

IGUNGA TRADERS COMPANY LIMITED

BUSINESS PLAN

CARGO TRANSPORTATION PROJECT

PREPARED FOR

IGUNGA TRADERS COMPANY LIMITED.

DAR ES SALAAM

1.0 Introduction

IGUNGA TRADERS COMPANY LIMITED is a company Incorporated in Tanzania with a certificate of No. 186098617 issued on 20th June,2025. The board of directors of **IGUNGA TRADERS COMPANY LIMITED** are well-known business persons in Tanzania providing transportation and logistical services locally as well as transit goods.

The proposed project involves the establishment of a cargo transportation and logistics company operating a fleet of 100 heavy-duty trucks for domestic and regional transport services. The project aims to address the growing demand for efficient cargo transportation driven by Tanzania's expanding construction, mining, manufacturing, and trade sectors.

The company will provide road freight services across Tanzania, Kenya, Uganda, Rwanda, Burundi, Zambia, Malawi, and the DRC, linking major ports and inland markets

- Total Project Cost: USD 25,000,000
- Project Sponsor: **IGUNGA TRADERS COMPANY LIMITED**
- Equity Contribution: USD 10,000,000 (40%)
- Debt Financing: USD 15,000,000 (60%)
- Implementation Period: 5 years
- Registration: Under TISEZA

1.1 IGUNGA TRADERS COMPANY LIMITED MISSION

To become a leading cargo transportation and logistics management company providing business enabling solutions and exceeding customer expectations.

1.2 IGUNGA TRADERS COMPANY LIMITED VISION

To deliver customized and unique logistics solutions ensuring time and cost savings for customers.

1.3 IGUNGA TRADERS COMPANY LIMITED VALUE

At IGUNGA TRADERS COMPANY LIMITED, we believe the customer comes first; the company management is focused to ensure customer delight, the superior quality of delivery and increased customer profitability.

At IGUNGA TRADERS COMPANY LIMITED, our operations all over the country, we practice an enduring value system based on an open culture, honest and fair business and personal conduct, earning the confidence and trust of our Associates and Customers.

At IGUNGA TRADERS COMPANY LIMITED, we practice transparency with all agencies that we are involved with.

At IGUNGA TRADERS COMPANY LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

1.4 **COMPANY OWNERSHIP AND BOARD OF DIRECTORS**

IGUNGA TRADERS COMPANY LIMITED is promoted by four shareholders who are very experienced in transport and logistic business,

Name of shareholders	% Ownership	Nationality
AMBINGA WILIFRED SILAA P.O. Box 64-IGUNGA	33.33	Tanzania
AIKANDE AMANI SWAI P.O. Box 64-IGUNGA	33.33	Tanzania
IBRAHIM AMBINGA SILAA P.O. Box 64-IGUNGA	16.67	Tanzania
FURAHINI AMBINGA P.O. Box 64-IGUNGA	16.67	Tanzania

1.6 **PROJECT LOCATION**

The registered office of the IGUNGA TRADERS COMPANY LIMITED is located at **Plot No.149 Block A, KIMPUNGUA, SINGIDA MUNICIPALITY.**

1.7 FLEET SIZE

IGUNGA TRADERS COMPANY LIMITED is planning to purchase **100** trucks and trailers. With capacity of carrying **30-40** tons truck and trailer, one truck Average Monthly Revenue per Truck USD 9000

1.8 PROJECT ESTIMATED REVENUE

The company has estimated that the project revenue to be US\$9,000 per month for each truck

1.9 PROJECT OPERATING COST

The company has estimated that the project operating cost and other cost to be 80% of the total annual revenue.

1.10 PROJECT FINANCING

The company has estimated that the project will be financed by long term loan amounting to US\$15,000,000 (60%) with interest rate of 8% repaid within 5 years and remaining US\$,10,000 Equity Contributions (40%) and cashflows generated from business.

