



**SINewy LIMITED**



**BUSINESS PLAN TO BUSINESS PLAN TO ESTABLISH FREIGHT  
TRANSPORT AND LOGISTICS SERVICES**

**FIVE YEARS: 2025-2029**

**JULY, 2025**

## CORPORATE INFORMATION

**Date of Incorporation:** 16<sup>th</sup> February, 2023

### Company Registration

**Number** : **163386305**

**TIN** : **163386305**

**Business Activity:** The company, among other activities, is dedicated to providing Freight haulage and logistics solutions for the mining and distribution sectors.

### Shareholders:

Name	Address	Number of shares
1. ELIZABETH WAITIMU NGURE	P. O. Box 7037, Bujumbura, Burundi.	20
2. JACK RATEGO OUMA	P. O. Box 7037, Bujumbura, Burundi.	140

### Registered Office & Address:

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## LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
DRC	-	Democratic Republic of Congo
EAC	-	East African Community
GDP	-	Gross Domestic Product
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
US\$	-	United Stated Dollar

## 1.0 EXECUTIVE SUMMARY

The transport industry is among the key sectors in Tanzania, as well as in other economies in the world. Road transportation is widely used by the majority of Tanzanians for cargo transportation due to its reliability and affordability. The roads in a big way facilitate advancement in the economy of a country, and they simultaneously facilitate communication. Under the current industrialisation campaign, *SINEWY LIMITED*, a company that is dedicated to improving its services and providing logistics and transportation of cargo from production centres, and distributing the products to various markets. In addition, the presence of Dar es Salaam port, which serves about 7 landlocked countries (Zambia, Malawi, DR Congo, Burundi, Rwanda, Zimbabwe, and Uganda), opens up trade and demand for transportation of goods to and from these countries to Dar es Salaam port.

SINEWY Limited has agreed with Itracom Fertilizer Limited for the transportation of raw materials, such as D.A.P, UREA, and Minjingu Organic Hyper Phosphates (M.O.H.P), from Dar es Salaam to the fertilizer factory in Dodoma. The contracted volume for the first year is 43,300 Metric Tonnes at a rate of USD 100 per ton. To provide services to Itracom Fertilizer Limited, SINEWY Limited will purchase fifty trucks (Tractors, Horses, and Trailers).

The purpose of this business plan is to prepare an operational guide and secure funding of USD 2,030,500 for the establishment of a trucking and transportation services in Dodoma, Tanzania. **The project requirements amount to USD 2,836,850. Where 28% i.e., USD 809,100, is funded by the existing equity of 11 trucks, and 72% i.e., USD 2,030,500, will be financed by a loan.** SINEWY Limited will provide long and short-haul transportation services to customers in its targeted market. The company was founded by Mr. Jack Ratego Ouma, a Kenyan national who currently oversees the mechanical operational needs of Itracom Fertilizer Limited's fleet in East Africa.

## 1.1 Company Vision, Mission, and Core Values

**Our Vision:** To be the most reliable, innovative, and cost-efficient transportation company in Eastern and Central Africa, and ultimately, across the African continent.

**Our Mission:** To inspire and empower the transport industry by delivering safe, efficient, affordable, and customized transportation solutions that add value to our clients and communities.

**Our Belief:** We believe that our success is rooted in exceptional teamwork and a commitment to excellence, always striving to leave our clients with a lasting and positive experience.

**Core Values:** Guided by a team of dedicated, professional, and highly motivated personnel, and supported by modernized systems and processes, we are committed to the following principles:

- Ensuring continuous customer satisfaction and delivering optimal value.
- Listening and responding proactively to the needs of the communities we serve.
- Upholding the highest international standards through a quality management system driven by individual and collective accountability.
- Inspiring and connecting with our stakeholders to help them realize their full potential every day.

## 1.2 Project Objectives

The overarching goal of this project is to enhance our operational capacity in delivering high-quality transportation services within Tanzania and to neighbouring countries. The initiative focuses on offering dependable, efficient, and affordable logistics and road freight services across Tanzania, the East African Community (EAC), and the Southern African Development Community (SADC) regions.

**Specific objectives include:**

- Providing efficient and reliable transportation services: One of the primary objectives of Sinewy Limited could be to provide efficient and reliable transportation services to

its clients. This would involve ensuring that the company's fleet is well-maintained and that drivers are trained to operate vehicles safely and efficiently. By providing high-quality transportation services, Sinewy could attract more customers and establish a reputation as a trusted and dependable transportation provider.

- **Expanding its client base:** Sinewy Limited may seek to expand its client base by attracting new customers in the transportation market. This could involve marketing efforts to raise awareness of the company's services and building relationships with potential clients. By expanding its client base, Sinewy could increase its revenue and establish a stronger foothold in the transportation industry.
- **Diversifying its services:** Another potential objective for Sinewy Limited could be to diversify its services beyond transportation. For example, the company may consider offering logistics and warehousing services to complement its transportation offerings. By diversifying its services, Sinewy could increase its revenue streams and establish a stronger competitive position in the market.
- **Building a strong brand:** Sinewy Limited may also aim to build a strong brand identity that resonates with its target audience. This could involve developing a distinctive visual identity, creating a memorable brand message, and establishing a strong online presence. By building a strong brand, Sinewy could differentiate itself from its competitors and attract more customers who identify with the company's values and mission.

### 1.3 Keys to Success

- (a) **Reliable and Efficient Transportation Services:** The company's success depends on its ability to deliver on this promise. This will involve investing in well-maintained vehicles and trained drivers, establishing effective communication and tracking systems, and continuously monitoring and improving service quality.
- (b) **Marketing and Customer Acquisition:** To expand its client base, Sinewy shall develop effective marketing strategies that reach potential customers and communicate the company's unique value proposition. This may involve targeted advertising, social media campaigns, and networking with potential clients to build relationships.

