

**ANDA AUTO LIMITED**

**PRE-FEASIBILITY STUDY REPORT ON:**

**INVESTMENT IN LOGISTICS IN TANZANIA**

**Presented To:**

**TANZANIA INVESTMENT CENTRE**

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**DAR ES SALAAM, TANZANIA**

**JUNE 2025**

**ANDA AUTO LIMITED**  
**Strategic Pre-feasibility Report**

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TABLE OF CONTENTS

**PRE-FEASIBILITY STUDY REPORT ON:**.....i

**Presented To:** .....i

**BRIEF SUMMARY PROJECT**.....v

**1.0 EXECUTIVE SUMMARY** .....6

    1.1 Introduction ..... 6

    1.2 Company Description..... 6

    1.3 Business Description..... 6

    1.4 Legal Status..... 7

    1.5 Project Promoters..... 7

    1.6 Operations..... 7

    1.7 Project Location..... 7

    1.8 Products..... 7

    1.9 Industry Overview..... 8

    1.10 Financial Overview..... 9

    1.11 Organization Mission ..... 10

    1.12 Vision Statement..... 10

    1.13 Goals and Objectives ..... 10

**2.0 COMPANY OVERVIEW**.....11

    2.1 Ownership ..... 11

**3. OVEVIEW OF LOGISTICS PROJECT** .....11

**4. MARKETING STRATEGY**.....13

**5. PROJECT DESCRIPTION**.....15

    5.1 Location and Site .....15

    5.2 Promotion Strategy .....15

    5.3 Pricing Strategy .....17

    5.4 Customer Segmentation .....17

    5.5 Competitive Analysis.....18

<b>5.6 Competitive Advantage</b> .....	19
<b>6. ORGANIZATION AND MANAGEMENT PLAN</b> .....	20
<b>7.1 Organizational Structure</b> .....	20
<b>7. BUDGET MANAGEMENT</b> .....	21
<b>8. TIME MANAGEMENT</b> .....	22
<b>9. RISK MANAGEMENT</b> .....	22
<b>10. SOCIAL AND ECONOMIC IMPACT OF THE PROJECT</b> .....	22
<b>11. DRIVERS TO INVESTMENT IN LOGISTICS</b> .....	23
<b>13. FINANCIAL ANALYSIS</b> .....	24
<b>13.1 Considerations and Assumptions:</b> .....	24
<b>15.2 Project Investment</b> .....	25
<b>12. Analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT)</b> .....	29
<b>13. RECOMMENDATION</b> .....	30

**BRIEF SUMMARY PROJECT**

**COMPANY:** ANDA AUTO LIMITED

**LOCATION:** PLOT NO: 39, P32119 MIKOCHE NI

**CONTACTS:** P. O. Box 7674 DAR ES SALAAM,

**OBJECTIVE:** Investment In Logistics

**PROJECT VALUE:** USD 500,000

**BENEFITS:** JOBS CREATION, GOVERNMENT INCOME, IMPORT  
SUBSTITUTION,

**IMPLEMENTATION PERIOD:** 5 YEARS

## 1.0 EXECUTIVE SUMMARY

### 1.1 Introduction

This Business Plan is designed for investment in a logistics project for **Anda Auto Limited**. The strategies outlined in this plan will guide the company's investment and operational direction within the logistics sector in Tanzania.

This business plan details the strategy and implementation roadmap for **Anda Auto Limited**; a Tanzanian private company focused on providing efficient, reliable, and cost-effective logistics solutions across Tanzania and the East African region.

The current logistics landscape in Tanzania is challenged by fragmented infrastructure, limited local capacity, and heavy reliance on foreign logistics providers. By investing in locally driven logistics services—including freight forwarding, warehousing, fleet management, and last-mile delivery—Anda Auto Limited aims to improve supply chain efficiency, reduce operational costs for businesses, and support trade facilitation and economic growth.

Through a phased operational expansion, Anda Auto Limited plans to grow its service capacity from handling 200 tons of cargo monthly to over 1,000 tons/month by the third year. The company will offer a full range of logistics services targeting importers, exporters, retailers, NGOs, and government institutions.

The company is seeking an initial investment to acquire fleet assets, establish operational hubs, and implement digital systems for tracking, inventory, and customer service—forming a solid foundation for scalable logistics operations in the region.

### 1.2 Company Description

Anda Auto Limited is a Limited company registered under the Companies Act. The Company was incorporated 29<sup>th</sup> November 2023, and bears Certificate of Incorporation No. 170426150. Anda Auto Limited has its registered office in Kinondoni Municipality. Our company goals and objectives seek to ensure we generate an income that benefits both Nationals and non-Nationals so that we strengthen the economic status of the society. The company believes in customers, suppliers, and investors therefore it struggles to create good Rapport with both parties.

