

KILIMANJARO ICD COMPANY LIMITED**BUSINESS PLAN****PROJECT: DEVELOPMENT OF AN INLAND CONTAINER DEPOT (ICD) AND LOGISTICS HUB****PERIOD: 2025–2028**

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1. Management Summary and Company Overview

Kilimanjaro ICD Company Limited is a newly established Tanzanian company (incorporated in 2024) with a share capital of TZS 40 billion, focused on developing and operating a modern **Inland Container Depot (ICD) and logistics hub** in **Dar es Salaam**. The facility aims to streamline cargo movement between the **Port of Dar es Salaam** and inland regions, as well as serve landlocked neighbors like **Rwanda, Uganda, Burundi, and the DRC**. With an initial target of **5,000 TEUs/month** (and plans for expansion), the ICD will alleviate port congestion, reduce turnaround times, and enhance trade efficiency under the **AfCFTA framework**. Strategically positioned in northern Tanzania, the company seeks to bridge critical logistical gaps while supporting regional trade growth.

Shareholding Structure

Kilimanjaro ICD Company Limited is jointly owned by two shareholders:

Shareholder Name	Nationality	Shareholding (%)	Amount Subscribed (TZS)
Mr. Swalah Said Mohamed	Tanzanian	95%	TZS 38,000,000,000
Mr. Raphael Ahmed Rashid	Tanzanian	5%	TZS 2,000,000,000
Total		100%	TZS 40,000,000,000

The company is capitalized with a total equity of TZS 40 billion, fully subscribed by the two founding shareholders, reflecting strong local ownership and commitment.

Project Overview

The intended project involves the development of a **state-of-the-art Inland Container Depot and Logistics Hub** to serve as a dry port in the Kilimanjaro region. The ICD will offer container handling, customs clearance, warehousing, freight forwarding, truck parking, and other ancillary services essential for seamless cargo movement.

Rationale and Community Impact

The ICD is being developed in response to multiple factors:

- **Decongestion of the Port of Dar es Salaam**, which currently handles over 80% of Tanzania's cargo traffic.
 - **Faster turnaround and reduced logistics costs** for businesses in the Northern Corridor and landlocked neighboring countries.
 - **Enhanced regional trade** through improved infrastructure that aligns with the goals of the African Continental Free Trade Area (AfCFTA).
 - **Creation of jobs** – both direct and indirect – in construction, transportation, customs brokerage, and warehousing.
 - **Increased government revenue** through taxes and duties as a result of streamlined cargo movement and formalized trade logistics.
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Capital Investment

The total capital investment for the project is projected at **TZS 70 billion**, to be financed as follows:

Source of Funds	Amount (TZS)	Percentage
Equity	40,000,000,000	57.1%
Debt (Loan)	30,000,000,000	42.9%
Total	70,000,000,000	100%

The shareholders have already subscribed the full equity portion. Debt financing will be secured through a syndicated loan facility from local and regional financial institutions.

Implementation Phases

The project will be developed in two phases:

Phase I – Foundational Infrastructure (First 12 months):

- Land acquisition and legal approvals
- Site clearing and grading
- Construction of container stacking yards, administration blocks, and security perimeter
- Installation of weighbridge and customs sheds
- Basic utilities (water, electricity, and telecom)
- Hiring of operational staff and installation of management systems
- Trial operations (initial 2,500 TEUs/month capacity)

Phase II – Expansion and Diversification (Months 13–36):

- Expansion of yard capacity to support 5,000+ TEUs/month
- Addition of repair workshops, cold storage, and value-add services
- Construction of training centre for logistics workforce development
- Upgrades to IT infrastructure and full integration with TRA systems
- Introduction of bonded warehousing and specialized cargo handling

Project Location

The ICD project will be located on a 30-acre plot in **Temeke District, Dar es Salaam Region**, strategically positioned near major road corridors.

A detailed **map and site layout plan** of the selected location is provided in **Appendix A**.

Why Dar es Salaam Region?

