

CHRISPELL GENERAL SUPPLIERS & LOGISTICS LIMITED



BUSINESS PLAN FOR LOGISTICS AND TRANSPORTATION BUSINESS

FIVE YEARS: 2025-2029

JULY, 2025

CORPORATE INFORMATION

Date of Incorporation : 2022

Company Registration

Number : 159232670

TIN : **159232670**

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

Shareholders:

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Table of Contents

CORPORATE INFORMATION	I
LIST OF ABBREVIATIONS	III
1.0 EXECUTIVE SUMMARY	4
1.1 COMPANY VISION, MISSION AND CORE VALUES	5
1.2 PROJECT OBJECTIVES	6
1.3. PROJECT COMPONENTS AND COSTS	6
1.4 IMPLEMENTATION PLAN	7
1.5. PROJECT BENEFITS	8
2.0 PROJECT DESCRIPTION	8
2.1 KEY SUCCESS FACTORS	10
2.3 OUR STAFF	10
3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS	11
3.1 BUSINESS ENVIRONMENT	11
4.0 MARKET PLAN	12
4.1 MARKETING STRATEGIES	12
4.1.1 SWOT ANALYSIS	12
4.2 INDUSTRY RISK ANALYSIS	15
5.0 OPERATIONAL AND MANAGEMENT PLAN	18
5.1 OPERATIONAL PLAN	18
5.2 THE ORGANIZATION STRUCTURE	18
5.3 MANAGEMENT	19
6.0 PROJECT MONITORING AND EVALUATION	20
7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS	21
8.0 FINANCIAL PLAN	23
8.1 SOURCES OF FUNDS	23
8.2 FINANCIAL ASSUMPTIONS	23
8.3 PROJECTED FINANCIAL SSTATEMENTS	24
9.0 ECONOMIC ASPECTS	27
9.1 NATIONAL ECONOMIC AND SOCIAL BENEFITS	27
10.0 CONCLUSION	27

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, *Chrispell General Suppliers & Logistics Limited*, a company that has been in the transport sector for the past three decades, 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.

CHRISPELL is a growing haulage and logistics company strategically positioned to serve the mining and distribution industries. The company specializes in transporting fertilizer-related raw materials and finished products for ITRACOM Fertilizer Limited (ITRACOM), operating at key locations including the Minjingu Vilima Vitatu mine site, Nala Dodoma processing plant, and Kigoma distribution outlets. CHRISPELL has established a strong operational foundation, with a committed five-year service contract from ITRACOM, ensuring a stable revenue stream.

To meet the increasing transportation demands of ITRACOM and other potential clients, CHRISPELL is planning to purchase an additional 12 trucks (10 tractor heads with trailers and 2 dump trucks). ITRACOM's 1-million-metric-ton fertilizer production plant in Dodoma is nearing full operational capacity, requiring significant haulage support for raw materials and finished goods. While CHRISPELL currently manages a small portion of the logistics needs, additional capacity is required to capture a larger share of the transportation contracts, reducing reliance on third-party providers.

The company is owned and managed by experienced persons in the logistics and transport sector. The project is expected to be financed both through owners' equity and external financing through bank loans, where the total project requirement amounts to **US\$1,272,294 (United States Dollar One Million Two Hundred Seventy-Two Thousand, Two Hundred Ninety-Four only)**. For this purpose, the project intends to solicit **USD One million (\$ 1,000,000)** that shall be used to procure new BEIBEN trucks, strategically enhancing CHRISPELL's ability to meet the growing demand and improve its competitive positioning in the logistics sector.

1.1 Company Vision, Mission, and Core Values

Our Vision: To become the most reliable and cost-efficient transportation company in the greater Eastern & Central Africa Region and Africa at large.

Our Mission: To bring inspiration to every transporter in the world by adding value to our esteemed clients through providing efficient, safe, economical, and Customized transportation solutions.

Our Belief: Is that success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

Core Values: Through our dedicated, competent, professional, and motivated organization, modernized and experienced personnel, we are committed to the following principles:

- We ensure total, continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve.
- We are by international standards and a system that is uncompromised in quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

1.2 Project Objectives

The main objective of our project is to increase our operational capability for the provision of high-quality transport services in the country and neighboring countries. The project intends to provide high-quality yet affordable logistical and freight movement by road within Tanzania, EAC, and SADC countries.