### 1.3 Business Description

Anda Auto Limited is limited Company incorporated in Tanzania under the Company Act. The Company was incorporated 29<sup>th</sup> November, 2023 and bears Certificate of Incorporation No. 170426150. The Company will be responsible in investing in Logistics.

#### 1.4 Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates justify that Oro Commercial and Industrial Limited is operating within the ambit of the law of Tanzania land.

#### 1.5 Project Promoters

The project will be managed and operated by **ANDA AUTO LIMITED**.

<b>NAME OF SHAREHOLDERS</b>	<b>NATIONALITY</b>	<b>SHARE PERCENTAGE</b>
<b>1. JI NAN QIN GONG INTERNATIONAL TRADE CO., LTD</b>	CHINESE	90
<b>2. CHANGLIN QIN</b>	CHINESE	10

#### 1.6 Operations

The project will be managed and operated by **ANDA AUTO LIMITED**. The Company will run its activities in a more professional way and it seeks to satisfy its customers by meeting customer expectations. Although the company will use an automated system, people will also be used to manage the operations.

#### 1.7 Project Location

The project shall be located at Plot No.39, P32119, Mikocheni Ward, Kinondoni District, Dar es Salaam Region.

#### 1.8 Products

Anda Auto Limited is investing in the development of a comprehensive logistics operation, designed to support the growing transportation, warehousing, and distribution needs within Tanzania and the East African region. The company's core logistics services will include:

- **Freight Transportation** (road-based cargo handling for imports and domestic deliveries)
- **Warehouse and Storage Solutions** (short- and long-term storage for industrial and commercial clients)
- **Fleet Management and Leasing** (well-maintained trucks and delivery vehicles for B2B and B2C logistics)

- **Last-Mile Delivery Services** (urban and peri-urban deliveries for retail, e-commerce, and SME sectors)
- **Logistics Support for Special Cargo** (temperature-controlled or oversized equipment logistics)

The logistics and transport industry in Tanzania is valued at over **USD 1.5 billion** annually, with over 75% of the sector served by informal or small-scale providers. There is a growing demand for organized, tech-enabled logistics infrastructure to support industries such as construction, agriculture, manufacturing, e-commerce, and government supply programs.

Anda Auto Limited's investment in this sector will focus on creating standardized logistics solutions with reliable scheduling, safety compliance, and digital visibility. The company will offer flexible service packages tailored for wholesalers, manufacturers, NGOs, and government procurement programs.

This investment will reduce dependency on foreign logistics operators, enhance local capacity, and support national economic growth through job creation, improved delivery efficiency, and reduced supply chain costs.

## **1.9 Industry Overview**

The logistics and transportation sector in Tanzania is a critical enabler of trade, commerce, and regional integration. Valued at over **USD 1.5 billion annually**, the industry plays a central role in supporting key economic activities such as agriculture, mining, construction, retail, and manufacturing. However, a significant portion of logistics services is still informal, with over 60% of businesses relying on small-scale or unstructured logistics providers.

Tanzania's strategic location as a gateway to landlocked countries such as Rwanda, Burundi, Uganda, Zambia, and the DRC positions it as a vital logistics hub for East and Central Africa. With the continued development of infrastructure projects like the Standard Gauge Railway (SGR), port expansions (Dar es Salaam, Tanga, and Mtwara), and industrial parks, the demand for efficient, compliant, and technology-driven logistics services is rapidly increasing.

There is a growing need for professional logistics operators that can meet international standards for speed, reliability, safety, and cargo tracking. Additionally, the growth of e-commerce, large-scale construction

projects, and government supply chain reforms are pushing demand for last-mile delivery, warehousing, and integrated transport services.

Anda Auto Limited’s investment aims to bridge this gap by introducing structured and modern logistics solutions tailored to the Tanzanian and regional market needs. The company’s services will reduce delivery delays, enhance goods traceability, support supply chain reliability, and contribute to national economic development through job creation and improved trade facilitation.

### 1.10 Financial Overview

Anda Auto Limited has developed a 3-year financial projection based on conservative growth assumptions in the logistics sector. The projection considers gradual scaling of logistics operations, fleet expansion, warehousing capacity, and the increase in service contracts. Key financial inputs include cost per delivery/tonnage handled, average service charges, gross margin estimates, and reinvestment into operational infrastructure and marketing.