- (c) **Diversification of Services:** Sinewy will eventually diversify its services beyond transportation, where it will need to carefully consider which additional services to offer and how to integrate them with its existing offerings. This shall involve investing in new equipment, hiring additional staff with specialized expertise, and establishing partnerships with other companies that offer complementary services.
- (d) **Investment in Technology and Innovation:** To stay ahead of the competition, Sinewy intends to invest in new technologies and innovations that improve efficiency, reduce costs, and enhance the customer experience. This could include implementing tracking and analytics software to optimize routes and scheduling, exploring alternative fuel sources to reduce emissions, and developing new approaches to logistics and supply chain management.
- (e) **Company Culture:** A strong company culture will be cultivated to help to attract and retain top talent, foster collaboration and innovation, and drive long-term success. Sinewy should focus on building a positive and inclusive workplace culture that values teamwork, communication, and continuous improvement. This shall involve offering professional development opportunities, recognizing and rewarding employee achievements, and soliciting feedback from staff to identify areas for improvement.
- (f) **Vehicle Maintenance:** To provide reliable and efficient transportation services, Sinewy shall ensure that its fleet of vehicles is well-maintained. Regular maintenance helps to prevent breakdowns, extend the lifespan of vehicles, and ensure that they operate safely and efficiently. Sinewy will invest in a maintenance schedule that ensures that vehicles are serviced at regular intervals and conduct regular inspections to identify any potential issues before they become major problems. By prioritizing vehicle maintenance, Sinewy will minimize downtime, reduce repair costs, and build a reputation for providing reliable transportation services.
- (g) **Competitive Rates:** The transportation industry is highly competitive, and Sinewy will need to offer competitive rates to attract and retain customers. This involves carefully balancing the cost of providing transportation services with the fees charged to customers. Sinewy can conduct market research to understand the pricing strategies of its competitors and develop pricing models that offer a balance between affordability and profitability. By offering competitive

rates, Sinewy can position itself as an attractive option for customers who are looking for high-quality transportation services at a reasonable price.

#### 1.4. Project components and costs

The project is expected to commence its activities soon after all the preliminary arrangements and permits are obtained. Table 1.1 provides a summary of project requirements in Phase I.

**Table 1.1: Project Requirements (Cost in US\$)**

S/n	Specification	Qty.	Unit Cost (USD)	Total (USD)
1	3 axle flatbed container trailers with front plate	30	18,260	548,700
2	BEIBEN NG80B 2638SZ 6X4 380HP Tractor head--Right hand drive	30	46,560	1,486,800
3	Existing: Trucks	11	73,555	<b>809,100</b>
<b>Total</b>				<b>2,844,600</b>

The project requirement amounts to **US\$2,844,600**, which covers the cost of importing trucks and trailers at CIF value and the related cost, including duties and insurance.

#### 1.4 Implementation Plan

The envisaged project is expected to be implemented from October 2025 after all the preliminary requirements for the project are met, including the purchase of vehicles. The project will use a conception approach for project financing. The implementation programme is well described in Table 1.2

**Table 1.2: Implementation Schedule**

DESCRIPTION		PHASE I					PHASE II
No.	Activities	Sept-Dec, 2025	Jan-March 2026	Apr-June,2026	July-Sept,2026	Oct-Dec.2026	Jan 2027-Dec.2029
1	mobilization of resources						
2	Purchase of vehicles and obtain relevant permits						
3	Recruitments of Staff, advertisement and engagements						
4	Project roll out, vehicles placed on relevant routes						
5	Assessment of vehicles, replenishments and procurement of new vehicles						
6	Project monitoring and evaluation						

Upon completion of site preparations, procurement of vehicles and facilities, the process of hiring and engaging qualified personnel shall follow. The project shall pay attention to expertise in the sector. Then the project roll-out shall take place and vehicles shall be placed on the designated routes as per established demand. The project shall conduct periodic assessments of its vehicles and replace the obsolete ones through the disposal and procurement of new vehicles. Project monitoring and evaluation shall be maintained throughout the five years.

### 1.5. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large, notably:

- The project will help the community access the best, safest, yet affordable transport services in the country;
- The project will support the industrialization process through the provision of logistics support and cargo transportation for manufactured goods.
- The project will increase employment opportunities.
- The project will increase social services to the community.
- The project will increase tax revenue to the government.

## 2.0 PROJECT DESCRIPTION

Sinewy Limited is soliciting funds to purchase 30 trucks from Sino Truck Vehicles (Hong Kong) Co., Ltd to add to its existing fleet of 11 trucks. This is necessary because their client, Itracom Fertilizer Limited, is constructing and commissioning a 1 million metric ton fertilizer production plant. This means that Itracom will require a significant number of raw materials and finished goods to be moved, including chemical fertilizers, organic matter, and packaging raw materials. Sinewy has been contracted to move only a small portion of the total volume of goods, leaving the majority to be transported by Itracom's vehicles and other contracted players in the industry. The vehicles transport a significant quantity of raw materials and finished goods annually. The required quantities for each material are as follows:

- Chemical fertilizers (DAP, Urea, KCl): 410,000 MT per year
- Organic matter (manure and compost): 200,000 MT per year
- Organic Hyper phosphate (OHP) sourced from a sister plant in Babati, Tanzania, and ammonium sulfate: 360,000 MT per year.
- Packaging Raw Materials: 2,000 MT per year
- Finished goods: 1,000,000 MT per year.

