

**ZASH ENERGY SOLUTIONS LIMITED**

**Business Plan**

**for**

**Establishment of Liquid and Dry Cargo**

**Transportation Project**

## 1.0 EXECUTIVE SUMMARY

**ZASH ENERGY SOLUTIONS LIMITED** is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No.141494880 issued on 15<sup>th</sup> April, 2020, the main line of businesses involves transportation of liquid cargo and related products.

The proposed project aims to establish a liquid cargo transportation company specializing in the movement of petroleum products and related products across Tanzania and the East African region.

Demand for road-based liquid transport is driven by:

- Growth in fuel consumption (Tanzania imports +6 billion litres annually).
- Strong demand from mining, manufacturing, agriculture, logistics, and fuel distributors.

The company will operate 200 new liquid tankers (30,000–45,000 litres), generating strong recurring revenue through long-term contracts with OMCs, industries, and wholesalers.

The total investment requirement is USD 8,480,000. The project will serve domestic markets and regional export destinations such as Kenya, Uganda, Rwanda, and Zambia.

The proposed investment is therefore a result of knowledge and experience that directors have been accumulated over 20 years.

## 1.2 BUSINESS OBJECTIVES

- To establish liquid and dry cargo transport and logistics business.
- To set up liquid and dry cargo storage facility
- To create over **200** direct jobs and support thousands of indirect jobs.

## 2.0 OVERVIEW OF LIQUID & DRY CARGO TRANSPORTATION IN TANZANIA

Tanzania is one of East Africa's most important transport and logistics hubs due to:

- A long coastline with major ports (Dar es Salaam, Tanga, Mtwara)
- Central Railway & SGR corridors
- Roads connecting 6 landlocked countries (DRC, Burundi, Rwanda, Zambia, Uganda, Malawi)

Because of this strategic location, the country has a **high-demand transport sector** for both **liquid cargo** (fuel, chemicals, edible oils) and **dry cargo** (cement, grains, clinker, containers, industrial goods).

## 2.1 Key Features of the Liquid Cargo Market

### **Strong demand**

Tanzania imports **over 6–7 billion litres of petroleum** annually to serve:

- Domestic consumption
- Transit markets (Zambia, DRC, Rwanda, Burundi, Uganda)

### **High safety and compliance requirements**

Regulated by:

- **EWURA** – licensing for petroleum transport
- **TBS** – tanker standards
- **OSHA** – safety
- **TRA** – customs for transit goods
- **Ports Authority (TPA)** – loading/unloading regulations

## 2.2 Key Features of Dry Cargo Market

### **High-volume, year-round demand**

Driven by:

- Construction industry growth
- Import-export trade via Dar es Salaam port
- Regional corridors (Zambia, Malawi, DRC, Rwanda, Burundi)

- Food supply chain and agriculture exports

### Lower regulatory barriers

The sector is regulated mainly by:

- LATRA – transport licensing
- TRA – customs
- TANROADS – road usage

Fewer restrictions than liquid cargo.

## 2.3 Comparison: Liquid vs Dry Cargo Transport

Feature	Liquid Cargo	Dry Cargo
Regulation	Very strict (EWURA, TBS)	Moderate (LATRA)
Risk Level	High (flammable, hazardous)	Medium
Capital Need	Very high	Medium
Competition	Lower	High
Profit per Trip	High	Medium
Market Stability	Very stable	Seasonal for some goods
Clients	OMCs, industries	Factories, importers, agriculture

## 2.4 Tanzania's Strategic Advantage for Cargo Transport

- Acts as the **gateway for 6+ landlocked countries**
- Dar es Salaam port handles **80% of regional transit cargo**
- Growing number of fuel imports and exports
- Rising industrialization (Dodoma, Dar, Coast, Arusha, Mwanza)
- Improvements in road infrastructure (tarmacked highways)
- SGR to boost future cargo movement

## 2.5 Investment Attractiveness

### **Liquid Cargo:**

- High profit margins
- Guaranteed demand
- Long-term contracts
- Lower competition

### **Dry Cargo:**

- Large customer base
- Flexible cargo types
- High volume operations
- Easy entry barriers

Both sectors remain **profitable**, with liquid cargo being **safer and more stable**, while dry cargo allows **faster scaling**.