Specifically, the project aims to achieve the following objectives;

- To ensure the availability and reliability of high-quality cargo handling and transport services throughout the year.
- To employ at least 40 people and improve the livelihood of the community, and join hands with the government's efforts in job creation.
- To improve the linkages among producers, suppliers, and consumers of various products across the EAC and SADC regions.
- Utilise the opportunity of our country's geographical location by serving the surrounding landlocked countries.

1.3. 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	New: BEIBEN Brand 380HP NG80B 6x4 dump truck (LHD). Dump Body Dimension:5600x2300x1500,16m3, Bottom 8 mm, Side 6 mm, Front lifting system manganese plate.	2	54,661	106,322
2	New: BEIBEN Brand 380HP NG80B 6*4 Tractor Truck (LHD)	10	47,683	476,830
3	New: FLATBED SEMI-TRAILER (BPW AXLE)	10	16,282	162,820
4	New: Working Capital	1	200,000	200,000
5	Existing: Dump Trucks	2	54,661	106,322
6	Existing: Excavators	2	110,000	220,000
Total				1,272,294

The project requirement amounts to **US\$1,272,294 (United States Dollar One Million Two Hundred Seventy-Two Thousand, Two Hundred Ninety-Four only)**, which covers the cost of importing trucks 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	Oct-Dec, 2025	Jan-March 2026	Apr-June,2026	July-Sept,2026	Oct-Dec.2026	Jan 2027-Dec.2029
1	Site preparations and 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 duration of 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

At CHRISPEL, we specialize in providing efficient, reliable, and tailored haulage and logistics solutions for the mining and distribution sectors. Our operations are strategically positioned to support the seamless transportation of fertilizer raw materials and finished goods for our primary client, ITRACOM, across key locations:

- Minjingu Vilima Vitatu mine site – ensuring the timely and secure transportation of raw materials.
- Nala Dodoma processing plant – facilitating the movement of essential inputs and finished products.
- Distribution outlets in Kigoma – guaranteeing last-mile delivery and supply chain efficiency.

With three years of operational experience, CHRISPELL has developed a deep understanding of our clients' logistics needs, leveraging industry expertise to ensure

optimized service delivery. Our dedicated fleet and experienced team prioritize timeliness, safety, and cost efficiency in every operation.

Currently, ITRACOM remains our primary client, with a committed service agreement extending for the next five years. As we continue to strengthen our capabilities and expand our fleet, CHRISPELL is strategically positioning itself to diversify its client base and extend its haulage and logistics solutions to other organizations within the mining, manufacturing, and distribution sectors.

CHRISPELL solicits funds to procure 12 trucks from Howin Imports Export Limited (10 haulage trucks consisting of a tractor head and trailer, and 2 dump trucks) to add to its existing fleet of 2 trucks and 2 excavators. This is necessary because our client, ITRACOM, is 60% complete with constructing and has already commissioned a 1 million metric ton fertilizer production plant in Nala, Dodoma. This means that ITRACOM requires a significant number of raw materials and finished goods to be moved, including minerals, chemicals, organic matter, and packaging raw materials. CHRISPELL 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, CHRISPELL will need to purchase 10 trucks, including tractor horses and trailers, and 2 dump trucks (will be used in Vilima Vitatu Mine Site for Transportation of Raw Materials from the pit to the processing plant) from Howin Imports Export Limited.

The earmarked trucks are

- i) BEIBEN Brand 380HP NG80B 6x4 dump truck (LHD). Dump Body: Dimension:5600x2300x1500,16m³, Bottom 8 mm, Side 6 mm, Front lifting system manganese plate.
- ii) BEIBEN Brand 380HP NG80B 6*4 Tractor Truck (LHD)
- iii) FLATBED SEMI-TRAILER (BPW AXLE)

2.1 Key Success Factors

Providing logistics and transportation services is our core competency. The project is designed to have modern, decent, well-managed trucks with immaculately humanitarian services during service delivery. We have enough fleet of trucks and equipment that are operated by highly professional personnel, who are ready to pick and deliver cargo of nearly any dimension and structure.