To meet the above transportation demands, Sinewy will need to purchase 30 trucks, including tractor horses and trailers, from Sino Truck Vehicles (Hong Kong) Co. Ltd. The earmarked trucks are BEIBEN NG80B 2638SZ 6X4 380HP Tractor head - Right-hand drive, and three-axle flatbed containers with a front plate. The cost of each truck is significant, and borrowing funds will be necessary to cover the cost of this investment. The cost breakdown of each is as per table below.

Table 1: Truck specifications and price

S/n	Specification	No.	Unit Cost (USD)	Total (USD)
1	3 axle flatbed container trailers with front plate	30	18,260	548,700
2	BEIBEN NG80B 2638SZ 6X4 380HP Tractor head--Right hand drive	30	46,560	1,486,800
<b>Total</b>				<b>2,035,500</b>

These costs form part of the overall project cost of USD 2,836,850. Where 28% i.e. **USD 809,100** is funded by the existing equity of 11 trucks and 72% i.e., **USD 2,030,500** will be financed by a loan

### 3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

#### 3.1 Business environment

Businesses may be affected by factors beyond the owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise from the expected changes. Thus, analysis of business environment key factors is paramount to this plan to determine external factors and how they are likely to affect the project.

*Economically*, Tanzania is now experiencing economic growth, whereby the purchasing power of people is increasing and people's interactions are increasing as trade grows in the East African Region, SADC, and AfCFTA. This has led to a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and the continuous fall in domestic currency, which would lead to increased cost of operations as the price of materials is rising.

*Politically*, Tanzania has enjoyed political stability since it gained its independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the

state and the private sector. The country retains a strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aims at making the business environment more conducive.

*Social-Cultural:* The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours, and the media are social factors. These factors can affect our attitudes, opinions, and interests. So, it can impact sales of products and revenues earned. There is no doubt that society is continually changing. The tastes and preferences are a great example of this change in Tanzanian culture. Most Tanzanians are currently willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population, where currently the country is estimated to have over 61 million people. The increase in population necessitates an increase in demand for goods and services.

*Technological factors:* Technological factors are one of the various external environment factors that affect businesses greatly and are also an integral component of the environmental analysis. Our project considers technology as an integral part and an important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operations and success globally than ever before. Furthermore, the development of technology has also introduced digital marketing strategies through which companies can sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning, and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

### **3.2 Business Analysis**

According to the Tanzania National Bureau of Statistics (NBS) report on "Transport Statistics 2016", the road transport sector contributed significantly to Tanzania's economy in the year 2016. In 2016, the road transport sector accounted for 86.6% of the total

passenger traffic and 67.8% of the total freight traffic in Tanzania. The sector also employed about 4.4% of the country's total workforce. Furthermore, the road transport sector contributed about 5.5% to Tanzania's Gross Domestic Product (GDP) in 2016, which amounted to approximately TZS 5.3 trillion (equivalent to USD 2.3 billion).

Recent Data (2023/2024) indicated that, GDP share of transport & storage is 7.8% which is the 5th-largest contributor to GDP. The transport sector has grown markedly from contributing 5.5% of GDP in 2016 to 7.8% today and plays a significant role in national economic growth (6.3% contribution in 2023).

SINEWY will own and operate 41 trucks and employ 41 drivers, and they contract 15 owner operators: scheduling-based order delivery timelines of Itracom. The company's business is mainly based on the supply chain operations of Itracom Fertilizer Limited.

ITRACOM is now the largest local fertilizer manufacturing company in Tanzania in terms of plant capacity and potential, part of the only two manufacturers with Minjingu Mining's Fertilizer Limited. ITRACOM's competitive advantage is mainly based on securing locally the main resource in fertilizer production i.e., phosphates, which is a key nutrient required in the production of fertilisers. It has developed fertilizer blends that work well on different crops and the region's agroecological zones. They enjoy low logistics costs due to the proximity of the market, which enables them to deliver timely and at comparatively lower costs.

The company has the most diversified product portfolio in the market, producing three products: Urea, DAP, and NP, which enables it to sustain earnings and hedge itself against price volatility. The group's Burundi entity has maintained the highest operating profit margins among its peers due to its diversified product portfolio (urea, DAP, and NP).

The company's main business is the production of fertilizers as per its initial establishment. This is driven by the growing demand for quality fertilizers in Tanzania, where the current demand is above 700,000 Mt against locally installed capacity of 300,000 MT. But also,

ITRACOM has a contract in hand to supply fertilizers to the government of the Republic of Burundi through

Government Agro-Inputs Subsidy Voucher Program for 5 years valued at BIF 850,373 billion (approximately USD 426 million), which provides cash flow assurances.

With the launch of the 1-million-ton fertilizer production facility in Dodoma, this means the company will need to fully actualize the installed capacity it will need to process not less than two million worth of material and transportation of the same to and from the plant in Kigoma. To move the raw materials and finished goods, the company is in demand for more than 400 trucks of 30-ton capacity. While Itracom already has plans to purchase 150 own trucks, it will need to outsource the rest from associates and contractors. Hence, the contracting of SINEWY LIMITED.

With the 41 trucks earmarked for purchase by SINEWY, based on experience, the operations are as follows,

- Trips per month per truck: 4 trips
- Cargo carrying capacity per trip: 30 tons.
- Cargo transported per truck per month: 20 tons.
- Cargo transported per truck per year (10 months): 1200 tons.
- Maximum carrying capacity for 41 trucks per year: 56,040 tons.