### 2.3 COMPANY BACK GROUND BRIEF

**ZASH ENERGY SOLUTIONS LIMITED** the company is owned by two shareholder who, the board of directors have decided to invest in Tanzania.

The company is owned by two shareholders

<b>Name</b>	<b>% of Shares</b>	<b>Nationality</b>
ADEN IBRAHIM ABDI	99	Tanzania
MOHAMED ABDI IMAN	1	Tanzania

All the directors of the company are therefore well versed people in the business operations, having been engaged in the business for a period ranging between 20 to 25 years, Equiped wit the wide experience in the business as explained above, the direcors of the company are optimistic of successful implementation of the proposed project.

### 2.4 LOCATION

The project is within town Planning Number **TPDRG19/CHL/73/062018A** located at **Mdaula, Chalinze District Coastal Region.**

### 2.5 MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

## 2.6 CORE VALUES

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer.

## 3.0 MARKET ANALYSIS

### 3.1 Industry Overview

The liquid transport sector is dominated by medium and large trucking companies due to regulatory requirements and capital intensity. Tanzania's fuel demand is increasing at **6–7% per year**.

### 3.2 KEY GROWTH DRIVERS

- Increasing fuel imports
- Expansion of mining activities
- Growth of manufacturing and FMCG industries
- Rising demand for edible oils
- Regional export markets (Zambia, DRC, Burundi, Rwanda)

### 3.3 TARGET CUSTOMERS

- Oil Marketing Companies (OMCs)
- Fuel station chains
- Edible oil manufacturers
- Chemical manufacturers
- Mining companies
- Industries requiring bulk liquid supply

### 3.4 MARKET GAPS

- Shortage of compliant modern tankers
- Lack of reliable chemical transportation providers
- Need for high-quality safety standard

### 7.0 FINANCIAL PLAN (DETAILED)

- Total CAPEX = USD 8,084,000 including land, buildings, machinery, utilities, vehicles, and working capital.
- Annual operating cost (OPEX) 70% of total revenue including raw materials, labor, utilities, packaging, transport.
- Projected revenue annual growth of 5%.
- Payback period = 3 years;

### 8.0 RISK ASSESSMENT & MITIGATION

<b>Risk</b>	<b>Mitigation</b>
Fuel price volatility	Optimize routing, bulk fuel purchasing
Accidents	Strong safety training, insurance
Mechanical breakdown	Preventive maintenance
Customer default	Work with OMCs & reputable clients

## 8.1 ENVIRONMENTAL MANAGEMENT PLAN

- Establishment of **Effluent Treatment Plant (ETP)**.
- Safe storage and handling procedures.
- Air and dust filtration systems.
- Full compliance with **NEMC** and **OSHA** standards.
- Regular environmental audits and waste reduction measures.

## 9.0 MANAGEMENT

**ZASH ENERGY SOLUTIONS LIMITED**, as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be assisted by directors, Managers, Seniors officers etc. total of 200 to be employed

## 9.0 ANNUAL PROJECTED REVENUE

PROJECTED REVENUE IN US\$

Year	1	2	3	4	5
Revenue	<b>14,000,000</b>	<b>14,700,000</b>	<b>15,435,000</b>	<b>16,206,750</b>	<b>17,017,088</b>

## ZASH ENERGY SOLUTIONS LIMITED

### 9.1 PROJECTED PRODUCTION COSTS

Production cost has been estimated to be 80% of total revenue

PROJECTED PRODUCTION COST US\$

	1	2	3	4	5
<b>Total Cost</b>	8,400,000	8,820,000	9,261,000	9,724,050	10,210,253

### 10.0 PROJECT INVESTMENT COST

The project is estimated cost **\$10,000,000** as provided here below.

**ZASH ENERGY SOLUTIONS LIMITED COST STRUCTURE US\$**

Land and Buildings	2,000,000
Machinery & Equipment	500,000
Motor Vehicles	5,000,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	150,000
Working Capital	800,000
<b>TOTAL</b>	<b>8,480,000</b>

### 10.1 INVESTMENT PATTERN

The investment financing pattern is provided below.

Source	Value (\$)
Equity	3,480,000
Loan	5,000,000
Total	8,480,000

## 11.0 FINANCIAL ANALYSIS AND PROJECTIONS

### 11.1 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, it is assumed to be 5% annual depreciation.

5 years financial projections have been worked out.

