



PROGRESS REPORT ON THE IMPLEMENTATION OF THE ESTABLISHMENT OF BULK STORAGE FOR LIQUEFIED PETROLEUM GAS (LPG) FOR OILCOM TZ. LIMITED

1. INTRODUCTION

OILCOM Tanzania Limited is one of the key player in premium-quality petroleum products across East and Central Africa. OILCOM was incorporated on the 26th of July, 1990, as a company limited by shares under the Companies Ordinance.

In the past years OILCOM has expanded rapidly in the sub regional petroleum business. The wings of investment spread out to the neighboring countries of Malawi, Rwanda, Mozambique, Zambia, Kenya, and the Democratic Republic of Congo. The main goal of OILCOM is focused on **commitment, efficiency and customer satisfaction.**

2. PROJECT OVERVIEW

The proposed project aims at constructing and carry on the business of bulk LPG storage and filling facilities. This includes investment in high quality steel and various equipment. There will be a total of 15,000Mt storage capacity constructed as 3,750MT x 4 Nos of Mounded Bullet Tanks and accessories, Corrosion Protection, Safety fittings, Pumping Equipment, LPG Piping, State of the art Firefighting system, Electrical system and other utilities and accessories.



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The facility will be receiving LPG through Jetty Piping from Kurasini Oil Jetty at the Dar es Salaam Port and will have a cylinder Filling shed and Bulk truck filling bays. All these machinery and equipment will be imported from different countries in the world such as India/EUA, China, France and USA.

3. THE IMPLEMENTATION STATUS OF THE PROJECT

i. Secured land and Site Clearance

Whereas the land is already secured and with necessary amenities the major activity involved the **Clearing and Excavation**.

The project secured land located at plot No. 312.4 at Kurasini Industrial area, in Temeke District, Dar Es Salaam Region

Clearing of Land: Remove shrubs, and other vegetation and clear away rocks, roots, and other debris to create a clean working surface.

Excavation: Excavate the land according to the project plans. This involved digging trenches for foundations, basements, or other below-ground structures.

Soil Compaction: Compact the soil to increase its density and stability. Compaction reduces the risk of soil settling and ensures a strong base for the foundation.

Equipment: Use rollers, rammers, and other heavy equipment to compact the soil in layers

ii. Construction Permits

The Company has managed to request for all the necessary building permits and approvals from the required authorities. This ensures compliance with zoning laws, building codes, and safety regulations.



So far the company has just been granted several certification and key construction permit from the municipal which is the building permit has been secured.

We are now working on obtaining the construction permit from EWURA which is at the final stage

iii. Detailed Engineering Designs.

Other major capital expenditure involved the establishment of a layout of the project which is prepared to comply to NFPA 56 and SANS 10067-3, 2015 standard. ***The company has managed to finalise the detailed engineering design of the project for execution.***

iv. GN Number 374 of 2024 for VAT Exemption and GN number 375 of 2024 Excise management

The proposed project aimed to construct, erect, equip and carry on the business of bulk LPG storage facilities and processing by purchasing major equipment's for installation of the factory 3750MTX4 NOS Mounded Bullets, these includes the following, Mounded bullets and accessories, Bullet corrosion Safety fittings, pumps and LPG piping; Firefighting system; Electrical system and cubbing; Other utilities and accessories; Jetty Piping and Filling shed equipment's. All these machines and equipment's will be imported from different countries in the world such as India/EUA, China, France and USA.

The company managed to receive the GN end of June 2024 and currently we are finalizing the procurement process so that we can begin importation of the materials in phases.



v. Procurement of the Mechanical Contractor and the civil engineering contractor

The proposed project aimed to build bulk storage for Liquefied Petroleum Gas through construction and installation of the factory 3750MTX4 NOS Mounded Bullets with the following facilities; Mounded bullets and accessories, Bullet corrosion Safety fittings, pumps and LPG piping; Firefighting system; Electrical system and cubbing. Other utilities and accessories; Jetty Piping and Filling shed equipment's.

Foreign Mechanical contractor has been procured in June and contract for project execution signed and currently finalizing the tender process for the civil engineering contractor. We need to renew the previous GN for withholding tax and excise duty. Exemption on withholding taxes would reduce the investment cost.

4. Recommendation

We request renewal of the **GN for withholding tax** and for **excise duty** to assist us in the execution of the project.

The value of the investment breakdown of the amount spent for land acquisition, clearance, detailed design, procurement, utilities and permits and registration for the project implementation so far would be shared.

5. Conclusion

The delay in the issuance of the key GN for the execution of the project triggered delay in the execution of the project since the issuance of exemption now enables us to embark on the execution of the project and commence importation of the construction materials for the project and will assist us to efficiently allocate our resources towards the execution of the project, ensuring timely delivery and adherence to our planned budget.

