

# Project Plan: Importation of 300 CNG Trucks for Cement Transport

## 1. Project Overview

**Project Title:** Importation of 300 CNG Trucks for Cement Transport Support

**Project Sponsor:** Dangote Cement Tanzania Limited

**Target Completion Date:** May 2025

### Objective:

To procure and deploy 300 Compressed Natural Gas (CNG) trucks to reduce our competitive disadvantage of distance from the main markets of Dar and Central (Dodoma) by reducing overall transportation cost. The trucks will leverage our existing CNG fueling infrastructure, mainly the two CNG fueling stations at Mtwara and Mkuranga respectively, built at a total cost of **US\$ 8.89million**.

## 2. Business Case

**Operational Need:** Existing fleet capacity (about 400 trucks converted to blend CNG and AGO) is insufficient to meet rising cement production and distribution demands.

**Cost Reduction:** Augmenting the fleet with three hundred 100% CNG trucks will lower overall transport costs due to reduced fuel expenses and better maintenance economics. We expect to reduce our transport cost by about **TZS 20/ton/km** by replacing the current 3<sup>rd</sup> party trucks that constitute over 50% of the overall cement haulage from the plant in Mtwara.

**Environmental and Economic Benefit:** Transition to CNG will cut greenhouse gas emissions significantly compared to traditional diesel trucks, and will save the country from using scarce foreign exchange on the importation of AGO

**Infrastructure Advantage:** The company already operates two owned CNG fueling stations at the cement plant in Mtwara and at Mwanambaya in Mkuranga, so we shall have consistent and cost-effective refueling.

## 3. Scope of Work

### In-Scope:

- Supplier selection and contracting for 300 CNG trucks
- Importation, customs clearance, and registration
- Integration into the current fleet management system
- Driver recruitment and specialized CNG truck training
- Maintenance and service network setup for new trucks
- Deployment to key cement transport routes.

### Out-of-Scope:

- Expansion of CNG fueling stations (already available)
- Broader supply chain/logistics infrastructure changes.

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### 4. Project Phases and Timeline

Phase	Description	Duration	Status
Phase 1	Finalize truck specifications and supplier contracts	1 month	Done
Phase 2	Procurement and shipping	2 months	Done
Phase 3	Customs clearance and regulatory compliance	1 month	In progress
Phase 4	Truck assembly (if CKD) or inspection (if CBU)	1 month	Not started
Phase 5	Driver hiring and CNG training	1 month (parallel)	Not started
Phase 6	Deployment and operational integration	2 months	Not started

### 5. Key Deliverables

- 300 fully registered, CNG-powered trucks ready for operation
- Drivers trained in CNG vehicle handling and maintenance
- Preventive maintenance system activated
- Fleet operational integration into current logistics system
- Significant reduction in transport costs within 12 months

### 6. Resources and Budget

Resources Needed:

- Procurement & Supply Chain Manager
- Logistics and Transport Manager
- Compliance Officer (Customs and Road Licensing)
- Fleet Maintenance Coordinator
- HR & Training Team

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### Estimated Budget:

- Truck CIF Cost: [USD 19.38 million, excluding import duties]

- Import Duties Estimate: [Between USD 7 million and USD 8 million]

### 7. Risk Management

<b>Risk</b>	<b>Mitigation Strategy</b>
Delays in supplier delivery	Buffer periods, use of multiple suppliers
Customs or licensing bottlenecks	Early regulatory engagement
Inadequate driver CNG expertise	Intensive and early CNG driver training programs
CNG station capacity constraints	Adjust operational fueling schedules if required