The project location was chosen due to several strategic advantages:

- **Proximity to key markets** from the Dar es Salaam port in Tanzania.
- **Accessibility** via the Dar es Salaam proximity markets and the Standard Gauge Railway (SGR) corridor under development.
- **Logistical importance** – The region serves as a regional trade link for Rwanda, Burundi, Uganda, and DRC.
- **Lower land and operating costs** compared to coastal ICDs.
- **Supportive local authorities** that have prioritized the development of regional logistics infrastructure.

Kilimanjaro ICD Company Limited is poised to become a regional logistics leader by capitalizing on strategic location, robust shareholder backing, and an operational model designed to enhance trade efficiency across East and Central Africa.

3. Mission and Vision

Mission:

To deliver efficient, safe, and technologically advanced inland logistics services that empower trade and support regional integration.

Vision:

To become the leading dry port and logistics hub in Northern Tanzania and a critical facilitator of cross-border trade by 2028.

4. Why ICD?

- **Port Congestion:** Dar es Salaam Port handles over 80% of Tanzania's trade, resulting in congestion.
 - **Trade Growth:** Regional demand for logistics services is rising due to AfCFTA and infrastructure investments.
 - **Strategic Location:** Northern Tanzania is underserved; an ICD here provides a high-impact trade solution.
 - **Regulatory Push:** The government is encouraging inland port development to streamline cargo clearance.
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5. Business Analysis

Overview of the Business Environment in Africa/Regional Context (with relevance to the Kilimanjaro ICD Project):

The logistics and transport sector in Africa is undergoing significant transformation, spurred by the African Continental Free Trade Area (AfCFTA), regional integration strategies, and major investments in transport infrastructure. East Africa in particular—led by countries such as Tanzania, Kenya, Uganda, and Rwanda—has experienced a steady rise in cargo volumes due to increased intra-African trade and foreign direct investment.

Tanzania is uniquely positioned as a logistics gateway to multiple landlocked countries including Rwanda, Burundi, Zambia, Uganda, and Eastern DRC. With Dar es Salaam Port handling over 80% of the nation's cargo, the existing transport infrastructure is under pressure, causing delays and inefficiencies. Inland Container Depots (ICDs) have thus emerged as a strategic response to decongest ports and decentralize logistics operations.

As cargo volumes grow, regional ICDs are becoming critical nodes in the supply chain, especially for landlocked markets reliant on efficient cargo turnaround. For example, the introduction of Standard Gauge Railway (SGR) and improvements in road networks along the Central Corridor are enhancing trade efficiency. The strategic importance of ICDs along these

corridors is rapidly increasing as governments and private sector players seek to optimize logistics costs and timelines.

Policy and Government Support:

Governments in the region, including the Tanzanian government, have introduced several pro-logistics policies and infrastructure development programs:

- **Tanzania Development Vision 2025** prioritizes industrialization and infrastructure development as core enablers of economic transformation. ICDs are an integral part of this vision.
- **AfCFTA Protocols** support trade facilitation through harmonized customs procedures, creating increased demand for regional logistics services like those provided by ICDs.
- The **Blueprint for Regulatory Reforms** by the Tanzanian government has reduced bureaucratic barriers to investment in the logistics sector.
- Government agencies such as the **Tanzania Ports Authority (TPA)** and the **Tanzania Revenue Authority (TRA)** actively support the establishment of ICDs to ease pressure on port infrastructure and enhance tax collection at inland checkpoints.

Additionally, the government has designated the **Temeke region** and other zones around Dar es Salaam as priority areas for logistics hubs due to proximity to the port and availability of supporting infrastructure such as roads and railways.

Benefits of the Kilimanjaro ICD Project to Tanzania:

The Kilimanjaro ICD Project, located in Temeke region, offers numerous socio-economic and logistical advantages:

1. **Port Decongestion and Turnaround Efficiency:**
 - By offloading and processing cargo inland, the ICD will reduce bottlenecks at Dar es Salaam Port.
 - Faster cargo clearance will improve Tanzania's logistics performance index.
2. **Job Creation and Skill Development:**
 - Over 150 direct jobs in the first year and more than 400 indirect jobs through third-party logistics and support services.
 - Vocational opportunities for youth in the fields of customs clearing, warehouse management, and IT-driven logistics systems.
3. **Regional Trade Facilitation:**
 - The ICD will act as a bridge between the port and Tanzania's hinterlands and neighboring countries, enhancing regional connectivity and cross-border trade.
4. **Revenue Generation:**
 - Increased tax collection from streamlined customs operations and business activities at the ICD.