<b>Item</b>	<b>Year 1 (USD)</b>	<b>Year 2 (USD)</b>	<b>Year 3 (USD)</b>	<b>Notes</b>
Deliveries/Contracts	1,500	3,500	6,000	Avg 125–500 deliveries/month
Revenue	120,000	280,000	450,000	Avg USD 80 per contract
COGS (Direct Costs)	67,500	120,000	180,000	Fuel, drivers, maintenance
Gross Profit	52,500	160,000	270,000	Revenue – COGS
Operating Expenses	32,000	50,000	70,000	Salaries, warehouse rent, fleet insurance
Marketing Budget	8,000	12,000	18,000	Branding, digital outreach, client sourcing
Net Profit	12,500	98,000	182,000	EBIT

These projections are aligned with anticipated growth in logistics demand across Tanzania, driven by infrastructure expansion, rising e-commerce activity, and regional trade facilitation. Anda Auto Limited

will reinvest part of its profits into expanding its fleet, technology systems (tracking, dispatch), and warehouse infrastructure.

### **1.11 Organization Mission**

To provide efficient, reliable, and innovative logistics solutions that facilitate the smooth movement of goods and support economic growth in Tanzania and the wider East African region. We are committed to operational excellence, customer satisfaction, and continuous improvement by leveraging modern technology, skilled personnel, and sustainable practices. Our mission is to enable businesses to thrive through dependable transport, warehousing, and distribution services delivered with integrity, safety, and environmental responsibility.

### **1.12 Vision Statement**

To be a leading logistics service provider in Tanzania and the East African region, driving supply chain excellence through innovation, technology, and sustainable practices. We envision transforming logistics into a reliable, efficient, and value-driven sector that connects businesses, accelerates trade, and supports national and regional economic development.

### **1.13 Goals and Objectives**

- **Ensure Service Reliability and Safety**  
Deliver consistent, secure, and timely logistics services that meet national and international transport and safety standards.
- **Drive Innovation in Logistics Solutions**  
Leverage technology to enhance route optimization, fleet management, cargo tracking, and customer communication.
- **Expand Market Coverage**  
Establish a strong presence across Tanzania and extend operations to at least three regional markets within the next three years.
- **Enhance Customer Satisfaction**  
Provide responsive customer service, real-time shipment visibility, and dependable delivery performance to build long-term client relationships.

- **Promote Sustainability in Logistics**

Incorporate fuel-efficient vehicles, route planning systems, and eco-friendly practices to reduce the company's environmental footprint.

- **Achieve Operational Excellence**

Streamline processes to reduce delivery times, minimize transit losses, and optimize warehouse and fleet utilization.

- **Establish Logistics Hubs**

Launch two regional logistics hubs (North and South zones) within the next 18 months to improve national distribution efficiency.

- **Invest in Human Capital**

Provide continuous training and development programs for logistics personnel, drivers, and warehouse teams to enhance service quality.

- **Obtain ISO Certification**

Achieve ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) certifications within the next 12 months.

- **Digitize Operations**

Fully implement a logistics management information system (LMIS) and mobile tracking apps by the end of the first year of operations.

## **2.0 COMPANY OVERVIEW**

### **2.1 Ownership**

Anda Auto Limited the project of Logistics in Plot 39 P32119, Mikocheni Ward, Kinondoni District in Dar es Salaam Region.

## **3. OVERVIEW OF LOGISTICS PROJECT**

The logistics sector plays a critical role in enabling trade, commerce, and industrial development in Tanzania. It serves as the backbone of supply chains across sectors such as agriculture, construction, manufacturing, and retail by ensuring the smooth movement, storage, and delivery of goods. Efficient

logistics systems contribute directly to reducing the cost of doing business, enhancing market access, and supporting regional integration.

## **LOGISTICS OPERATIONS:**

The logistics process typically includes the following core components:

- **Route Planning & Transport Management:**

Transportation operations are planned using route optimization strategies to reduce fuel consumption, transit time, and costs. Anda Auto Limited aims to build a reliable fleet of trucks, vans, and motorcycles suitable for both urban and cross-border transport.

- **Warehouse & Inventory Management:**

Goods are stored in secure, strategically located warehouses to ensure quick access and distribution. Warehouses will be equipped with digital inventory systems to track stock movement in real time.

- **Freight Handling & Packaging:**

Goods are consolidated, packed, and labeled for shipment. Special handling is provided for fragile, perishable, or oversized cargo depending on client requirements.

- **Cargo Tracking & Monitoring:**

Technology-enabled tracking systems (GPS, RFID, LMIS) allow clients to monitor shipments in real time, increasing transparency and reducing risks such as loss or delays.

- **Delivery & Distribution:**

Anda Auto Limited provides last-mile delivery solutions using a combination of owned fleet and reliable transport partners to ensure goods reach their destination on time.

- **After-Sales Service & Customer Support:**

Efficient communication, claims handling, and feedback systems are in place to ensure a high level of customer satisfaction and service improvement.

