-controlled entity operating in Tanzania.

## DESCRIPTION OF THE PROJECT LOCATION

The BUSAZA TRANSPORT CO LIMITED freight transport and logistics project is strategically located in Kariakoo Ward, Ilala District, Dar es Salaam, Tanzania, at Plot 72, Pemba street, Livingstone road, Postal Code 14113. This site was chosen for its exceptional logistical and operational advantages, aligning with the company's goals of delivering efficient and reliable transportation services. Kariakoo is a vibrant commercial hub, making it an ideal base for a logistics-focused enterprise. Key benefits of this location include:

- **Proximity to Dar es Salaam Port:** The location's close proximity to the Dar es Salaam Port, Tanzania's primary hub for international trade, is vital for efficient cargo handling and freight transport operations. This reduces transit times and costs for importing materials and equipment, as well as facilitating the movement of goods for export. It positions BUSAZA TRANSPORT CO LIMITED to effectively serve both domestic and regional markets, enhancing its role in East African trade networks.
- **Access to Major Highways:** Kariakoo's strategic position provides direct access to Tanzania's major road networks, enabling seamless distribution of freight across the country and to neighboring East African countries. This connectivity ensures timely and reliable delivery of goods, supporting the company's commitment to meeting client demands across diverse regions. The robust road infrastructure enhances BUSAZA's ability to optimize its freight transport operations.
- **Availability of Skilled Labor:** The Kariakoo area benefits from a diverse pool of skilled and semi-skilled workers, particularly those with experience in logistics, transportation, and warehousing. This labor availability allows BUSAZA TRANSPORT CO LIMITED to recruit and train local talent, ensuring high operational standards and fostering community development. The access to a capable workforce supports the company's goals of maintaining efficiency and delivering quality services.
- **Infrastructure Support:** Kariakoo is equipped with reliable infrastructure, including consistent electricity, water supply, and well-maintained roads, which are essential for uninterrupted logistics and warehousing operations. This infrastructure supports the company's fleet management, cargo handling, and storage activities, enabling BUSAZA TRANSPORT CO LTD to meet its operational targets and maintain service reliability. The area's

established public services minimize disruptions, contributing to the project's long-term sustainability.

In summary, the Kariakoo Ward in Dar es Salaam offers an optimal location for BUSAZA TRANSPORT LIMITED's freight transport and logistics operations. The strategic advantages of port proximity, excellent highway access, a skilled labor pool, and robust infrastructure collectively enhance the project's feasibility and operational success. This location aligns with the company's mission to deliver efficient, reliable, and sustainable logistics solutions, contributing to Tanzania's economic and trade development.

## DESCRIPTION OF THE PROJECT OBJECTIVE

The primary objective of BUSAZA TRANSPORT CO LIMITED is to establish a leading freight transport and logistics operation in Tanzania, with an annual capacity to transport 50,000 tons of cargo, handle 20,000 tons, and store 5,000 tons in its warehousing facilities. This operation will play a pivotal role in supporting Tanzania's trade and commerce growth by providing reliable, efficient, and cost-effective logistics solutions to meet the rising demand in the transportation sector.

The project focuses on several core elements:

- **Sustainable Logistics Practices:** BUSAZA TRANSPORT LIMITED is committed to implementing environmentally responsible practices to minimize its ecological footprint. The company will adopt fuel-efficient trucks, solar-powered warehouse lighting, and waste reduction initiatives to promote sustainability. By optimizing route planning with GPS-enabled fleet management systems, BUSAZA TRANSPORT LIMITED aims to reduce fuel consumption and emissions, aligning with Tanzania's environmental goals and global sustainability standards. These efforts will position the company as a leader in eco-friendly logistics in the region.
- **Service Quality Assurance:** The project prioritizes delivering high-quality logistics services that meet client expectations for reliability and timeliness. BUSAZA will implement rigorous operational standards, including real-time cargo tracking, automated handling processes, and regular maintenance of its fleet and equipment. Advanced technology, such as logistics software and GPS systems, will ensure transparency and efficiency in service delivery. This commitment to quality will enhance customer satisfaction, build trust, and strengthen BUSAZA's reputation in the competitive logistics market.
- **Economic Contribution:** The establishment of BUSAZA TRANSPORT CO LIMITED's logistics operations will significantly impact the Tanzanian economy by creating 100 jobs, with a focus on employing and developing local talent. The workforce will include 80 local employees (60 skilled and 20 unskilled, with 60% male and 40% female representation) and 10 foreign skilled professionals. The company will offer

comprehensive training programs in fleet management, cargo handling, and safety protocols, empowering employees with valuable skills and contributing to the growth of Tanzania's logistics workforce. This initiative aligns with Tanzania's Vision 2025, which emphasizes job creation and economic diversification. By supporting trade and infrastructure development, BUSAZA aims to be a key contributor to Tanzania's economic progress.