- Multiplier effects from ancillary services such as maintenance, truck parking, and container repairs.
- 5. **Environmental and Sustainability Gains:**
 - Reducing idle cargo at the port reduces environmental strain and emissions from prolonged container storage and trucking inefficiencies.
 - Implementation of digital and green logistics practices within the ICD operations (e.g., energy-efficient handling equipment, waste management protocols).
- 6. **Support for Government Goals:**
 - Aligned with Tanzania's strategic vision for a modern, inclusive economy driven by logistics, trade, and industrialization.
 - Positions Tanzania as a logistics leader in East and Central Africa.

In summary, the Kilimanjaro ICD project is being developed in an environment that is politically supportive, economically conducive, and logistically strategic. The benefits are multi-dimensional—improving infrastructure utility, boosting economic resilience, and contributing significantly to Tanzania's regional trade leadership.

6. Marketing Analysis & Strategy

The marketing analysis and strategy for the Kilimanjaro ICD Project have been crafted with a deep understanding of Tanzania's growing logistics sector, regional trade patterns, and the urgent need for infrastructure that enhances cargo handling, clearance, and turnaround times.

Available Market Opportunities

The ICD project is positioned to tap into several compelling market opportunities:

1. **Increasing Cargo Volumes:**
 - Tanzania's import and export volumes are steadily increasing, with Dar es Salaam Port handling over 18 million tons of cargo annually, a figure projected to grow as AfCFTA gains traction.
 - The need for efficient off-port cargo processing facilities has never been higher.
2. **Landlocked Neighboring Markets:**
 - Countries like Zambia, Malawi, Uganda, Rwanda, Burundi, and DRC rely on Dar es Salaam Port for trade. Efficient ICDs within Dar es Salaam are essential to serve these markets.
 - Demand is strong for bonded storage, container stripping, and consolidation services.
3. **Port Congestion Mitigation:**
 - Limited port space and rising demand have created delays, making ICDs a necessary logistics extension.

- Government is actively promoting the use of ICDs to decongest the port, which opens market opportunities for facilities located within Dar es Salaam city but outside the port zone.
 - 4. **Digital Transformation of Customs and Logistics:**
 - TRA's investment in digital systems (TANCIS, ASYCUDA) is increasing demand for integrated and ICT-enabled ICD services.
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Target Market Segments

1. **Freight Forwarders & Clearing Agents:**
 - These are the direct clients who will use the ICD for cargo processing, clearance, and forwarding services.
 2. **Importers and Exporters:**
 - Especially those dealing with high-volume or time-sensitive cargo such as consumer goods, construction materials, industrial equipment, and agricultural products.
 3. **Shipping Lines and Transport Companies:**
 - Who prefer ICDs that reduce turnaround time and offer convenient handling of full or less-than-container loads (FCL/LCL).
 4. **Regional Traders (from landlocked countries):**
 - Who use Dar es Salaam Port as their primary trade gateway and require reliable inland logistics handling.
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What Drives These Opportunities?

1. **Government Policy and Support:**
 - Support for decentralization of port operations and customs clearance.
 - Incentives for setting up bonded warehouses and dry ports.
 2. **Regional Economic Growth:**
 - Rising middle-class consumption, industrialization, and intra-Africa trade growth all fuel demand for logistics infrastructure.
 3. **Infrastructure Development (SGR, highways):**
 - Enhanced road and rail connectivity makes ICDs a natural beneficiary of improved cargo mobility.
 4. **Private Sector Push for Efficiency:**
 - Businesses seek faster cargo handling and cost-effective warehousing options, which ICDs offer compared to congested port depots.
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Flow of Services/"Product" from Investor to End-User

1. Investor Builds ICD →
2. Registers and Commissions Services with TRA, TPA, TBS, GCLA, etc. →

3. **Clients (Clearing Agents, Importers, Exporters) Book Space/Use Facility →**
4. **Cargo is Delivered to ICD via Transporter or Through Port Evacuation →**
5. **Services Provided:** Offloading, stripping, customs clearance, warehousing, stuffing, loading →
6. **Cargo is Released to Transporter → Delivered to End Users (Retailers, Distributors, Manufacturers)**

The investor operates through direct marketing, agency partnerships with freight forwarders, digital platforms (EDI systems), and walk-in clients.