## **LOGISTICS SERVICE CATEGORIES OFFERED:**

- a) General cargo transportation
- b) Warehousing and storage services
- c) Fleet management and vehicle leasing

- d) Last-mile delivery for e-commerce and retail
- e) Cross-border and regional logistics
- f) Bulk goods and container handling
- g) Custom logistics solutions for NGOs, government, and private sector clients

Anda Auto Limited’s investment in logistics infrastructure and service capacity will fill existing market gaps, support Tanzania’s industrialization agenda, and enhance national and regional trade flows.

## **4. MARKETING STRATEGY**

### **A. MARKET SEGMENTATION**

Target key customer segments based on logistics needs, geography, and industry specialization:

- **Importers & Exporters:** Clearing and forwarding services, port-to-warehouse logistics
- **Retail & E-commerce:** Last-mile delivery and warehouse distribution for goods
- **Manufacturing & Industrial Clients:** Bulk cargo transport, raw material supply chains
- **Government & NGOs:** Tender-based logistics contracts, aid and relief logistics
- **Regional Markets:** Cross-border transport to EAC and SADC member countries

### **B. POSITIONING STRATEGY**

- Position Anda Auto Limited as a dependable, technology-driven, and customer-focused logistics provider.
- Emphasize timely delivery, cargo safety, tracking transparency, and cost-efficiency.
- Highlight modern fleet, warehousing infrastructure, and digital logistics systems.
- Reinforce compliance with local and international logistics regulations and safety standards.

### **C. SERVICE STRATEGY**

Offer a broad suite of logistics services including:

- Freight transport (domestic and cross-border)
- Warehousing and distribution
- Last-mile delivery

- Fleet leasing and logistics consulting

#### **D. PRICING STRATEGY**

- Apply tiered pricing models based on service volume, urgency, and delivery range.
- Offer competitive rates for bulk and contract-based clients.
- Provide flexible payment plans and bundled service discounts for long-term customers.

#### **E. PROMOTION STRATEGY**

- Launch targeted digital marketing campaigns through social media, search engines, and industry platforms.
- Participate in logistics, transport, and trade expos across Tanzania and East Africa.
- Offer presentations and demos to manufacturers, importers, and public institutions.
- Develop marketing collateral including service brochures, case studies, and customer testimonials.

#### **F. DISTRIBUTION STRATEGY**

- Establish logistics hubs in major regions (e.g., Dar es Salaam, Mwanza, Arusha, Mbeya) to optimize reach.
- Partner with strategic transport corridors and trade partners across borders.
- Expand digital presence through a user-friendly website and client portal for order tracking, bookings, and service requests.
- Utilize ERP and transport management systems for seamless operations.

#### **G. CUSTOMER RETENTION STRATEGY**

- Offer SLA-backed (Service Level Agreement) contracts, dedicated support lines, and real-time cargo tracking.
- Collect feedback regularly to improve services and personalize logistics offerings.
- Create loyalty incentives or discounted contract renewals for recurring clients.

#### **H. COMPETITIVE STRATEGY**

- Benchmark service speed, reliability, and technology use against regional competitors.
- Invest in modern fleet acquisition and IT infrastructure to maintain service leadership.
- Focus on reputation building through consistent, transparent, and accountable operations.

## **5. PROJECT DESCRIPTION**

### **5.1 Location and Site**

The project will be based in Tanzania, Dar es Salaam Region, Kinondoni District, Mikocheni Ward, Plot No. 39, P32119

### **5.2 Promotion Strategy**

#### **1. Branding and Awareness**

##### **Branding and Awareness**

- Develop a strong brand identity emphasizing reliability, timeliness, safety, and innovation in logistics services.
- Design a professional logo, vehicle livery, uniforms, and promotional materials with a consistent and trustworthy image.

#### **2. Digital Marketing**

- **Website:** Create an SEO-optimized, mobile-friendly website showcasing service offerings, fleet details, client testimonials, and contact information.
- **Social Media:** Maintain active profiles on LinkedIn, Facebook, and Twitter targeting businesses, importers/exporters, and procurement officers.
- **Email Marketing:** Send newsletters highlighting service updates, logistics tips, customer success stories, and promotional offers.
- **Online Ads:** Run targeted Google Ads and social media campaigns to generate leads and increase brand visibility.

#### **3. Trade Shows and Exhibitions**

- Participate in logistics, transport, and trade expos locally and regionally to showcase service capabilities and network with potential clients.
- Offer live demos of digital tracking tools, fleet management systems, and warehouse operations.

#### **4. Point-of-Service (POS) Promotion**

- Use branded signage, vehicle decals, and informational brochures at logistics hubs and customer sites.
- Promote special package deals or seasonal discounts to encourage new contracts.

#### **5. Client and Partner Engagement**

- Host workshops, seminars, and training for supply chain managers, procurement teams, and transport partners to build relationships and knowledge-sharing.
- Establish preferred partner programs to foster loyalty among carriers, agents, and subcontractors.