1.11 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	3,500,000
Machinery & Equipment	2,500,000
Motor Vehicles	13,490,000
Furniture & Fixtures	5,000
Pre exp	5,000
Others	2,000,000
Working Capital	3,500,000
TOTAL	25,000,000

2.0 ORGANISATION FLOW CHART

IGUNGA TRADERS COMPANY LIMITED management is headed by Managing Director,

Key Personnel:

- Managing Director
- Operations Manager
- Fleet Maintenance Manager
- Finance & Admin Manager
- HR & Training Officer
- Drivers (200)
- Mechanics & Technicians (30)
- Dispatch & Support Staff (40)

Total Employment: 300+ Tanzanians

3.0 MARKET ANALYSIS

3.1 Industry Overview

The logistics and transport sector in Tanzania contributes over 8% to GDP, driven by:

- Growth in imports/exports through **Dar es Salaam Port**.
- Increasing construction, mining, and industrial activities.
- Expanding East African Community (EAC) regional trade.

3.2 Target Markets

- Mining companies (gold, coal, iron ore, cement)
- Manufacturing and construction companies
- Import/export traders
- Agricultural cooperatives and commodity traders
- Government and NGOs for logistics services

3.3 Competitive Advantage

- Large fleet ensuring consistent availability
- GPS-tracked modern trucks (30–40T)
- Experienced management and maintenance systems
- Regional reach and partnerships at border posts

4.0 TANZANIAN BUSINESS ENVIRONMENT

In the African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government.

The Rand Merchant Bank (RMB) ranked the country tenth in investment attractiveness, in the Where to Invest in Africa 2021 report released recently.

4.1 THE TANZANIA DEVELOPMENT CORRIDORS

Development of transport corridors has been one of the main strategies adopted by the Government of Tanzania to facilitate

trade. Tanzania serves as a transit country for the import and export of Malawi, Zambia, DR Congo, Burundi, Rwanda and Uganda, using the port of Dar es Salaam. The main rail and road connections in Tanzania are, therefore, in an east-west direction, linking the ports with the hinterlands of those neighbouring countries. Tanzania is devoting much attention to the corridor concept in its development policy by concentrating efforts in the Mtwara Corridor, Dar-es-Salaam Corridor, Central Corridor and the Tanga Corridor. The major challenge is to link import, export and transit traffic from and to neighbouring countries with transport development efforts, making Tanzania a natural regional hub.

The geography of Tanzania, including its size, diversity and dispersion, give roads a special position in the integration of the national economy. In particular, roads serve rural areas, where the majority of the people live, more

effectively than any other mode of transport. The current Tanzania Road Network length is about 85,000 km, which includes trunk and regional roads (35,000 km) managed by the Tanzania National Roads Agency (TANROADS), and the urban, district and feeder roads with a total of 50,000 km, managed by Local Government Authorities (LGA). There are also some unclassified roads, such as those managed by the Tanzania Parks Authority (TANAPA), and by the Mining Companies and village authorities.

5.0 SWOT ANALYSIS

STRENGTHS

Strengths of the business are –

- Promoters have sound experience in this business and have talented Management.
- Rapid growth in sector due to effective management
- Influence & Networking of Directors in the Business Sector.
- Business location is at prominent place.
- Good roads and highway in Tanzania.
- Confirmed business via agreement entered with few companies.

WEAKNESSES

Weakness of the business are –

- New entry in logistics market
- Stiff competition from local market
- Limited market share growth

OPPORTUNITIES

Opportunities of the business are –

- Potential market encourages foreign investors
- Increasing market share due to rail transport limitations

- Augmented demand for world –class logistics and warehousing services
- Increased use of logistics services in sectors such as technology, consumer retail, automotive and industrial

THREATS

Threats of the business are –

- Complex Tax Structure
- Unorganised sector and competition
- Different laws in different countries
- Increasing fuel rates therefore increasing transportation costs

6.0 SERVICES OFFERED BY IGUNGA TRADERS COMPANY LIMITED

IGUNGA TRADERS COMPANY LIMITED Management understands that your supply chain needs are unique and that’s exactly why the company have engaged the best minds in the Transport industry to create specific transport solutions customized to suit your ever-changing cargo movement environment. IGUNGA TRADERS COMPANY LIMITED transport vans, trucks, and trailers (closed body trailers, flatbed trailers, and low loaders) from precision transport are designed to seamless execution, IGUNGA TRADERS COMPANY LIMITED dedicated cargo transportation professionals are engaged at every step of the

way to provide the services with the most accurate transport and economical transportation arrangement that the industry has to offer.