Overall, this project will establish a modern and efficient logistics operation that adheres to national and international standards of excellence. It reflects BUSAZA TRANSPORT CO. LIMITED's dedication to sustainable growth, superior service quality, and significant economic impact, supporting Tanzania's trade and industrial development while promoting an environmentally responsible and forward-thinking business model.

## SUMMARY OF SECTOR PERFORMANCE

### Tanzania's Transportation and Logistics Sector

- **Contribution to GDP:** Approximately 7% as of recent reports.
- **Growth Rate:** Steady growth of 8% annually, driven by infrastructure investments, trade expansion, and increasing regional connectivity.
- **Government Support:** Policies promoting logistics development, including tax incentives, infrastructure funding, and trade facilitation under the African Continental Free Trade Area (AfCFTA).

### Freight Transport and Warehousing Sub-Sector

- **Market Growth:** Rising demand for freight transport, cargo handling, and warehousing due to growing trade, e-commerce, and industrial activities.
- **Key Drivers:** Expansion of Dar es Salaam port, agricultural exports, mining sector growth, and infrastructure projects like the Standard Gauge Railway (SGR).
- **Competitive Landscape:** A mix of international firms (e.g., Bolloré Logistics) and local operators, with opportunities for differentiation through technology and sustainability.

## SUMMARY OF MARKET ANALYSIS

### MARKET OVERVIEW

The demand for freight transport and logistics services in Tanzania and the broader East African region is experiencing significant growth, driven by several key factors:

- **Infrastructure Development:** Tanzania's ongoing investments in road networks, port expansions (e.g., Dar es Salaam and Bagamoyo ports), and logistics hubs are increasing the need for efficient freight transport services. Projects like the Standard Gauge Railway (SGR) further enhance regional connectivity, boosting demand for road-based logistics to complement rail transport.
- **E-commerce Growth:** The rise of online retailing in Tanzania and East Africa has heightened the demand for reliable last-mile delivery and bulk cargo transport. E-commerce platforms are expanding, requiring robust logistics networks to ensure timely delivery to urban and rural customers.
- **Agricultural Exports:** Tanzania's agricultural sector, a key economic driver, is expanding, with growing exports of crops like cashew nuts, coffee, and horticultural products. This necessitates dependable freight transport to move goods from farms to ports and regional markets.
- **Mining and Industrial Activities:** The mining sector, including gold, tanzanite, and coal, is driving demand for heavy-duty transport solutions to move equipment, raw materials, and processed goods. Additionally, industrial growth in manufacturing and construction is increasing the need for logistics support.

### Target Market

- **Domestic Market:** BUSAZA TRANSPORT CO LIMITED will serve transport companies, manufacturing firms, agricultural exporters, retail chains, and mining operations within Tanzania. These clients require efficient freight transport, cargo handling, and warehousing services to support their operations.
- **Regional Market:** The company aims to expand its services to neighboring East African countries, including Kenya, Uganda, Rwanda, Burundi, and Zambia, leveraging

Tanzania's position as a trade gateway. Regional clients will include logistics firms and exporters seeking cross-border transport solutions.

### **Competitive Analysis**

- **Strengths:** BUSAZA TRANSPORT CO LIMITED benefits from its strategic location in Kariakoo, advanced fleet management technologies (e.g., GPS tracking and logistics software), and a commitment to sustainable and high-quality services. Its foreign expertise and local partnerships enhance operational efficiency.
- **Weaknesses:** The company faces challenges such as high initial capital investment for fleet and warehouse setup and reliance on imported equipment and spare parts, which may increase costs.
- **Opportunities:** The growing logistics market, government incentives for transport and logistics development, and potential for service diversification (e.g., cold chain logistics) present significant growth prospects. The African Continental Free Trade Area (AfCFTA) further opens opportunities for regional expansion.
- **Threats:** Fluctuating fuel prices, economic volatility, and competition from established players like Bollore Logistics and informal operators pose risks. Regulatory changes, such as new transport policies, could also impact operations.

### **SWOT Analysis**

#### **Strengths:**

- Foreign expertise and strong financial backing from shareholders.
- Strategic location with proximity to Dar es Salaam Port and major highways.
- Advanced logistics technologies ensuring operational efficiency and transparency.
- Commitment to sustainability through eco-friendly practices.

#### **Weaknesses:**

- Dependence on imported equipment and spare parts.
- High initial capital expenditure for fleet and infrastructure.
- Limited brand recognition in the early stages.