### 11.2 PROJECTED PROFIT AND LOSS STATEMENT

The Income and Expenditure Statement show 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 \$3,957,800** in first year to **US \$ 22,644,957 in** the 5th years, refer appendix (I)

### 11.3 PROJECTED CASH FLOWS

The project's cash flows depict a good liquid position right from the first year. Cash accumulation builds up from **US \$ 4,543,800** in the first year to **US\$ 24,774,957 at** the end of 5th years of the project's operations, refer appendix (II)

### 11.4 PROJECTED BALANCE SHEET

The company owners' equity increases from US \$ **5,000,000** at the end of first year to **US\$ 27,644,957** at the end of 5<sup>th</sup> year which is significance increase as you can see, refer appendix (III)

## 11.5 RISK ASSESSMENT & MITIGATION

### 11.7 IMPLEMENTATION SCHEDULE

Project implementation is expected to be relatively very short once project has been approved it is estimated that renovation and expansion of will be completed within two years: -

#### Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TISEZA Certificate of Incentive	November 2025
2	Processing Exemptions	November-October 2027
3	Mobilizing Fund	October -May 2026
4	Renovation of building	December 2025 -August 2027
5	Ordering Machines and other equipment	November -December 2027
6	Testing business and in-house training	December –March 2027
7	Commercial operations	April 2027

## 12.0 CONCLUSION & RECOMMENDATION

### 12.1 CONCLUSION

- The project is profitable and contributes to government revenue by way of taxes.
- The project is an encouraging sign to prove that we have investors who have confidence with Tanzania and are ready to invest such large sums of investment.
- Creates over 150 direct and 300 indirect jobs.
- Promotes import substitution and local value addition.
- Generates tax revenues (VAT, corporate tax, PAYE).

- Stimulates growth of packaging, transport, and edible oil sub-sectors.
- Promotes Tanzania's industrial self-sufficiency and exports.

## **12.2 RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

# ZASH ENERGY SOLUTIONS LIMITED

## APPENDIX I

### ZASH ENERGY SOLUTIONS LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT " US \$

Year	1	2	3	4	
Revenue	14,000,000	14,700,000	15,435,000	16,206,750	17,017,088
Total Cost	8,400,000	8,820,000	9,261,000	9,724,050	10,210,253
Profit before Depreciation & Interest	5,600,000	14,700,000	6,174,000	6,482,700	6,806,835
Interest	400,000	320,000	240,000	160,000	80,000
Depreciation	546,000	546,000	546,000	546,000	546,000
Gross Profit	4,654,000	13,834,000	5,388,000	5,776,700	6,180,835
Tax (30%)	1,396,200	4,150,200	1,616,400	1,733,010	1,854,251
Profit After Tax	3,257,800	9,683,800	3,771,600	4,043,690	4,326,585
Accumulated Profit	3,257,800	12,941,600	16,713,200	20,756,890	25,083,475

# ZASH ENERGY SOLUTIONS LIMITED

APPENDIX II

## ZASH ENERGY SOLUTIONS LIMITED PROJECTED CASH FLOW US\$

<b>10</b>		1	2	3	4	5
Profit before interest and depreciation	-	<b>6,240,000</b>	<b>6,552,000</b>	<b>6,879,600</b>	<b>7,223,580</b>	<b>7,584,759</b>
Equity	3,480,000					
Loan	5,000,000					
<b>Total Sources</b>	<b>8,480,000</b>	<b>6,240,000</b>	<b>6,552,000</b>	<b>6,879,600</b>	<b>7,223,580</b>	<b>7,584,759</b>
<b>Applications:</b>						
Capital expenditure	<b>7,510,000</b>	-	-	-	-	-
working Capital & Others	970,000					
Cash	-	4,843,800	5,047,800	5,263,200	5,490,570	5,730,509
Tax	-	1,396,200	1,504,200	1,616,400	1,733,010	1,854,251
<b>Sub total</b>	<b>8,480,000</b>	<b>6,240,000</b>	<b>6,552,000</b>	<b>6,879,600</b>	<b>7,223,580</b>	<b>7,584,759</b>
<b>Total applications</b>	<b>8,480,000</b>	<b>6,240,000</b>	<b>6,552,000</b>	<b>6,879,600</b>	<b>7,223,580</b>	<b>7,584,759</b>
Accumulated cash		4,843,800	9,891,600	15,154,800	20,645,370	26,375,879