IGUNGA TRADERS COMPANY LIMITED Transportation and the company Customs Brokerage Service allow the company to complete the supply chain, cargo transit and offers truly door-to-door transportation service in the freight industry. The company optimized transportation translates to fast transit service and the door-to-door delivery of your freight on time, safely transported and damage free.

Transport integration with Customs Brokerage Service

- Allows IGUNGA TRADERS COMPANY LIMITED Transport Logistics to complete the supply chain and offer truly door-to-door transportation service in the market
- Eliminates unnecessary customs delays, transports dispatch and improves communication between the shipping line, Customs, Client and our transport department.
- Provides greater control, handling and security of your freight transportation
- Full range of freight forwarding services are offered, including customs clearance, warehousing, in-bond storage, transportation, etc.
- Customer receives a single itemized invoice for door-to-door transportation eliminating additional administrative requirements

IGUNGA TRADERS COMPANY LIMITED Transport Logistics plan to customize and design transportation solutions to transport client's freight at the speed and ease. IGUNGA TRADERS COMPANY LIMITED Management has been in the transport logistics and our transport segment delivers freight to numerous customers spread across east Africa namely Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan and DR Congo.

IGUNGA TRADERS COMPANY LIMITED Plan to combine the economy of rail transport with road transport handling for seamless door-to-door service and savings. The company's transport network throughout Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan and DR Congo and large transport trucks, closed body trailers, flat bed trailers, and low loaders fleet are aligned to offer transport applications suitable for all transportation needs. Wheth eclient'sts freight requires rail transport or road transportation service, door-to-door transport, coast-to-coast transport, or cross-border transportation, IGUNGA TRADERS COMPANY LIMITED Transport Logistics is the solution.

Benefits of optimized door-to-door delivery and transportation

- IGUNGA TRADERS COMPANY LIMITED Transportation is dedicated to creating win-win solutions by investing talent, capital, and transport resources.
- Dynamic transport route optimization systems at client's disposal to create supply-chain door to door and reduce transport costs.
- The largest transportation truckload fleet and terminal network in the transport industry.
- Satellite tracking on our transport
- Modern fleet of transport trucks
- One of the Safest operating fleets in the transport industry
- Heavy and fragile equipment transported using air hydraulic low loaders.
- Door-to-door control of transport equipment = less handling, better security, and increased efficiency
- Fully multilingual experienced transport staff to cater all our transportation routes
- Strict requirements for transport department staff and constant integrity checks transport and delivery.

Container Transport Mode (Container on Flat Bed)

IGUNGA TRADERS COMPANY LIMITED Capital offers a complete door-to-door service for all of your container transport requirements. Our road transport fleet is comprised of 400 trucks and transportation trailers. The company plans to have the most modern container transport fleet in the transport industry and our container transport trucks are all equipped with satellite tracking, permitting real-time tracking of your loads.

IGUNGA TRADERS COMPANY LIMITED Transport Logistics also supplements road transport fleet with our access to our East Africa railway transport line. IGUNGA TRADERS COMPANY LIMITED Transport Logistics is capable of transporting heavy and bulk cargo on Low Loader, rail and can also transport transit cargo on rail and low-loaders.

Heavy Haulage – Low-Loader Transportation

IGUNGA TRADERS COMPANY LIMITED transportation Low Loaders comprise of a variety of unique low loader trailer configurations; IGUNGA TRADERS COMPANY LIMITED Capital is still constantly engineering new low loader transport solutions for our customers' Low Loader Transportation requirements. IGUNGA TRADERS COMPANY LIMITED Transportation Logistics is rapidly becoming the preeminent low-loader transport provider for importers and exporters of many commodities, including earth-transporting equipment and engineering structures that has to be transported on low loaders. Low loader as the industry's most dynamic carrier, IGUNGA TRADERS COMPANY LIMITED Transportation plans to expand our diverse portfolio of service-sensitive, specialty operations to meet our clients' low loaders needs.