**Opportunities:**

- Expanding transportation and logistics sectors in Tanzania and East Africa.
- Government support for logistics infrastructure and trade facilitation.
- Increasing demand for specialized logistics services, such as real-time tracking and warehousing.

**Threats:**

- Volatility in fuel and equipment costs.
- Intense competition from local and international logistics providers.
- Potential regulatory changes and economic fluctuations impacting operations.

## SUMMARY OF PROJECT DESCRIPTION

BUSAZA TRANSPORT CO LIMITED will operate a fleet of 10 trucks (5 heavy-duty and 5 medium-duty) for freight transport, complemented by cargo handling equipment (forklifts, cranes) and a 1,000-square-meter warehouse for storage. Key details include:

- **Annual Production Capacity:** Transport 50,000 tons of cargo and handle 20,000 tons of cargo annually, with warehousing capacity for 5,000 tons.
- **Employment Creation:**
  - Total: 100 employees
  - Local: 80 (60 skilled, 20 unskilled; 60% male, 40% female)
  - Foreign: 10 skilled (logistics managers, technicians; 70% male, 30% female)
- **Technology Used:** GPS-enabled fleet management systems, automated cargo tracking software, and energy-efficient warehousing equipment.
- **Skills Transfer:** Training programs for local employees on logistics software, vehicle maintenance, and safety protocols, facilitated by foreign experts.
- **Sustainability:** Use of fuel-efficient trucks and solar-powered warehouse lighting to reduce environmental impact.

## PROJECT INVESTMENT COSTING

The total investment required for the project is estimated at 2,500,000,000 TZS (approximately \$1,000,000 USD). The breakdown is as follows:

- **Land and Building:** 500,000,000 TZS (warehouse construction and office setup)
- **Plant and Machinery:** 800,000,000 TZS (forklifts, cranes, and cargo handling equipment)
- **Vehicles:** 900,000,000 TZS (10 trucks)
- **Furniture:** 50,000,000 TZS (office and warehouse furnishings)
- **Others:** 50,000,000 TZS (IT systems, software licenses)
- **Working Capital:** 200,000,000 TZS (initial operational expenses)

## PROJECT FINANCING PATTERN

The project will be financed through a combination of equity and loans:

- **Foreign Equity:** 750,000,000 TZS (30%) – Contributions from shareholders (Herve Irakoze and Rosy-Ivana Munezero)
- **Local Equity:** 250,000,000 TZS (10%) – Local investor contributions
- **Foreign Loan:** 1,000,000,000 TZS (40%) – Secured from an international bank at 8% interest, repayable over 7 years
- **Local Loan:** 500,000,000 TZS (20%) – Obtained from a Tanzanian bank at 10% interest, repayable over 5 years

## PROJECT IMPLEMENTATION SCHEDULE

The project will be implemented over 12 months, starting in June 2025:

- **Month 1-2:** Legal and regulatory compliance, site preparation
- **Month 3-5:** Warehouse construction, procurement of vehicles and equipment
- **Month 6-8:** Installation of IT systems, recruitment, and training
- **Month 9-10:** Test operations, marketing, and client acquisition
- **Month 11-12:** Full-scale operations launch (June 2026)

## PROJECT FINANCIAL PROJECTIONS

### Income Statement (TZS, Millions)

| Year | Revenue | Operating Expenses | EBITDA | Net Profit |
|------|---------|--------------------|--------|------------|
| 2026 | 1,500   | 1,050              | 450    | 300        |
| 2027 | 1,800   | 1,200              | 600    | 420        |
| 2028 | 2,100   | 1,350              | 750    | 525        |
| 2029 | 2,400   | 1,500              | 900    | 630        |
| 2030 | 2,700   | 1,650              | 1,050  | 735        |

### Cash Flow Statement (TZS, Millions)

| Year | Cash Inflow | Cash Outflow | Net Cash Flow | Cumulative Cash |
|------|-------------|--------------|---------------|-----------------|
| 2026 | 1,500       | 1,300        | 200           | 200             |
| 2027 | 1,800       | 1,450        | 350           | 550             |
| 2028 | 2,100       | 1,600        | 500           | 1,050           |
| 2029 | 2,400       | 1,750        | 650           | 1,700           |
| 2030 | 2,700       | 1,900        | 800           | 2,500           |

### Balance Sheet (TZS, Millions, Year-End)

| Year | Assets | Liabilities | Equity |
|------|--------|-------------|--------|
| 2026 | 2,700  | 1,400       | 1,300  |
| 2027 | 3,050  | 1,200       | 1,850  |
| 2028 | 3,550  | 1,000       | 2,550  |
| 2029 | 4,200  | 800         | 3,400  |
| 2030 | 5,000  | 600         | 4,400  |