#### **6. Sales Incentives**

- Provide commission or bonus schemes for sales teams and partner agents who meet or exceed logistics contract targets.
- Launch loyalty programs or service discounts for recurring corporate clients.

#### **7. Public Relations (PR)**

- Issue press releases on new service launches, fleet expansions, certifications, or key partnerships.
- Seek media features in industry publications, business journals, and logistics-focused platforms.

#### **8. Customer Testimonials and Case Studies**

- Share success stories and case studies highlighting improved delivery times, cost savings, or enhanced supply chain visibility achieved for clients.
- Use video testimonials and infographics to demonstrate service impact.

#### **9. Community and Corporate Social Responsibility (CSR)**

- Sponsor transport or logistics training programs, road safety campaigns, or community supply projects.
- Engage in CSR activities that enhance brand reputation and social goodwill in the regions served.

### 5.3 Pricing Strategy

#### Cost-Plus Pricing

Establish base service rates by calculating total operational costs (fuel, labor, vehicle maintenance, overhead) and adding a reasonable profit margin.

Suitable for standardized transport and warehousing services with predictable costs and demand.

#### Market-Oriented Pricing

Conduct competitive analysis to benchmark pricing against key logistics providers in Tanzania and the region.

Adjust rates based on service quality, speed, reliability, and value-added offerings such as tracking and customer support.

#### Tiered Service Pricing

Develop a multi-level pricing structure to cater to different customer needs:

- **Basic Services:** Affordable standard delivery and storage options for cost-conscious clients.
- **Standard Services:** Enhanced services with faster delivery, cargo insurance, and real-time tracking.
- **Premium Services:** Priority logistics, dedicated fleet, customized solutions, and 24/7 customer support.

#### Volume-Based Discounts

Offer discounted rates for bulk shipments, long-term contracts, or high-frequency deliveries.

Implement tiered pricing

### 5.4 Customer Segmentation

Customer segmentation in the logistics sector includes diverse groups with distinct service needs:

- **Small and Medium Enterprises (SMEs):** Require affordable, reliable transport and warehousing solutions to support inventory management and timely deliveries.
- **Large Corporates and Manufacturers:** Prioritize bulk freight handling, just-in-time delivery, and integrated supply chain services to optimize production and distribution.
- **Retailers and E-commerce Platforms:** Demand fast, last-mile delivery services with real-time tracking and flexible scheduling to meet consumer expectations.
- **Government Agencies and NGOs:** Need dependable logistics support for procurement, distribution of supplies, and project implementation, often under strict compliance requirements.
- **Importers and Exporters:** Require cross-border freight forwarding, customs clearance support, and multimodal transport solutions.
- **Construction and Infrastructure Firms:** Depend on timely delivery of heavy equipment and materials to project sites, often involving specialized transport and handling.
- **Logistics Service Providers and Freight Forwarders:** May subcontract transport or warehousing needs, seeking reliable partnership networks to fulfill client demands.

## 5.5 Competitive Analysis

Competitive analysis in the logistics sector involves evaluating key service providers based on service reliability, pricing, technological capabilities, and customer satisfaction. Leading competitors often have extensive fleet capacity, advanced tracking systems, strong regional networks, and solid reputations for timely deliveries.

Some competitors focus on specialized services such as cold chain logistics, express delivery, or cross-border freight forwarding, while others compete primarily on cost-effectiveness and volume handling. Analyzing their service portfolios, pricing models, technology adoption, customer service responsiveness, and geographic coverage helps identify market gaps and opportunities.

Understanding these factors enables Anda Auto Limited to position itself uniquely—whether through superior customer experience, innovative technology integration, or flexible and tailored logistics solutions. This strategic insight is essential for sustaining growth, building customer loyalty, and increasing market share in a competitive industry.