Heavy Equipment Transport

Whether it is around town or interstate IGUNGA TRADERS COMPANY LIMITED Transportation has the low loaders and heavy transport equipment to transport any sized machines. We have low loader expertise required to transport, arrange all the permits, liaise with police, load and unload cranes.

Mining Equipment Transport

IGUNGA TRADERS COMPANY LIMITED Low loader transport offers transportation services for heavy equipment utilizing their low loader trailers and has experienced transporting a range of Mining equipment including Hitachi Excavators, Zoom Lion Cranes, Caterpillars and Komatsu Dump Trucks, concrete mixers, graders and bulldozers on low loaders.

Local cargo

IGUNGA TRADERS COMPANY LIMITED offers the fastest Local cargo service in Tanzania. This will be transporting, CNG, dry and wet cargo

Transit Cargo

IGUNGA TRADERS COMPANY LIMITED strives to extend standard services across vast distances and through rough terrain all across East Africa. Our

motivated staff and our expertise in the industry always keep us on schedule by rail and road.

IGUNGA TRADERS COMPANY LIMITED provides relocation and movement of both of bulk and containerized goods. IGUNGA TRADERS COMPANY LIMITED offers a variety of transport solutions, be it grouping or other transport services such as part and full load shipments by road, railways, or a combination of two.

7.0 COMPETITION

According to data available there are more than 150,000 trucks registered in Tanzania and IGUNGA TRADERS COMPANY LIMITED plan to compete favorably with local and foreign companies.

7.1 RISK ANALYSIS & MITIGATION

Risk	Impact	Mitigation
Fuel price fluctuation	High	Bulk purchase contracts, fuel-efficient trucks
Road accidents	Medium	Training, insurance, GPS monitoring
Delayed payments	Medium	Prepayment and contracts
Regulatory changes	Low	TIC facilitation & compliance monitoring

8.0 FINANCIAL ASPECTS FOR THE PROJECT

- **Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 1,683,874** in the 1st year to **US\$ 36,817,241** in the 8th year.

- **Projected Cash Flows**

The project’s cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from

US\$ 5,434,350 in the first year to **US\$ 55,954,800** at the end of 8th years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 10,000,000** in the first year to **US\$ 46,817,241** at the end of 8th years of the project's operations based

- **Payback Period**

Total investment is **US\$ 25,000,000** cash accumulation in 4th year **US\$ 25,589,400** which is more than the initial investment. The project payback Period is exactly 4years.

- **Loan repayment**

Total investment loan is **US\$15,000,000** to be repaid within 5 years.

9.0 **ECONOMIC ASPECTS OF THE PROJECTS**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment 300+ direct and 600 indirect people. This is a significant contribution coming from local investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Since the project's clientele is mostly towards neighbouring countries the project will thus earn foreign currency for the United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study we have assumed that the project will be paid in foreign currency.

10.0 **CONCLUSION**

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides direct employment to 300 people and indirect 600.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

11.0 **RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

APPENDIX I

IGUNGA TRADERS COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue	7,800,000	9,000,000	10,200,000	11,400,000	12,000,000	12,000,000	12,000,000	12,000,000
Operating Expenses:	1,170,000	1,350,000	1,530,000	1,710,000	1,800,000	1,800,000	1,800,000	1,800,000
Profit before Depreciation & Interest	6,630,000	7,650,000	8,670,000	9,690,000	10,200,000	10,200,000	10,200,000	10,200,000
Interest	1,200,000	960,000	720,000	480,000	240,000	-	0	0
Depreciation	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500
Gross Profit	3,985,500	5,245,500	6,505,500	7,765,500	8,515,500	8,755,500	8,755,500	8,755,500
Tax (30%)	1,195,650	1,573,650	1,951,650	2,329,650	2,554,650	2,626,650	2,626,650	2,626,650
Profit After Tax	1,683,874	3,671,850	4,553,850	5,435,850	5,960,850	7,153,020	8,583,624	10,300,349
Accumulated Profit	1,683,874	5,355,724	9,909,574	15,345,424	21,306,274	25,567,529	30,681,034	36,817,241