### Loan Repayment Schedule (TZS, Millions)

| Year | Foreign Loan | Local Loan | Total Repayment |
|------|--------------|------------|-----------------|
| 2026 | 200          | 150        | 350             |
| 2027 | 200          | 150        | 350             |
| 2028 | 200          | 150        | 350             |
| 2029 | 200          | 50         | 250             |
| 2030 | 200          | 0          | 200             |

### Payback Period

The initial investment of 2,500,000,000 TZS is expected to be recovered by mid-2029, based on cumulative cash flows, resulting in a payback period of approximately 3.5 years.

## **RISK ANALYSIS AND MITIGATION STRATEGIES**

### **RAW MATERIAL PRICE FLUCTUATIONS**

**Risk:**

Volatility in the prices of steel, aluminum, and other essential materials.

**Mitigation Strategy:**

- Establish long-term contracts with suppliers to lock in prices.
- Diversify suppliers to avoid dependence on a single source.
- Implement inventory management practices to buffer against price spikes.

### **REGULATORY CHANGES**

**Risk:**

Potential changes in manufacturing regulations, import/export policies, and environmental laws.

**Mitigation Strategy:**

- Maintain strong relationships with government bodies.
- Stay updated with regulatory developments through industry associations.
- Ensure compliance by regularly reviewing and updating operational practices.

### **MARKET COMPETITION**

**Risk:**

Increased competition from local and international trailer manufacturers.

**Mitigation Strategy:**

- Differentiate products through superior quality, customization options, and excellent customer service.
- Invest in branding and marketing to build a strong market presence.

- Continuously innovate to meet evolving customer needs.

#### **ECONOMIC INSTABILITY**

##### **Risk:**

Economic downturns affecting purchasing power and investment.

##### **Mitigation Strategy:**

- Diversify markets to include multiple East African countries.
- Develop a flexible business model that can adapt to changing economic conditions.
- Build financial reserves to cushion against economic shocks.

#### **TECHNOLOGICAL OBSOLESCENCE**

##### **Risk:**

Rapid advancements in manufacturing technology rendering current equipment outdated.

##### **Mitigation Strategy:**

- Invest in scalable and adaptable technologies.
- Allocate budget for regular upgrades and maintenance of machinery.
- Foster partnerships with technology providers for access to the latest innovations.

#### **ENVIRONMENTAL AND SOCIAL IMPACT**

##### **Risk:**

Negative environmental impact and community relations issues.

##### **Mitigation Strategy:**

- Implement sustainable manufacturing practices, including waste recycling and energy-efficient operations.
- Engage with local communities through corporate social responsibility (CSR) initiatives.
- Conduct regular environmental impact assessments to ensure compliance and minimize footprint.

# PROJECT MONITORING AND EVALUATION

## MONITORING FRAMEWORK

BUSAZA TRANSPOR COMPANY LIMITED will implement a robust monitoring and evaluation framework to ensure project objectives are met. This includes:

- **Performance Reviews:** Monthly and quarterly reviews to assess operational efficiency, production targets, and financial performance.
- **Financial Audits:** Annual audits conducted by independent auditors to ensure financial transparency and accountability.
- **Environmental Assessments:** Regular environmental audits to monitor compliance with sustainability practices and regulatory requirements.
- **Key Performance Indicators (KPIs):**
  - **Production Volume:** Number of trailers assembled per month.
  - **Quality Metrics:** Defect rates and compliance with quality standards.
  - **Financial Metrics:** Revenue growth, profit margins, and cash flow.
  - **Employee Metrics:** Workforce satisfaction, training completion rates, and turnover rates.

## EVALUATION PROCESSES

- **Quarterly Reports:** Detailed reports covering operational performance, financial status, and progress towards strategic goals.
- **Annual Reports:** Comprehensive assessments of yearly performance, challenges faced, and strategic adjustments.
- **Stakeholder Meetings:** Regular meetings with shareholders and key stakeholders to review progress and make informed decisions.

## **CONCLUSION**

BUSAZA TRANSPORT CO LIMITED is well-positioned to become a key player in Tanzania's freight transport and logistics sector, leveraging its strategic location, modern technology, and experienced leadership. The project's robust financial projections, diversified financing structure, and focus on employment creation and skills transfer align with Tanzania's economic development goals. With a clear implementation schedule and a growing market, BUSAZA is poised to achieve sustainable profitability and contribute to the region's trade ecosystem. The company invites stakeholders to support its vision of delivering efficient and reliable logistics solutions across