## **5.6 Competitive Advantage**

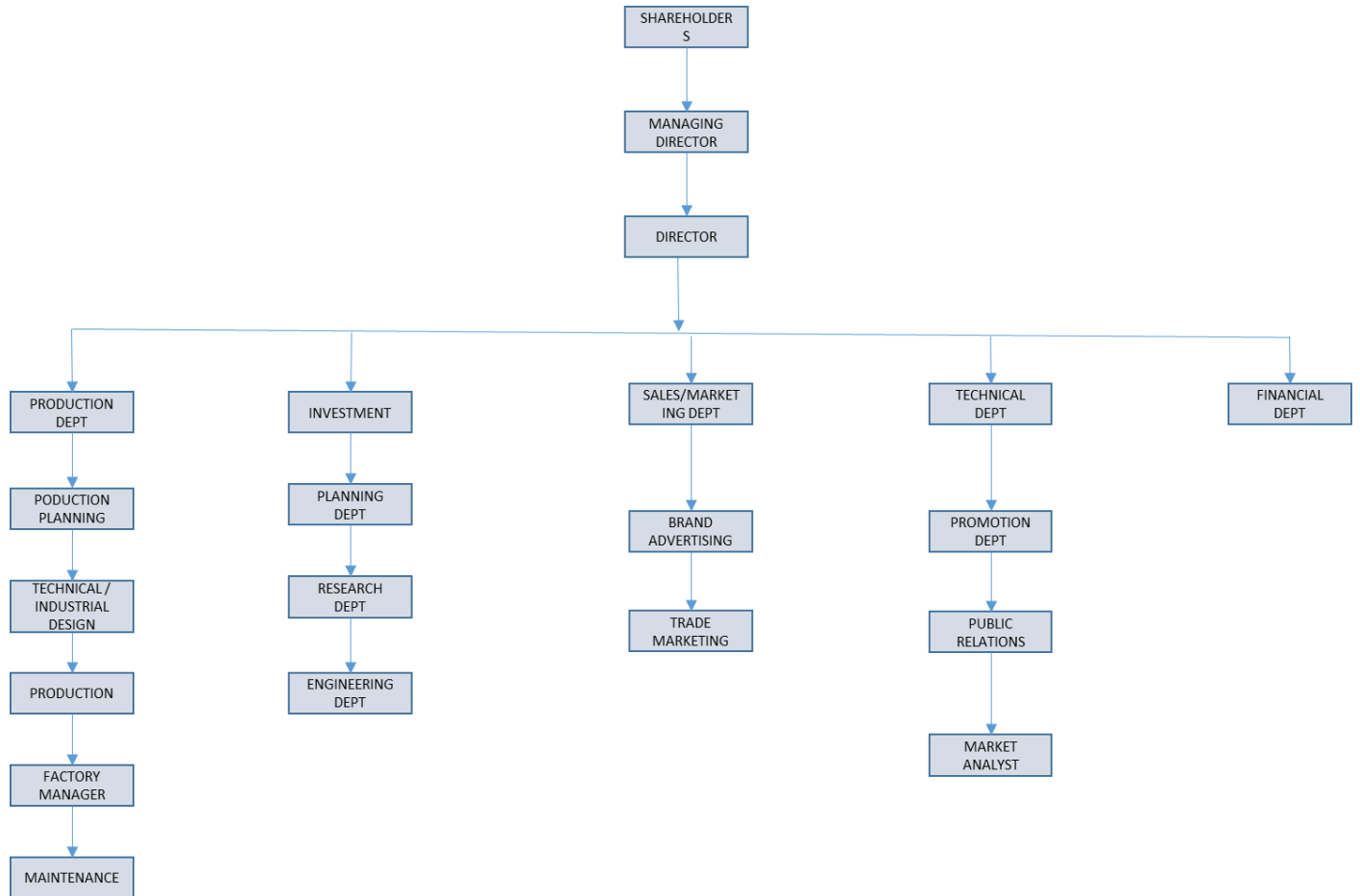
Competitive advantage in the logistics sector is derived from providing reliable, timely, and cost-effective transport and supply chain solutions that comply with local and international standards. Companies gain an edge through investment in modern fleet management, advanced tracking technologies, and efficient route optimization to ensure transparency and minimize delays.

A well-established regional network enhances service coverage and responsiveness, while flexible service offerings tailored to client needs improve customer satisfaction. Exceptional customer support, including real-time communication and problem resolution, builds lasting trust and loyalty.

Operational excellence, combined with competitive pricing and the ability to handle specialized cargo (e.g., perishable goods, heavy equipment), further distinguishes the company in a crowded market.

## 6. ORGANIZATION AND MANAGEMENT PLAN

### 7.1 Organizational Structure



## MANAGEMENT STRATEGY

The management strategy for Anda Auto Limited will focus on building a capable leadership team to guide the company through growth and operational excellence in Tanzania's logistics sector. The **Chief Executive Officer (CEO)** will provide strategic direction and oversight, supported by departmental heads for **Operations, Sales & Client Relations, Finance, and Fleet & Warehouse Management**.

The company will adopt a **flat organizational structure** in its early stages to encourage quick decision-making, seamless communication, and cross-functional collaboration. This structure supports agility in a fast-paced logistics environment.

Performance will be closely tracked through key metrics such as:

- Delivery turnaround time
- Fleet utilization and fuel efficiency
- Client retention and satisfaction
- Cost control and revenue growth
- Employee performance and training progress

Regular performance reviews will be conducted, and **incentive-based systems** will be used to reward productivity, innovation, and service excellence. Leadership development programs and upskilling initiatives will be a priority to ensure a skilled, adaptable workforce capable of scaling operations.

This strategic approach will support smooth logistics execution, strong customer relationships, and long-term competitiveness in Tanzania's evolving logistics landscape.