Pricing Considerations

Pricing Model:

A competitive but value-based pricing approach will be adopted. Services will be offered in flexible packages to accommodate different volumes and types of cargo (FCL/LCL/bulk).

Revenue Sources Include:

- Stripping/loading charges
 - Warehouse storage fees (bonded and non-bonded)
 - Documentation and customs clearance support
 - Equipment handling fees (e.g., use of forklifts, cranes, pallets)
 - Container parking charges
 - IT access fees (e.g., for using portal-based booking systems)
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Factors Taken into Account in Pricing:

1. **Competitor Benchmarking:**
 - Prices will be benchmarked against other ICDs and bonded warehouses in the Temeke, Mbagala, and Kurasini zones.
2. **Cost Structure:**
 - O&M costs, staffing, depreciation of equipment, and licensing fees.
3. **Volume Discounting:**
 - Larger clients or long-term partners receive preferential pricing to encourage retention and high throughput.
4. **Service Differentiation:**
 - Premium pricing will apply for express/customized services such as 24/7 operations, secure high-value cargo handling, and IT system integration.
5. **Regulatory Framework:**
 - Compliance with TRA, SUMATRA, and TPA rate regulations ensures that prices remain within acceptable guidelines.
6. **Value to the Customer:**
 - Pricing will emphasize the value clients get in reduced port dwell time, faster clearance, and integrated logistics services.

The Kilimanjaro ICD Project’s marketing strategy is built on real, data-backed opportunities, policy support, a well-defined target market, and a clear, competitive pricing model. The goal is not only to generate sustainable revenue but also to be a transformative player in Tanzania’s logistics ecosystem.

7. Operational Plan

Overview of the ICD Business Model

The Kilimanjaro ICD Project adopts an **integrated logistics and cargo handling model**, designed to operate as an **off-dock terminal** licensed by the **Tanzania Revenue Authority (TRA)** and **Tanzania Ports Authority (TPA)**. The facility functions as a critical extension of the Dar es Salaam Port, easing congestion, reducing cargo dwell times, and improving trade efficiency.

The business model is both **asset-driven** and **service-oriented**, targeting consistent cash flow through diversified revenue streams linked to cargo volume, value-added logistics, and strategic partnerships.

Key Operational Components of the Business Model

1. Core Services Provided

The ICD will provide the following services:

Service	Description
Container Handling	Stripping (unpacking) and stuffing (loading) of containers
Bonded Warehousing	Temporary storage of cargo under customs control
Customs Clearance Support	Facilitation of customs processes on-site via TRA officers
Consolidation/De-consolidation	Grouping or separating cargo for cost efficiency and traceability
Freight Forwarding Linkages	Collaboration with clearing agents for seamless cargo movement
Empty Container Return Services	Drop-off location for empty containers after unloading
Cargo Inspection Bay	Facilities for TRA, TBS, GCLA, and other regulatory inspections

Service	Description
Weighbridge & Security Services	Ensures cargo is weighed and securely handled 24/7

2. Revenue Model

The business generates income through multiple channels:

Source	Revenue Type
Handling Charges	Per container or per tonne basis (depending on type of cargo)
Storage Fees	Daily rate based on cargo volume, value, and duration
Customs Processing Fees	Charged to agents and importers for use of on-site processing
Service Add-ons	E.g., forklift/crane use, repackaging, palletizing, weighing
Container Parking	Short-term and long-term yard fees
Long-term Contracts	Discounted service agreements with shipping lines or large importers/exporters
System Access Fees	Charges for online cargo booking or documentation processing platforms

3. Business-to-Business (B2B) Focus

The ICD primarily operates under a **B2B model**, serving:

- Clearing and forwarding agents
 - Import/export companies
 - International shipping lines
 - Transport and logistics companies
 - Regional traders using Dar port for transit
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4. Licensing and Regulatory Operations

To ensure legal and smooth functioning, the business model requires:

- **TRA Licensing** (Bonded warehouse & ICD operator permit)
 - **TPA Authorization** (Off-dock terminal classification)
 - **GCLA, TBS, and other regulators' compliance** for cargo-specific needs
 - System integration with **TANCIS/ASYCUDA** to allow electronic cargo declarations and customs inspections on-site
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5. Facility Design and Operational Layout

The ICD's facility will include:

- Large container yard (for full and empty containers)
 - Bonded warehouse (segregated by cargo type)
 - Non-bonded general cargo area
 - Stripping/stuffing zones
 - Customs and regulatory offices
 - Parking bay for trucks and trailers
 - Loading/unloading docks
 - Weighbridge station
 - Security post and surveillance system
 - Administration block and client service center
-

6. Technology and Systems

- **Integrated Yard Management System (YMS):** Tracks container movements
 - **Online Booking System:** Clients can book cargo slots, services, and pay online
 - **Customs Integration:** Electronic Data Interchange (EDI) for customs clearance
 - **CCTV Surveillance & RFID Tracking:** Ensure safety and real-time cargo monitoring
 - **Power Backup Systems:** To support 24/7 operations
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7. Operational Hours & Staffing

- **Operating Hours:** 24/7, including weekends and public holidays, to match port schedules

- **Staffing Structure:**
 - Operations Manager
 - Yard Supervisor & Equipment Operators
 - Customs Liaison Officer
 - Security Team
 - IT/System Administrators
 - Finance & Billing Officers
 - Client Service and Administrative Staff
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8. Partnership & Outsourcing Strategy

To remain lean while ensuring quality:

- Security, IT maintenance, and equipment servicing may be outsourced
 - Partnerships will be formed with:
 - Transport providers for last-mile delivery
 - Shipping lines for direct container drop-offs
 - Insurance providers for on-site cargo coverage
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9. Project Impact Through Operational Efficiency

- **Port Decongestion:** Faster evacuation of containers from port yard
 - **Cost Reduction for Traders:** Minimized demurrage and port storage penalties
 - **Customs Efficiency:** Centralized inspections and clearance speeds up processing
 - **Regional Trade Facilitation:** Easier movement of transit cargo to SADC/EAC countries
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8. Business Model

The business will generate revenues through:

- TEU handling charges
- Storage and warehousing fees
- Customs facilitation fees
- Truck handling and value-added logistics

- Maintenance and ancillary services

Value Proposition: Reliability, speed, security, and cost-efficiency in cargo handling.

9. Human Resources

Employment Breakdown – Project Initiation Phase

Activities	No. of Employees
Hydrographic Survey	2
Geotechnical & Topographic Survey	3
Legal & Compliance (In-country)	1
Company Setup	2
Site Demarcation	5
Security & Offsite Control	12
Additional Drilling for Geotech	4
Total (Phase 1)	29

Operational Phase Projections:

- Direct Jobs: 150 (2025)
 - Indirect Jobs: 400+ by 2026
 - Priority given to local hiring and skills transfer programs
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10. Health, Safety & ESG Policies

Health & Safety:

Zero-tolerance for workplace accidents. Emergency response plans, training, and compliance with OSHA and TBS standards.

Diversity and Inclusion:

We foster a workplace free from discrimination, corruption, or unethical conduct. Women and youth inclusion are key pillars of our hiring strategy.

Sustainability Policy:

- Environmental compliance (dust suppression, spill control)
- Solar-powered lighting and energy-saving devices
- Community development and educational support
- Full ESG reporting starting 2026

11. Capital Expenditure & Investment Breakdown

Total Share Capital: TZS 40 Billion (Fully Equity Financed)

Category	Amount (TZS)
Land Acquisition	5,000,000,000
Civil Works & Infrastructure	15,000,000,000
Equipment & Machinery	8,000,000,000
Technology & IT	3,000,000,000
Working Capital Reserve	4,000,000,000
Legal, Insurance & Compliance	2,000,000,000
Total Investment	40,000,000,000

12. Financial Projections (2025–2028)

Revenue Assumptions and Forecast

The **Kilimanjaro Internal Container Depot (ICD) Project**, located in Temeke, Dar es Salaam, is projected to become a high-performance logistics hub serving both local and regional markets. Its financial trajectory is underpinned by growing demand for container handling and clearance services in Tanzania, ongoing government support for port decongestion, and a strong marketing and partnership strategy.