Therefore, the proposed number of trucks is more than ideal to service Itracom contract while also leaving space to cater for other business opportunities outside Itracom. With the boom in economic activities in the region, transportation business opportunities are ever rising against limited available truck units.

### 3.3 SWOT Analysis

<b>Strengths:</b>	<ul style="list-style-type: none"> <li>• Reliable, experienced drivers.</li> <li>• First hand understanding of fertilizer production and sale value chain.</li> <li>• Understand of Itracom Burundi market and environment</li> <li>• Insurance security (goods-in-transit insurance).</li> <li>• First move advantage with Itracom</li> </ul>
<b>Weaknesses:</b>	<ul style="list-style-type: none"> <li>• Fewer trucks.</li> <li>• Limited clientele base</li> <li>• We are a new player in transportation industry.</li> <li>• Foreign owned company with limited influence in Tanzania</li> </ul>
<b>Opportunities:</b>	<ul style="list-style-type: none"> <li>• Growing demand for transportation services in in Tanzania and neighbouring countries (Zambia, Rwanda, Congo, Uganda, Kenya, Malawi).</li> <li>• Supply and distribution of Itracom raw materials and products</li> <li>• Solid relationship with Itracom company for cross-selling opportunities.</li> <li>• Increasing demand of fertilizer products in the region</li> </ul>
<b>Threats:</b>	<ul style="list-style-type: none"> <li>• Dishonest drivers.</li> <li>• Uncertainty like accidents and fire outbreak.</li> <li>• Financial flows.</li> <li>• Regulatory red tapess.</li> <li>• Economic downturn which can lower the price of petroleum products dramatically.</li> </ul>

### 3.4 Competitive Edge

The biggest competitive edge of SINEWY in this area of operation is its personnel and great influence on Itracom. We will hire experienced and trained drivers who can take care of the transportation of petroleum products from depots to desired destinations. Additionally, the company will emphasize great customer service by providing customers with courteous and reliable transportation services. The company seeks to gain a reputation for timely deliveries with fewer breakdowns and the best drivers in the industry and intends to build upon that. The company is leveraging on the relationship of the CEO with the Management of Itracom, dating back to Burundi operations.

### 3.5 Competition

At SINEWY, we recognize there are major players in the transportation industry. Our major competitors are those medium-sized transporting companies with 50-100 trucks that have incomparable truck fleets. We won't compete with them, although we will sub-contract to haul Itracom goods on our behalf should we face capacity limitations at any given point. Our pre-feasibility research indicates that customers in the truck transportation industry are price sensitive, and they value timely delivery and special handling capabilities.

### 3.6 Marketing Strategy

The company markets its services as a solution to many companies requiring cargo to be transported promptly, efficiently, and safely. We will employ the following marketing plan for our services:

- **Competitive Tendering:** SINEWY will enter the market through competitive tendering, which is organized by organizations and institutions in need of local transportation and logistics services.
- **Word of Mouth:** The company will also use personal selling strategies where the managing director, Mr. Jack Ratego, or the sales manager, will contact the customers and offer the service of company. The company will also set up appointments with larger transportation companies and market its services to work as a subcontractor.

### 3.7 Key Business Risks

1. **Operational Risks:** SINEWY recognizes the fact that there is inherent risk in transporting chemical products. Any damage to cargo may undermine the profitability of the company and its clients. To reduce this risk, the company will maintain all necessary insurance (goods-in-transit insurance). The main goal is to consolidate good customers and client services by making timely deliveries, hiring the best drivers, and having a competitive price structure.
2. **Service Delivery Risks:** One of the service delivery risks is long waiting times at the port, which can affect transportation of fertilizer chemical products by delaying deliveries. Transportation of MOHP is also affected by economic downturn, which may lower the price of fertilizer dramatically.
3. **Regulatory and compliance risks:** The trucking industry in Tanzania is highly regulated, and trucking companies must comply with a range of regulations and laws governing everything from licensing and permits to driver qualifications and vehicle maintenance. These risks can be broken down as detailed below,
  - **Licensing and permit requirements:** Trucking companies must obtain licenses and permits from various government agencies to operate legally. These requirements can be complex and time-consuming to navigate, and failure to obtain the necessary licenses and permits can result in fines, penalties, or even the revocation of the company's license.
  - **Vehicle regulations:** Trucks in Tanzania are subject to a range of regulations governing everything from weight and size limits to safety and emissions standards. Failure to comply with these regulations can result in fines, impoundment of vehicles, or legal disputes.
  - **Driver qualifications:** Drivers of commercial vehicles in Tanzania must meet specific qualifications, including obtaining a commercial driver's license (CDL) and meeting certain age and health requirements. Failure to comply with these requirements can result in fines, legal disputes, or even the revocation of the company's license.

- **Insurance requirements:** Trucking companies in Tanzania are required to carry certain types and amounts of insurance coverage to protect themselves and their customers in the event of accidents, cargo damage, or other incidents. Failure to obtain the necessary insurance coverage can result in fines or legal disputes.
- **Tax regulations:** Trucking companies in Tanzania are subject to various tax regulations, including income tax, value-added tax (VAT), and road tolls. Failure to comply with these regulations can result in fines, penalties, or legal disputes.
- **Labor regulations:** Trucking companies must comply with various labor regulations, including minimum wage and working hours requirements, as well as health and safety regulations. Failure to comply with these regulations can result in fines, legal disputes, or damage to the company's reputation.

Overall, regulatory compliance is a critical aspect of running a successful trucking business in Tanzania, and companies must be prepared to navigate complex and ever-changing regulatory requirements to remain competitive and profitable.