## 7. BUDGET MANAGEMENT

Budget management will focus on maintaining financial discipline and ensuring that funds are allocated effectively across all business areas. The Finance Manager will oversee the budgeting process, tracking revenue, costs, and investments to ensure that the business operates within its financial means. Regular financial reports will be generated to monitor cash flow, identify potential issues, and adjust the budget as needed. Additionally, cost controls will be put in place to minimize waste and maximize profitability,

while ensuring that funds are available for critical operational needs and future growth. This approach will help maintain financial stability and support the company's long-term objectives.

## **8. TIME MANAGEMENT**

Time management will be a key factor in ensuring the successful execution of the project. The company will implement a detailed project timeline with clear milestones and deadlines for each phase, from the initial installation to full deployment and ongoing maintenance. The Operations Manager will be responsible for tracking progress and ensuring that all tasks are completed on schedule. Regular team meetings will be held to address any delays or bottlenecks and adjust timelines accordingly. By prioritizing tasks and setting realistic deadlines, the company aims to optimize productivity, reduce downtime, and ensure that all projects are completed efficiently, helping the business meet its goals in a timely manner.

## **9. RISK MANAGEMENT**

Risk management will involve identifying, assessing, and mitigating potential risks that could impact the business's success. The company will conduct regular risk assessments to evaluate potential threats, including financial risks, operational challenges, regulatory changes, and market fluctuations. A risk mitigation plan will be developed, outlining strategies to minimize the impact of these risks, such as diversifying suppliers, maintaining emergency funds, and ensuring compliance with local regulations. The management team will regularly review and update the risk plan, ensuring that the company is prepared for unforeseen challenges. By proactively managing risks, the business aims to safeguard its operations and ensure long-term sustainability in the Tanzanian mining sector.

## **10. SOCIAL AND ECONOMIC IMPACT OF THE PROJECT**

The development of Anda Auto Limited's logistics operations will generate substantial social and economic benefits at both local and national levels. Socially, the project enhances connectivity, accessibility, and reliability of goods and services across Tanzania, directly impacting communities by ensuring timely delivery of essential items such as food, medicine, educational materials, and construction supplies.

The project will create employment opportunities in transportation, warehousing, customer service, fleet management, and digital logistics coordination. This contributes to community development, particularly in under-served and remote areas where improved logistics can bridge economic and service gaps.

Economically, the investment promotes trade facilitation, supply chain efficiency, **and** regional integration, contributing to GDP through increased business productivity and reduced logistical costs for Tanzanian enterprises. As the company expands its regional footprint, it will also support **export logistics**, strengthening Tanzania’s position as a regional trade hub.

Moreover, Anda Auto Limited will invest in skills development and training programs to build capacity in logistics operations, IT systems, and safety standards, thus fostering innovation, employability, and professional growth within the workforce.

By enhancing the overall logistics infrastructure and service ecosystem, the project plays a critical role in driving industrial growth, empowering local businesses, and supporting the Tanzanian government’s vision for economic transformation and inclusive development.

## **11.DRIVERS TO INVESTMENT IN LOGISTICS**

The logistics sector in Tanzania presents a compelling investment opportunity driven by the following key factors:

### **12.1 Trade Growth and Regional Integration**

Tanzania’s strategic location as a gateway to landlocked countries (e.g., Zambia, Rwanda, Burundi, and the DRC) is driving demand for reliable logistics services, especially with increased trade under regional blocs like EAC and SADC.

### **12.2 Infrastructure Development**

Major government infrastructure projects—including port upgrades, the Standard Gauge Railway (SGR), and road network expansion—are facilitating faster movement of goods and creating opportunities for logistics operators.

### **12.3 Rapid Urbanization and Economic Diversification**

Urban growth and the rise of industrial parks and Special Economic Zones (SEZs) are increasing the need for warehousing, last-mile delivery, and freight transport services.

### **12.4 Digital Transformation and E-Commerce**

The rise of e-commerce platforms and demand for digital logistics solutions is opening up opportunities for smart tracking systems, digital fleet management, and on-demand delivery models.

### **12.5 Import Substitution and Supply Chain Resilience**

Local logistics capacity is critical for reducing reliance on foreign transport networks and building resilient, cost-effective supply chains for Tanzanian industries.

### **12.6 Government Incentives and Investment Policies**

Supportive policies from the Tanzania Investment Centre (TIC), including tax breaks, duty exemptions, and investment guarantees, attract both local and foreign investors to the logistics sector.

### **12.7 Stable Demand Across Sectors**

Logistics services are essential to nearly every sector—agriculture, mining, manufacturing, health, and retail—providing a steady and recurring customer base for long-term profitability.