◆ Sources of Revenue

The ICD is designed to generate diversified revenue streams from the following service lines:

1. **Container Storage Fees:**

- Charged per day per TEU (Twenty-Foot Equivalent Unit), with rates increasing after the grace period.
- Both short-term and long-term storage options available.
- 2. **Container Handling Charges:**
 - Inbound and outbound lift-on/lift-off services using reach stackers and cranes.
 - Includes both FCL (Full Container Load) and LCL (Loose Cargo Load) categories.
- 3. **Customs Documentation & Facilitation Services:**
 - Processing, verification, and digital facilitation for customs clearance (in collaboration with licensed CFAs).
- 4. **Weighbridge and Scanning Fees:**
 - Onsite weighing and scanning of trucks and containers for compliance with TRA and TPA regulations.
- 5. **Truck Marshalling & Parking:**
 - Dedicated truck bays generating parking income from local and regional hauliers.
- 6. **Auxiliary Services:**
 - These include container repairs, reefer (refrigerated container) connections, value-added warehousing, and IT-supported inventory solutions.

◆ Revenue Forecast (2025–2028)

Year	Revenue (TZS Million)	Operating Expenses	EBITDA	Net Profit Before Tax
2026	6,500	4,200	2,300	1,800
2027	9,800	6,000	3,800	3,200
2028	13,200	7,400	5,800	4,900
2029	15,500	8,100	7,400	6,300
2030	20,500	10,100	10,400	7,900

Projected 2029 (Indicative):

Based on the same growth logic, revenue is expected to exceed **TZS 19.3 billion**, with a projected EBITDA margin of **48–50%** and a pre-tax profit of approximately **TZS 8.3 billion**.

◆ Revenue Growth Drivers

1. **Annual TEU Volume Growth (15–20%):**
 - Regional trade corridors such as the Central and Dar es Salaam Corridors are experiencing consistent growth.
 - Ongoing improvements in port efficiency are pushing more cargo inland, strengthening the ICD's utility.
2. **Incremental Pricing Strategy:**

- Services are benchmarked against current market prices with annual upward adjustments aligned to inflation, currency devaluation, and demand.
 - 3. **Scalable Cost Structure:**
 - The operating model has built-in flexibility to handle increased container volumes without significantly increasing fixed costs.
 - 4. **Strategic Location:**
 - Proximity to Dar es Salaam Port and major transport highways ensures seamless access to hinterland destinations like Zambia, Malawi, and DRC.
 - 5. **Digital Integration:**
 - Automated yard management and container tracking improve efficiency and enable premium pricing for time-sensitive customers.
 - 6. **Partnerships and Pre-Agreements:**
 - The ICD has initiated discussions with logistics providers, shipping agents, and government authorities for throughput guarantees and volume commitments.
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◆ Marketing Strategy

To sustain and expand its revenue base, the project is adopting a **targeted and phased marketing strategy** built around operational excellence, customer experience, and strategic partnerships:

1. **B2B Partnership Campaigns:**
 - Partner with logistics companies, freight forwarders, and shipping lines for volume-based contracts and service bundling.
 2. **Direct Port Agent Engagement:**
 - Engage Dar es Salaam port agents and importers/exporters directly through stakeholder forums, chamber collaborations, and promotional site visits.
 3. **Digital & Trade Portal Integration:**
 - Register the ICD on digital cargo platforms (TRA's e-GA, TANCIS, and TPA systems) to increase visibility among international shippers.
 4. **Brand Visibility and Industry Events:**
 - Sponsorship of trade fairs, port week summits, and customs stakeholder forums to strengthen brand recognition.
 5. **Service Differentiation through Speed & Transparency:**
 - Offer real-time container tracking, reduced turnaround time, and online billing to attract high-value clients.
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Total Project Cost in TZS