2.2 Trucks

We've always believed in giving the best transportation services. It's our goal to keep all our trucks at the highest standards of quality by buying quality spare parts and hiring the best operational and mechanics team.

2.3 Our Staff

CHRISPELL is well known for its "safety-first" policy that guarantees safe handling and delivery of our clients' shipments. The project shall maintain its policy to hire staff who have years of experience in the transport and logistics sector. The hired staff shall comprise both Tanzanians and foreigners, creating opportunities for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team-building seminars so that our staff continues to be on the same page and properly trained to meet our objectives.

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 in order 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 aim 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 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.

4.0 MARKET PLAN

There is a growing population in the country, where current statistics show that the population trend grows by 3% annually, with a current population of 63 million in 2025.¹ Dar es Salaam, being the largest commercial city, has been one of the fastest-growing cities in terms of population, with more than 6 million people. The pace of regional integration within the EAC and SADC blocs, with the recent ratification of AfCFTA, paves the way for more trade in the region. Our motive is to cater to this need, especially through providing a high-quality modern transport service through commuter rail transport services, where every passenger will be valued as a member of our community.

4.1 Marketing Strategies

4.1.1 SWOT Analysis

The SWOT analysis is conducted to assess our internal strengths and weaknesses that we need to improve. We have also analyzed external factors that may provide

¹ National Bureau of Statistics, 2022 and 2025 Population and Housing Census Estimates

opportunities or pose threats to our project. Finally, we have indicated how we can best utilize the available opportunities and mitigate potential threats and overcome our weaknesses.

Table 4.1: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Ability of the project implementers to solicit required funds for the project. • A conducive transport facilities and safe environment for all different categories of customers. • Excellence in service from highly skilled, reliable and experienced drivers and other service providers. • Securing a contract with one of the largest fertilizer producers in the country; • Understanding of Itracom Burundi market and other EAC member countries' environment 	<ul style="list-style-type: none"> • Fewer trucks. • Limited clientele base • We are a new player in transportation industry. • Foreign owned company with limited influence in Tanzania.
OPPORTUNITIES	THREATS/CHALLENGES
<ul style="list-style-type: none"> • Growing demand for transportation services in Tanzania and neighbouring countries (Zambia, Rwanda, Burundi, DR Congo, Uganda, Kenya, Malawi). • Government commitment to remove un necessary road blocks for transit cargo. • Economic growth and rising in purchasing power of individuals provides opportunities for the project. • Supply and distribution of Itracom raw materials and products. 	<ul style="list-style-type: none"> • Uncertainty like accidents and fire outbreak. • Financial flows. • Regulatory red tapes. • Economic downturn which can lower the price of fertilizer products dramatically.

From the SWOT analysis, we have been able to identify our strengths, weaknesses, opportunities, and threats. The project will capitalize on the key strengths to provide the best services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. On the other hand, the company is facing some limitations in providing its

services; thus, marketing strategies are aimed at minimizing these constraints. The project shall make use of the marketing mix in making sure that a high-quality product is maintained in the market, our services reach to high-demand locations (places), a reasonable price is charged to our clients and appropriate promotional tools are employed to increase awareness of our products and services.

Product: The modern vehicles will be an added advantage to compete in the market through determination to provide high-quality products and services. A sufficient budget shall be allocated for repair and maintenance to ensure that all trucks and facilities remain in good condition at all times.

Pricing: The objectives of price strategy depend on several factors such as business, economic, and marketing objectives. Price setting can be based on cost or market-based. With demand and completions orientation concepts, a fair price can be set that customers are willing to pay at the same time covering operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition, but also cost of operation.

Place: The project shall invest in modern and sophisticated facilities and a conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

Promotion: Media advertisements, both digital and print media, shall be widely employed by the project. We will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisements of the available services via several media such as local newspapers, leaflets, TV, radio, social media, and the Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers and providing seasonal tickets.