## 4.0 TECHNICAL ANALYSIS

For this contract, the company management is sourcing thirty (30) trucks i.e., Tractor Horse and Trailers, for purchase to add to the existing fleet of 11 to provide services to Itracom Fertilizers Limited. The designated route for the start will be the transportation of fertilizer from Dar es Salaam Port to the Dodoma region. For this purpose, they have negotiated with a supplier of trucks in Hongkong China for purchase of BEIBEN NG80B 2638SZ 6X4 380HP Tractor head, Right-hand drive trucks.

The BEIBEN NG80B 2638SZ 6X4 380HP Tractor head—Right-hand drive truck is a heavy-duty truck designed for long-haul transportation, with a maximum load capacity of approximately 50 tons. Here are some technical specifications of the BEIBEN NG80B 2638SZ 6X4 380HP Tractor head--Right hand drive truck:

### Technical review.

- Engine: The truck is equipped with a diesel engine with a displacement of 11.566L and a maximum power output of 380hp at 2,200 rpm. The engine is designed to meet Euro II emission standards and has low fuel consumption.
- Transmission: The truck uses a manual 12-speed gearbox with a 2-speed reduction gear, providing excellent gear ratios for both highway and off-road driving.
- Suspension: The truck has a front suspension system with double-wishbone and leaf springs, and a rear suspension system with multi-leaf springs and stabilized bar, which ensures stability and comfort while driving on rough terrain.
- Brakes: The truck is equipped with a dual-circuit pneumatic braking system, with ABS and automatic slack adjusters, providing excellent braking performance and safety.
- Cabin: The truck has a spacious and comfortable cabin, with a sleeper bed, air conditioning, and an audio system, providing a comfortable driving environment for the driver.

## **Business Advantages:**

- **High load capacity:** The BEIBEN NG80B 2638SZ 6X4 380HP Tractor head—Right-hand drive truck has a high load capacity, making it suitable for transporting heavy cargo over long distances, such as fertilizer from Dar es Salaam Port to Dodoma region.
- **Fuel efficiency:** The truck's engine is designed to be fuel-efficient, which can result in lower fuel costs for the company.
- **Comfortable and safe driving:** The truck's cabin is designed to be comfortable and safe for the driver, which can help reduce driver fatigue and improve safety on the road.
- **Reliability:** BEIBEN is a well-known brand in the trucking industry, and their trucks are known for their reliability and durability, which can help reduce maintenance costs and downtime for the company.
- **Cost-effective:** The BEIBEN NG80B 2638SZ 6X4 380HP Tractor head—Right-hand drive truck is competitively priced, which can provide a cost-effective solution for the company's transportation needs.

While they intend to attach a 3-axle flatbed container trailer, using a 3-axle flatbed container trailer with a front plate can provide several advantages for transportation companies. Here are some of the advantages:

- **Increased load capacity:** The 3-axle flatbed container trailer can carry a larger load than a 2-axle trailer, which can result in fewer trips and more efficient transportation.
- **Versatility:** The flatbed design allows for a variety of cargo types and sizes to be transported, including standard shipping containers, oversized cargo, and construction materials.
- **Improved safety:** The front plate on the trailer can help to secure the cargo and prevent it from shifting during transportation, reducing the risk of accidents and damage to the cargo.
- **Cost-effective:** The larger load capacity of the 3-axle flatbed container trailer can

help to reduce transportation costs, as fewer trips are required to transport the same amount of cargo.

- Timesaving: The increased load capacity and versatility of the trailer can help to reduce loading and unloading times, as more cargo can be loaded and unloaded at once.
- Reduced environmental impact: By transporting larger loads in fewer trips, the use of a 3-axle flatbed container trailer with a front plate can help to reduce the carbon footprint of transportation operations.

Overall, using a 3-axle flatbed container trailer with a front plate can provide transportation companies with a more efficient, cost-effective, and versatile way to transport a variety of cargo types and sizes.

## **5.0 OPERATIONAL AND MANAGEMENT PLAN**

### **5.1 Operational Plan**

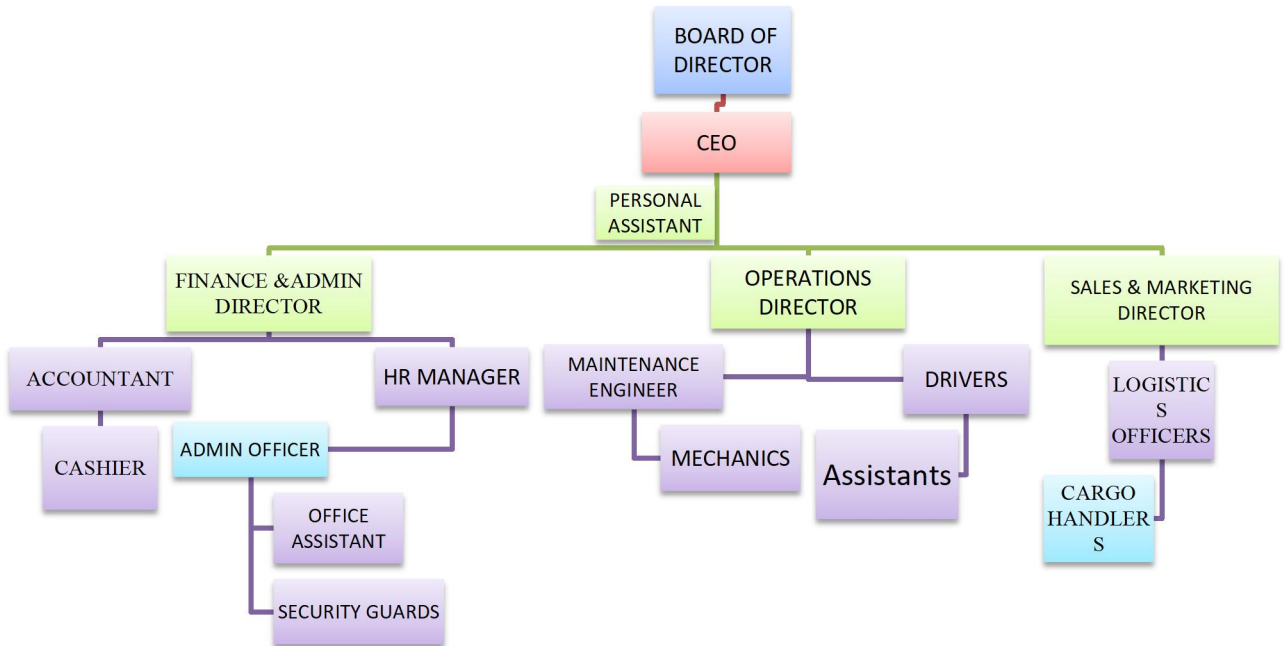
The operation is subject to government regulations and requires acquiring relevant permits and licenses before the commencement of the business. All necessary licensing and permits shall be obtained before the commencement of the project.