# ZASH ENERGY SOLUTIONS LIMITED

APPENDIX III

## ZASH ENERGY SOLUTIONS LIMITED PROJECTED BALANCE SHEET US \$

<b>Fixed Assets</b>	-	1	2	3	4	5
Opening balance	-	<b>7,510,000</b>	<b>6,964,000</b>	<b>6,418,000</b>	<b>5,872,000</b>	<b>5,326,000</b>
Additions	-					
<b>Total Long-term Assets</b>	-	<b>7,510,000</b>	<b>6,964,000</b>	<b>6,418,000</b>	<b>5,872,000</b>	<b>5,326,000</b>
<b>Less depreciation</b>	-	<b>546,000</b>	<b>546,000</b>	<b>546,000</b>	<b>546,000</b>	<b>546,000</b>
<b>Closing balance</b>	-	<b>6,964,000</b>	<b>6,418,000</b>	<b>5,872,000</b>	<b>5,326,000</b>	<b>4,780,000</b>
Working capital		970,000	970,000	970,000	970,000	970,000
Accumulated cash	-	4,843,800	9,891,600	15,154,800	20,645,370	26,375,879
<b>Total assets</b>	-	<b>12,777,800</b>	<b>17,279,600</b>	<b>21,996,800</b>	<b>26,941,370</b>	<b>32,125,879</b>
Financed by						
Equity	3,480,000	3,480,000	3,480,000	3,480,000	34,800,000	3,480,000
Accumulated profit		3,257,800	12,941,600	16,713,200	20,756,890	25,083,475
Total equity	3,480,000	6,737,800	16,421,600	20,193,200	55,556,890	28,563,475
Long term loan	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-
Bank overdraft	-	-	-	-	-	-
<b>Total debts</b>	<b>5,000,000</b>	<b>4,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>-</b>
<b>Total equity and debts</b>	<b>8,480,000</b>	<b>10,737,800</b>	<b>19,421,600</b>	<b>22,193,200</b>	<b>56,556,890</b>	<b>28,563,475</b>

# ZASH ENERGY SOLUTIONS LIMITED

## APPENDIX IV

### ZASH ENERGY SOLUTIONS LIMITED PROJECTED LONG-TERM LOAN REPAYMENT US\$

<b>Year</b>	<b>Principle</b>	<b>Loan Interest (8%)</b>	<b>Total Amount Paid</b>	<b>Loan Balance</b>
1	1,000,000	400,000.00	1,400,000.00	5,000,000.00
2	1,000,000	320,000.00	1,320,000.00	4,000,000.00
3	1,000,000	240,000.00	1,240,000.00	3,000,000.00
4	1,000,000	160,000.00	1,160,000.00	2,000,000.00
5	1,000,000	80,000.00	1,080,000.00	1,000,000.00

# ZASH ENERGY SOLUTIONS LIMITED

## APPENDIX V

### ZASH ENERGY SOLUTIONS LIMITED COST STRUCTURE US\$

Land and Buildings	2,000,000
Machinery & Equipment	500,000
Motor Vehicles	5,000,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	150,000
Working Capital	800,000
<b>TOTAL</b>	<b>8,480,000</b>

# ZASH ENERGY SOLUTIONS LIMITED

## APPENDIX VI

### ZASH ENERGY SOLUTIONS LIMITED PROJECTED FIXED ASSET SCHEDULE US\$

<b>NAME OF ASSETS</b>	1	2	3	4	5
Land And Buildings	2,000,000	1,960,000	1,920,000	1,880,000	1,840,000
Machinery, Tools & Equipment	500,000	495,000	490,000	485,000	480,000
Motor Vehicles	5,000,000	4,500,000	4,000,000	3,500,000	3,000,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000
<b>Total</b>	7,510,000	6,964,000	6,418,000	5,872,000	5,326,000
<b>DEPRECIATION</b>	1	2	3	4	5
Land and buildings	40,000	40,000	40,000	40,000	40,000
Machinery tools & Equipment	5,000	5,000	5,000	5,000	5,000
Motor Vehicles	500,000	500,000	500,000	500,000	500,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000
<b>ANNUAL DEPRECIATION</b>	546,000	546,000	546,000	546,000	546,000