4.2 Industry Risk Analysis

To assess the competitive dynamics and risks in the haulage and logistics industry, CHRISPELL employs Porter's Five Forces Model, which examines the five key factors that influence industry competition and profitability.

1. Threat of New Entrants (Moderate to High)
 - The logistics and transportation industry has relatively low barriers to entry, making it easy for new players to enter the market.
 - Capital-intensive requirements, such as purchasing trucks and hiring skilled personnel, create a financial barrier but can be overcome with financing or leasing options.
 - Established relationships with clients, such as CHRISPELL's contract with ITRACOM, provide
 - Some protection against new entrants.
 - Government regulations, such as licensing and compliance with safety and environmental standards, add complexity and may deter some entrants.
2. Bargaining Power of Suppliers (Moderate)
 - The primary suppliers for CHRISPELL include truck manufacturers, fuel providers, and maintenance service providers.
 - The availability of multiple truck manufacturers (e.g., Howin Import s Export Limited, BEIBEN) allows some flexibility in supplier selection.
 - Fuel prices, which significantly impact operational costs, are influenced by global oil markets and local taxation policies, making cost predictability challenging.
 - Spare parts and maintenance services are crucial, and limited availability of specific parts can result in increased downtime and higher costs.
3. Bargaining Power of Buyers (High)
 - CHRISPELL's main customer, ITRACOM, has significant leverage over pricing and contract
 - terms due to its large transportation needs and ability to source multiple logistics providers.
 - Large-scale clients often negotiate lower transportation costs, which can squeeze profit margins for CHRISPELL.

- The company mitigates this risk by diversifying its client base beyond ITRACOM and exploring other market opportunities in Tanzania and neighbouring countries.
4. Threat of Substitutes (Low)
- Alternative modes of transportation, such as rail and air freight, present some level of substitution risk.
 - Rail transport, while cost-effective for bulk transportation, has limited infrastructure and flexibility compared to road haulage, making it less viable in certain regions.
 - Air freight is significantly more expensive and is generally not a direct competitor for bulk fertilizer transportation.
 - The industry trend of digital logistics platforms and asset-light models (third-party logistics aggregators) could introduce new competitive pressures in the long run.
5. Industry Rivalry (High)
- The logistics and haulage industry is highly competitive, with numerous small, medium, and large operators vying for market share.
 - Established companies with large fleets (50-100+ trucks) have an advantage in economies of scale, allowing them to offer lower pricing and secure long-term contracts.
 - CHRISPELL's competitive edge lies in its direct relationship with ITRACOM and its strategic
 - positioning within the fertilizer transportation value chain.
 - Price wars and service differentiation (e.g., on-time delivery, reliability, value-added services) will be key in maintaining a competitive advantage.
 - Risk Mitigation Strategies
 - Based on the industry analysis, CHRISPELL will adopt the following strategies to mitigate risks:
 - Client Diversification: Reduce dependency on ITRACOM by expanding into other logistics sectors such as mining, agriculture, and consumer goods.
 - Operational Efficiency: Improve cost management by optimizing fuel consumption, preventive maintenance, and route planning.

- Fleet Expansion: Increase the number of trucks gradually to enhance service capacity and competitiveness.
- Strategic Partnerships: Collaborate with other transporters for subcontracting opportunities when fleet capacity is maxed out.
- Technology Adoption: Implement fleet tracking, data analytics, and automated logistics management systems to enhance efficiency and customer satisfaction.

By leveraging these strategies, CHRISPELL aims to strengthen its market position and ensure long-term sustainability in the transportation industry