### **5.2 The Organization Structure**

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises the Project Implementation Team, led by the CEO and other supporting staff.

The Organization structure comprises three main departments, which shall report to the CEO: Finance and Admin Department, which shall include the Finance and Administrative Director, Accountant, and Cashier Officer, Administrative Officers, and Office Assistants, as well as watchmen/security guards. The Marketing and Sales Department shall include the Director of Sales and Marketing, the logistics officer, and cargo handlers. The Operations Department shall include the Director of Operations, Technical and Maintenance Manager, Mechanics, Truck Drivers, and Assistants. Figure 5.1 describes the organization structure and the reporting lines for each category.

**Figure 5.1 Organization Chart**



**5.3 Management**

The Chief Executive Officer shall be responsible for the day-to-day running of the project and report to the Board of Directors. Director of Operations shall be responsible for the day-to-day operational activities of the project, including sourcing of materials, managing the personnel under him, repair and maintenance and controlling the timetable for trucks. **The** Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues, respectively. They shall ensure monitoring resource allocation, especially funds and making sure that the fund is used in a desired manner.

**6.0 PROJECT MONITORING AND EVALUATION**

The project will be monitored and evaluated regularly to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and the reduction in service delivery time and costs. The evaluation process will collect data

on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

## **7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS**

The project has the potential to significantly improve the efficiency of transport services in Tanzania and neighboring countries, and hence promote economic activities and the incomes of people. However, there are also several risks associated with the project. Some of the key risks may include:

- i) **Operational Risks:** SINEWY LIMITED recognizes the fact that there is inherent risk in transporting chemical products. Any damage to cargo may undermine the profitability of the company and its clients. To reduce this risk, the company will maintain all necessary insurance (goods-in-transit insurance). The main goal is to consolidate good customers and client services by making timely deliveries, hiring the best drivers, and having a competitive price structure.
- ii) **Service Delivery Risks:** One of the service delivery risks is long waiting times at the port, which can affect transportation of fertilizer chemical products by delaying deliveries. Transportation of MOHP is also affected by economic downturn, which may lower the price of fertilizer dramatically.
- iii) **Regulatory and compliance risks:** The trucking industry in Tanzania is highly regulated, and trucking companies must comply with a range of regulations and laws governing everything from licensing and permits to driver qualifications and vehicle maintenance. These risks can be broken down as per details below,

- **Licensing and permit requirements:** Trucking companies must obtain licenses and permits from various government agencies to operate legally. These requirements can be complex and time-consuming to navigate, and failure to obtain the necessary licenses and permits can result in fines, penalties, or even the revocation of the company's license.
- **Vehicle regulations:** Trucks in Tanzania are subject to a range of regulations governing everything from weight and size limits to safety and emissions standards. Failure to comply with these regulations can result in fines, impoundment of vehicles, or legal disputes.
- **Driver qualifications:** Drivers of commercial vehicles in Tanzania must meet specific qualifications, including obtaining a commercial driver's license (CDL) and meeting certain age and health requirements. Failure to comply with these requirements can result in fines, legal disputes, or even the revocation of the company's license.
- **Insurance requirements:** Trucking companies in Tanzania are required to carry certain types and amounts of insurance coverage to protect themselves and their customers in the event of accidents, cargo damage, or other incidents. Failure to obtain the necessary insurance coverage can result in fines or legal disputes.
- **Tax regulations:** Trucking companies in Tanzania are subject to various tax regulations, including income tax, value-added tax (VAT), and road tolls. Failure to comply with these regulations can result in fines, penalties, or legal disputes.
- **Labor regulations:** Trucking companies must comply with various labor regulations, including minimum wage and working hours requirements, as well as health and safety regulations. Failure to comply with these regulations can result in fines, legal disputes, or damage to the company's reputation.

Overall, regulatory compliance is a critical aspect of running a successful trucking business in Tanzania, and companies must be prepared to navigate complex and ever-changing regulatory requirements to remain competitive and profitable.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful,

it could help to improve the movement of people and goods and hence reduce trade costs and ultimately boost economic growth.

## 8.0 FINANCIAL PLAN

### 8.1 Sources of Funds

The project financing is expected to be through both owners' equity and debt financing through bank loans. The amount of revenue shall be allocated to the parties as per the profit calculations of the project.