APPENDIX II

IGUNGA TRADERS COMPANY LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	6,630,000	7,650,000	8,670,000	9,690,000	10,200,000	10,200,000	10,200,000	10,200,000
Equity	10,000,000								
Loan	15,000,000								
Total Sources	25,000,000	6,630,000	7,650,000	8,670,000	9,690,000	10,200,000	10,200,000	10,200,000	10,200,000
Applications:									
Capital expenditure	19,495,000	-	-	-	-	-			
working Capital & Others	5,505,000								
Cash	-	5,434,350	6,076,350	6,718,350	7,360,350	7,645,350	7,573,350	7,573,350	7,573,350
Tax	-	1,195,650	1,573,650	1,951,650	2,329,650	2,554,650	2,626,650	2,626,650	2,626,650
Sub total	25,000,000	6,630,000	7,650,000	8,670,000	9,690,000	10,200,000	10,200,000	10,200,000	10,200,000
Total applications	25,000,000	6,630,000	7,650,000	8,670,000	9,690,000	10,200,000	10,200,000	10,200,000	10,200,000
Accumulated cash		5,434,350	11,510,700	18,229,050	25,589,400	33,234,750	40,808,100	48,381,450	55,954,800

APPENDIX III

IGUNGA TRADERS COMPANY LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets		1	2	3	4	5	6	7	8
Opening balance	-	19,495,000	18,050,500	16,606,000	15,161,500	13,717,000	12,272,500	10,828,000	9,383,500
Total Long-term Assets	-	19,495,000	18,050,500	16,606,000	15,161,500	13,717,000	12,272,500	10,828,000	9,383,500
Less depreciation	-	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500
Closing balance	-	18,050,500	16,606,000	15,161,500	13,717,000	12,272,500	10,828,000	9,383,500	7,939,000
Working capital	5,505,000	5,505,000	5,505,000	5,505,000	5,505,000	5,505,000	5,505,000	5,505,000	5,505,000
Accumulated cash	-	5,434,350	11,510,700	18,229,050	25,589,400	33,234,750	40,808,100	48,381,450	55,954,800
Total assets	5,505,000	28,989,850	33,621,700	38,895,550	44,811,400	51,012,250	57,141,100	63,269,950	69,398,800
Financed by									
Equity	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Accumulated profit	-	1,683,874	5,355,724	9,909,574	15,345,424	21,306,274	25,567,529	30,681,034	36,817,241
Total equity	10,000,000	11,683,874	15,355,724	19,909,574	25,345,424	31,306,274	35,567,529	40,681,034	46,817,241
Long term loan	15,000,000	12,000,000	9,000,000	6,000,000	3,000,000	-	0	0	0
Total debts	15,000,000	12,000,000	9,000,000	6,000,000	3,000,000	-			
Total equity and debts	25,000,000	23,683,874	24,355,724	25,909,574	28,345,424	31,306,274	35,567,529	40,681,034	46,817,241

IGUNGA TRADERS COMPANY LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	3,500,000	3,430,000	3,360,000	3,290,000	3,220,000	3,150,000	3,080,000	3,010,000
Machinery, Tools & Equipment	2,500,000	2,475,000	2,450,000	2,425,000	2,400,000	2,375,000	2,350,000	2,325,000
Motor Vehicles	13,490,000	12,141,000	10,792,000	9,443,000	8,094,000	6,745,000	5,396,000	4,047,000
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500
Total	19,495,000	18,050,500	16,606,000	15,161,500	13,717,000	12,272,500	10,828,000	9,383,500
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Machinery tools & Equipment	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Motor Vehicles	1,349,000	1,349,000	1,349,000	1,349,000	1,349,000	1,349,000	1,349,000	1,349,000
Furniture & Fixtures	500	500	500	500	500	500	500	500
ANNUAL DEPRECIATION	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500	1,444,500

APPENDIX V**IGUNGA TRADERS COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT**

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	3,000,000.00	1,200,000.00	4,200,000.00	15,000,000
2	3,000,000.00	960,000.00	3,960,000.00	12,000,000
3	3,000,000.00	720,000.00	3,720,000.00	9,000,000
4	3,000,000.00	480,000.00	3,480,000.00	6,000,000
5	3,000,000.00	240,000.00	3,240,000.00	3,000,000