5.0 OPERATIONAL AND MANAGEMENT PLAN

5.1 Operational Plan

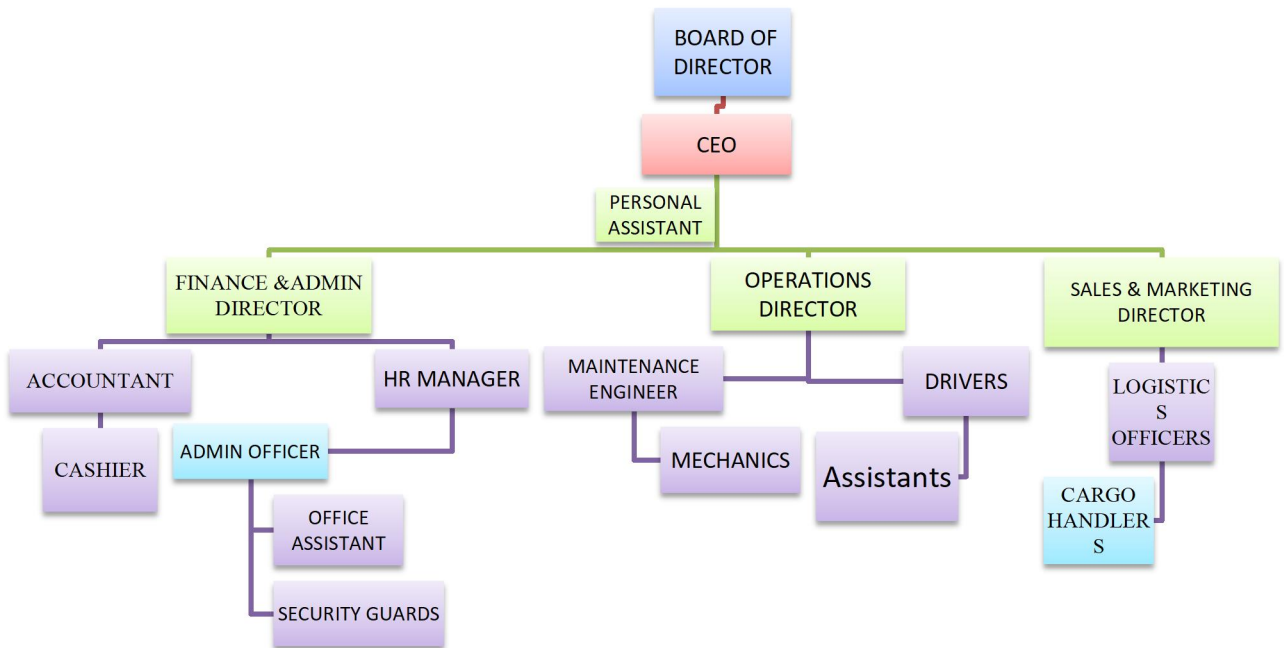
The operation is subject to government regulations and requires acquiring relevant permits and licenses before the commencement of the business. All necessary licensing and permits shall be obtained before the commencement of the project.

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 reports to the Board of Directors. The Director of Operations shall be responsible for 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.

5.4 Revenue collection

The expected revenue per trip covering 1,000 km is averaged at Tshs. 2,500,000 (USD 1000) and vehicles are expected to make 10 round trips per month. The revenue per trip is estimated based on the estimated distance to be covered and the average price per kilometer. From the company’s survey on transportation charges, it is estimated that, for a vehicle with a loading capacity of 30 tons, the transport

charges for 1000 kilometers range between Tshs. 2.3 million to 2.7 million for a distance between 800 to 1,000 kilometers. To be pessimistic, the company opted to use the average cost. This shows that the average transport cost per 1 Kilometer is Tshs. 2,500 (US\$1). It is also estimated that, if the distance of 1000 kilometers is used as a base, the vehicles will be able to make 5 round trips per month, thus making an average of USD 2,000 per round trip. Table 5.1 shows the estimated revenue per month based on these assumptions.

Table 5.1: Description of Revenue

S/N	Description	No. of round trips/month	Rate/trip (\$)	No of trucks	Amount per month (USD)	Amount per annum
1	Shipment of cargo	5	2,000	10	100,000	1,200,000
	Total	10		10	100,000	1,200,000

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:** CHRISPELL 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 the likelihood of these risks, the project's potential to make a significant contribution to economic development is 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 clearly allocated to the parties as per the profit calculations of the project.

8.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and the current financial market environment. These are as noted below;

- (i) The focus market shall be the domestic market and neighboring countries, including Zambia, DRC, Mozambique, Malawi, Rwanda, Burundi, and Uganda.
- (ii) The annual sales are projected to grow by 5% per annum.
- (iii) Depreciation will be charged on the straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;

(a) Buildings	5%
(b) Furniture & Fittings	12.5%
(c) Equipment	12.5%
(d) Motor vehicles	25%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without a major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.

- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income

8.3 Projected Financial Sstatements

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

Table 8.1: Projected Income Statements for Five Years

Description	YEAR 1 (US\$)	YEAR 2 (US\$)	YEAR 3 (US\$)	YEAR 4 (US\$)	YEAR 5 (US\$)
Revenue	1,200,000	1,320,000	1,436,000	1,557,800	1,685,690
Less: Cost of sales	307,043	382,396	451,015	514,141	510,539
Operating Profit	892,957	937,604	984,985	1,043,659	1,175,151
<i>Less: Op. expenses</i>	<i>342,067</i>	<i>359,170</i>	<i>377,129</i>	<i>395,985</i>	<i>415,785</i>
Earnings Before Interest and Tax	550,890	578,434	607,856	647,674	759,366
Less :Charges					
Interest	150,000	97,500	52,875	14,944	45,000
Earnings Before Tax	400,890	480,934	554,981	632,730	714,366
<i>Corporate Tax (30%)</i>	<i>120,267</i>	<i>144,280</i>	<i>166,494</i>	<i>189,819</i>	<i>214,310</i>
Earnings After Tax (Loss)	280,623	336,654	388,486	442,911	500,056
<i>Dividends (30%)</i>	<i>84,187</i>	<i>100,996</i>	<i>116,546</i>	<i>132,873</i>	<i>150,017</i>
Retained Earnings	196,436	235,658	271,941	310,038	350,039

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	192,500	125,000	140,000	355,000	310,625
Motor vehicles	681,835	545,468	570,100	457,950	345,800
Total Non-Current Assets	874,335	670,468	710,100	812,950	656,425
Stocks	392,133	337,823	268,399	22,500	33,100
Debtors & Prepayments	55,693	56,825	11,500	15,400	16,700
Cash and Bank balance	182,586	174,221	395,185	368,389	421,220
Total Current Assets	630,412	568,869	675,084	406,289	471,020
TOTAL ASSETS	1,504,747	1,239,337	1,385,184	1,219,239	1,127,445
Equity Capital	272,294	272,294	272,294	272,294	272,294
Retained Earnings	196,436	235,658	271,941	310,038	350,039
Total Equity	468,730	507,952	544,235	582,332	622,333
Bank loan	1,000,000	650,000	352,500	99,625	316,792
Total Non-Current Liability	1,000,000	650,000	352,500	99,625	316,792
Trade Creditors and Accruals	17,142	61,622	477,710	518,782	170,220
Taxation	18,875	19,763	10,739	18,500	18,100
Total Current Liabilities	36,017	81,385	488,449	537,282	188,320
TOTAL EQUITY & LIABILITIES	1,504,747	1,239,337	1,385,184	1,219,239	1,127,445

Table 8:3 Projected Cash Flow for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Receipts:					
Sales	1,200,000	1,320,000	1,436,000	1,557,800	1,685,690
Capital injection	272,294	-	-	-	-
Bank Loan	1,000,000	-	-	-	300,000
Total Receipts:	2,472,294	1,320,000	1,436,000	1,557,800	1,985,690
Less: Payments					
Cost of sales	457,043	479,896	503,890	529,085	555,539
Operating Expenses	342,067	359,170	377,129	395,985	415,785
Tax Payments	120,267	144,280	166,494	189,819	214,310
Dividends	84,187	100,996	116,546	132,873	150,017
Purchase of assets	800,000	-	50,977	-	597,208
Other purchases	486,144	244,023	-	336,834	-
Total Payments	2,289,708	1,328,365	1,215,036	1,584,596	1,932,859
<i>Beginning Cash Balance</i>	-	182,586	174,221	395,185	368,389
<i>Ending Cash Balance</i>	182,586	174,221	395,185	368,389	421,220

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 150 direct jobs expected to be created.
- 4) Technology and skills transfer from expertise 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 fact that owners are willing to raise 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.