**Table 8.1 Sources of Funds**

S/N	Source of Fund	Amount (USD)
1	Equity	809,100
2	Loan	2,030,500
	<b>Total</b>	<b>2,836,850</b>

### 8.2 Financial Assumptions

<b><u>Operational Variables</u></b>		
<b>Number of Working Days</b>	<b>30.00</b>	<b>Days/Month</b>
<b>Number of Months Per Year</b>	12	<b>Months</b>
<b>No of trips/Month</b>	4	
<b>Carrying capacity per truck</b>	30	<b>Tones</b>
<b>Cost of Inflation</b>	3.1%	
<b>Exchange Rate</b>	2,730	
<b>Number of trucks</b>	41	
<b><u>Fleet Operations</u></b>		
<b>Carrying Capacity</b>	72,000	<b>Tones/Year</b>
<b>Trips per year</b>	2400	<b>Trips</b>
<b>Fuel consumption rate</b>	4	<b>Km/Lt</b>
<b>Distance per round trip</b>	1480	<b>Km</b>
<b><u>Variable Cost</u></b>		
<b>Fuel</b>	1.41	<b>USD/Lt</b>

<b>Driver Milage Allowance</b>	0.13	<b>USD/KM</b>
<b><u>Revenue Driver</u></b>		
<b>Transport cost rate</b>	100	<b>USD/MT</b>
<b>Repair and Maintenance</b>	10.00%	<b>of income</b>
<b>Insurance</b>	3.500%	<b>of Vehicle value as per depreciation</b>
<b>Property Tax</b>	0.100%	
<b>Land Rent</b>	<b>1.000%</b>	<b>of value of land</b>

### 8.2.1 Operational Variables:

- **Number of Working Days:** The assumption is that there are 30 working days in a month, which will impact the number of trips per month and per year, as well as the utilization capacity of the trucks.
- **Number of Months Per Year:** This assumption is that there are 12 months in a year, which will impact the annual carrying capacity of the fleet and the number of trips per year.
- **No of trips/Month:** The assumption is that there will be 4 trips per month per truck, which will impact the total number of trips per year.
- **Carrying capacity per truck:** This is assumed to be 30 tons, which will impact the weight of goods transported per contract and the fuel consumption rate.
- **Cost of Inflation:** The assumption is that there is a 5% cost of inflation, which will impact the fuel cost and the transport cost rate.
- **Exchange Rate:** This is assumed to be 2,730, which will impact the transport cost rate.
- **Fleet Operations:**
- **Carrying Capacity:** This assumption is that the fleet's carrying capacity is 56,040 tons per year, which will impact the number of trips per year.
- **Trips per year:** The assumption is that there will be 2400 trips per year, which will impact the total weight of goods transported per year.
- **Fuel consumption rate:** This is assumed to be 4 km/Liter, which will impact the fuel cost.

- Distance per round trip: This is assumed to be 1480km as a result of weighted average of distance from Dodoma to Dar, Nakuru as well as Bujumbura. This impacts the fuel cost and the number of trips per year.

### **8.2.2 Variable Costs:**

Fuel: The assumption is that the fuel cost is 1.41 USD per liter, which will impact the total fuel cost.

Driver Milage Allowance: This is assumed to be 0.13 USD per km, which will impact the driver's compensation.

### **8.2.3 Revenue Driver:**

Transport cost rate: The assumption is that the transport cost rate is 100 USD per metric ton, being a weighted average of transport cost towards different routes. i.e. 40% DAR-DOM @ \$50, 40% DOM-NRB @\$150 and 20% DOM-BJR @\$100. This will impact the total revenue generated.

### **8.2.4 Other Expenses:**

- Repair and Maintenance: The assumption is that the repair and maintenance cost is 1.5% of income, which will impact the total cost of operations.
- Insurance: This is assumed to be 3.5% plus VAT 18% of the vehicle value as per depreciation, which will impact the total cost of operations.
- Property Tax: This assumption is that the property tax is 0.1%, which will impact the total cost of operations.
- Land Rent: This is assumed to be 1% of the value of land, which will impact the total cost of operations.
- Utilization Capacity: This assumption is that the utilization capacity will increase from 60% in year 1 to 60% in year 4 and beyond, which will impact the number of trips per year and the weight of goods transported per contract.

- Weight of goods transported per contract: This assumption is that the weight of goods transported per contract will remain at 64,800 tons after year 4, which will impact the transport cost rate and the total revenue generated.
- Average Unit Output Price: Transport cost rate: The assumption is that the transport cost rate will increase from 100 USD per metric ton in year 1 to 131 USD per metric ton in year 10, which will impact the total revenue generated.
- Average Unit Input Price: Fuel: The assumption is that the fuel cost will increase from
- 1.28 USD per litre in year 1 to 1.66 USD per litre in year 10, which will impact the total fuel cost.

### 8.3 Projected Financial Statements

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits as detailed below.