- USD 9.5 million = TZS 24.99 billion

This amount includes:

- Land acquisition
 - Civil works
 - Container handling machinery
 - Systems automation
 - Licensing
 - Initial operating capital
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Funding Composition in TZS

Source	Amount (USD)	Amount (TZS)	% of Total
Equity	3.8 million	9.99 billion TZS	40%
Debt (Loan)	5.7 million	15.00 billion TZS	60%
Total	9.5 million	24.99 billion TZS	100%

◆ Equity Contribution

The equity portion has been committed by the two founding shareholders of the project:

Shareholder Name	Nationality	Shareholding (%)	Amount Subscribed (TZS)
Mr. Swalah Said Mohamed	Tanzanian	95%	TZS 38,000,000,000
Mr. Raphael Ahmed Rashid	Tanzanian	5%	TZS 2,000,000,000
Total		100%	TZS 40,000,000,000

The equity capital is being disbursed in phases to match the implementation timeline of the project and to ensure cash flow alignment with construction, licensing, and initial asset procurement.

◆ Debt Financing – Local Strategic Partnership with GSM Group of Companies

The debt amount of **USD 5.7 million** is being raised **locally** through a structured loan facility with the **GSM Group of Companies**, a Tanzanian conglomerate with proven experience in financing, logistics, and infrastructure investments.

Loan Structure & Security:

- **Lender:** GSM Group of Companies

- **Loan Amount:** USD 5.7 million
 - **Tenure:** 7–10 years (including a 12-month grace period)
 - **Interest Rate:** Competitive fixed rate (subject to final agreement)
 - **Repayment:** Semi-annual installments, backed by ICD operational cash flows
 - **Security Instruments:**
 - Legal mortgage over the ICD project land title
 - Debenture on fixed and movable assets of the project
 - Assignment of revenues from signed client contracts
 - Insurance assignment covering all major assets and business interruption
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◆ Rationale and Feasibility of the Borrowing

The decision to secure debt financing through **GSM Group of Companies** is based on strategic alignment, shared interest in infrastructure development, and the lender's understanding of the Tanzanian logistics market. Key strengths include:

1. **Familiarity with Local Context:** GSM's local presence and infrastructure expertise offer flexibility, speed, and better terms than foreign lenders.
 2. **Strong Business Case for Repayment:** The project is expected to generate positive cash flow within the first 9 months of operation. Revenue from yard storage, customs handling, and transit operations will provide the basis for debt service.
 3. **Secure Revenue Streams:** Pre-engagements with logistics operators and freight forwarders offer predictable revenue once operations commence.
 4. **Risk-Sharing Model:** With 40% of capital funded by shareholders, lenders' exposure is significantly de-risked.
 5. **Asset-Backed Lending:** High-value, immovable, and insurable assets such as cranes, reach stackers, and container management systems offer reliable collateral.
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13. Projected Financial Statements

(a) Projected Income Statement – Summary (TZS Million)

(Add full 5-year projection table in Excel or Appendix)

(b) Projected Balance Sheet

- Assets: Land, Buildings, Equipment
- Liabilities: Minimal, Equity-Funded
- Working Capital: Growing with volume

(c) Projected Cashflow

- Positive cash flow expected from Year 2
- Reinvestment into terminal expansion in Year 3–4

14. Environmental Project Assessment

Kilimanjaro ICD Company will undergo a full Environmental Impact Assessment (EIA) in line with NEMC guidelines. Preliminary findings indicate:

- Low impact on biodiversity
- No displacement of indigenous communities
- Noise and dust to be mitigated through regulation-compliant construction methods

15. Conclusion

Kilimanjaro ICD Company Limited is strategically positioned to meet the rising logistics demands of Northern Tanzania and the East African region. With a robust capital structure, market-driven business model, and commitment to excellence, the project is primed to transform regional trade infrastructure and deliver significant value to stakeholders.

Swalah Said Mohamed
Managing Director
Kilimanjaro ICD Company Limited
June 2025