**Table 8.2: Projected Income Statements for Five Years**

Description	YEAR 1 (US\$)	YEAR 2 (US\$)	YEAR 3 (US\$)	YEAR 4 (US\$)	YEAR 5 (US\$)
Revenue	4,260,000	4,387,800	4,519,434	4,655,017	4,794,668
Less: Cost of sales	2,307,043	2,382,396	2,451,015	2,514,141	2,510,539
<b>Operating Profit</b>	<b>1,952,957</b>	<b>2,005,404</b>	<b>2,068,419</b>	<b>2,140,876</b>	<b>2,284,129</b>
<i>Less: Op. expenses</i>	<i>1,456,700</i>	<i>1,466,071</i>	<i>1,577,129</i>	<i>1,595,985</i>	<i>1,615,785</i>
Earnings Before Interest and Tax	496,257	539,333	491,290	544,891	668,344
Less :Charges					
Interest	<b>304,575</b>	197,974	137,059	76,144	15,229
<b>Earnings Before Tax</b>	<b>191,682</b>	<b>341,359</b>	<b>354,231</b>	<b>468,747</b>	<b>653,115</b>
<i>Corporate Tax (30%)</i>	<i>57,505</i>	<i>102,408</i>	<i>106,269</i>	<i>140,624</i>	<i>195,934</i>
<b>Earnings After Tax (Loss)</b>	<b>134,177</b>	<b>238,951</b>	<b>247,962</b>	<b>328,123</b>	<b>457,180</b>
<i>Dividends (30%)</i>	<i>40,253</i>	<i>71,685</i>	<i>74,389</i>	<i>98,437</i>	<i>137,154</i>
<b>Retained Earnings</b>	<b>93,924</b>	<b>167,266</b>	<b>173,573</b>	<b>229,686</b>	<b>320,026</b>

**Table 8.2 Projected Balance Sheet**

DESCRIPTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US\$	US\$	US\$	US\$	US\$
NON-CURRENT ASSETS					
Machinery & Equipment	181,835	545,468	570,100	457,950	345,800
Motor vehicles	2,706,948	2,440,800	2,201,176	1,985,426	1,791,163
<b>Total Non-Current Assets</b>	<b>2,888,783</b>	<b>2,986,268</b>	<b>2,771,276</b>	<b>2,443,376</b>	<b>2,136,963</b>
Stocks	392,133	337,823	268,399	522,500	533,100
Debtors & Prepayments	185,048	56,825	141,500	15,400	16,700
Cash and Bank balance	506,389	357,534	395,185	368,389	421,220
<b>Total Current Assets</b>	<b>1,083,570</b>	<b>752,182</b>	<b>805,084</b>	<b>906,289</b>	<b>971,020</b>
<b>TOTAL ASSETS</b>	<b>3,972,353</b>	<b>3,738,450</b>	<b>3,576,360</b>	<b>3,349,665</b>	<b>3,107,983</b>
Equity Capital	809,100	809,100	809,100	809,100	809,100
Retained Earnings	93,924	167,266	173,573	229,686	320,026
<b>Total Equity</b>	<b>903,024</b>	<b>976,366</b>	<b>982,673</b>	<b>1,038,786</b>	<b>1,129,126</b>
Bank loan	2,030,500	1,381,447	1,091,435	907,625	771,745
Total Non-Current Liability	<b>2,030,500</b>	<b>1,381,447</b>	<b>1,091,435</b>	<b>907,625</b>	<b>771,745</b>
Trade Creditors and Accruals	981,324	1,278,229	1,395,982	1,262,630	1,011,177
Taxation	57,505	102,408	106,269	140,624	195,934
<b>Total Current Liabilities</b>	<b>1,038,829</b>	<b>1,380,637</b>	<b>1,502,251</b>	<b>1,403,254</b>	<b>1,207,111</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,972,353</b>	<b>3,738,450</b>	<b>3,576,360</b>	<b>3,349,665</b>	<b>3,107,983</b>

**Table 8:3 Projected Cash Flow for Five Years**

<b>DESCRIPTIONS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Receipts:</b>					
Sales	4,260,000	4,387,800	4,519,434	4,655,017	4,794,668
Capital injection	<b>809,100</b>				
Bank Loan	2,030,500	0	0	0	0
<b>Total Receipts:</b>	<b>7,099,600</b>	<b>4,387,800</b>	<b>4,519,434</b>	<b>4,655,017</b>	<b>4,794,668</b>
<b>Less: Payments</b>					
Cost of sales	2,307,043	2,382,396	2,451,015	2,514,141	2,510,539
Operating Expenses	1,456,700	1,466,071	1,577,129	1,595,985	1,615,785
Tax Payments	57,505	102,408	106,269	140,624	195,934
Dividends	40,253	71,685	74,389	98,437	137,154
Purchase of assets	2,030,500	0	88,628	0	249,290
Other purchases	1,022,950	514,095	259,655	332,626	33,134
<b>Total Payments</b>	<b>6,914,951</b>	<b>4,536,655</b>	<b>4,557,085</b>	<b>4,681,813</b>	<b>4,741,837</b>
<i>Beginning Cash Balance</i>	<i>321,740</i>	<i>506,389</i>	<i>357,534</i>	<i>395,185</i>	<i>368,389</i>
<i>Ending Cash Balance</i>	<b><i>506,389</i></b>	<b><i>357,534</i></b>	<b><i>395,185</i></b>	<b><i>368,389</i></b>	<b><i>421,220</i></b>

## **9.0 ECONOMIC ASPECTS**

### **9.1 National economic and social Benefits**

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

#### **a) Direct economic impact**

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Tax payments to the government increased,
- 2) Access to quality, reliable and affordable transport services increased,
- 3) Employment opportunities generation; more than 50 direct jobs expected to be created.
- 4) Technology and skills are transferred from experts hired from different parts of the globe.

#### **b) Indirect economic impact**

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities, such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project, and participation in economic development activities of the country.

## **10.0 CONCLUSION**

The analysis indicates the viability of the project. Owners are committed to their funds and are capable of raising the required investment capital to finance the project, it shows a strong commitment to making sure that the project is successfully implemented. The Project lies in areas which are very convenient for various economic activities that attract movement of cargo in the country and the EAC regions. Owners are willing to comply with all government requirements. The fact that there is a huge demand for transport services despite the presence of several other service providers makes this project a viable idea.