### **12.8 Export and Transit Trade Potential**

With Tanzania’s access to the Indian Ocean, there is strong potential for becoming a regional logistics hub, offering transit and re-export services to neighboring countries.

## **13. FINANCIAL ANALYSIS**

### **13.1 Considerations and Assumptions:**

- **Corporate Tax Rate:** 30% of taxable profits
- **Capital Investment Allowance:** 50% deduction allowed on qualifying capital investments
- **Customs and VAT Exemption:** Capital assets are exempt from import duties and VAT under TIC Certificate of Incentives
- **Depreciation Method:** Straight-line depreciation applied to logistics equipment, vehicles, and warehousing infrastructure

- **Revenue Estimates:** Revenue projections are based on conservative estimates using current market rates for transport, warehousing, and logistics contracts
- **Operating Expenses:** Include salaries, fuel, vehicle maintenance, leasing costs, insurance, and digital systems
- **Reinvestment:** A portion of profits will be reinvested into fleet expansion, technology upgrades, and operational scale-up

This financial model supports a scalable business structure with long-term returns, competitive margins, and strong reinvestment potential aligned with market growth and logistics demand.

## 15.2 Project Investment

The estimated capital investment cost of the project is US\$ **500,000** out of which US\$**370,000** will be fixed investment costs.

### ANDA AUTO LIMITED COST STRUCTURE

*TABLE 1 FINANCING*

<b>Financing</b>	<b>\$</b>
<b>Long-term liabilities</b>	
Long-term Equity	200,000
<b>Owner's equity</b>	
Cash	200,000
Contributed asset value	100,000
<b>Total</b>	<b>500,000</b>

**TABLE 2***INVESTMENT COST PLAN*

<b><i>COST INVESTMENT STRUCTURE</i></b>	<b><i>\$</i></b>
<b>Current assets</b>	
Working capital	100,000
Opening inventory	50,000
Other	10,000
<b>Property and equipment</b>	
Land	50,000
Building	25,000
Equipment	20,000
Furniture and fixtures	3,000
Leasehold improvements	2,000
Plant	150,000
Motor Vehicles	40,000
Other _____	50,000
<b><i>Total assets</i></b>	<b>500,000.00</b>

For the project to be a reality a total investment amounting to US \$500,000 is needed

## Financing pattern

The project will be financed by equity **US\$370,000** and loan **US\$ 130,000**

## Project operating costs

In order to realize its intended objective, the project will have to meet operating cost not exceeding 15% of annual total revenue and 75% of total revenue is cost of sales

## Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from the project commences from the first year of operation.

### **ANDA AUTO LIMITED SUMMARY OF REVENUE "US\$"**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue	2,610,000	2,818,800	3,044,304	3,287,848	3,550,876

## Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years' period.

The position depicted is that the project earns profit throughout its life

Accumulated after tax profits grow from. US\$ in first year **154,875** to US\$ in the year 5<sup>th</sup> **858,503**

## PROJECT MAN POWER AND INVESTMENT

**Management:** The project will be managed by **39** key staffs; the Management Officer will be the Chairperson. Under him/her will be the General manager, the Manufacturing department, the Finance Manager and the Marketing manager.

**Manpower:** The project will have a high -tech installment of machinery and new technology application

### Employees Distribution Summary

<b>Employment</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
Women	10	10	20	40
Men	10	10	30	50
<b>TOTAL</b>	<b>20</b>	<b>20</b>	<b>50</b>	<b>90</b>

Training: All workers inclusive will benefit from the internal training for proper operations, quality and security observance. There will be out-dooring trainings for recommended staffs depending on their working requirements. Generally, the plant will apply sophisticated machinery of high technology, it is through the trainings that the Management team plans to transfer technology and skills to local workers and make sure, those foreign workers are employed where inevitable.

Health and Insurance: The project will provide medical treatments to its workers as per Country policy requirements and will enroll workers to social security institutions as per the country policy too.

## **12. Analysis of Strengths, Weaknesses, Opportunities, and Threats (SWOT)**

### **Strengths:**

- Well-maintained, scalable fleet capable of meeting diverse client logistics needs
- Experienced leadership and operations team with deep knowledge of the Tanzanian transport environment
- Strong client relationships across sectors including trade, manufacturing, and retail
- Strategic warehouse locations to enable efficient national and regional distribution
- Investment in technology (e.g., GPS tracking, fleet management systems) enhances transparency and efficiency

### **Weaknesses:**

- Heavy dependence on fuel, exposing operations to price volatility
- Limited brand recognition in newer markets, especially outside Tanzania
- Underdeveloped digital customer interface (e.g., online booking, real-time tracking for clients)
- Initial high capital requirements for fleet expansion and infrastructure development
- Shortage of skilled logistics personnel in specialized areas such as cold chain and digital logistics

### **Opportunities:**

- Rapid growth in e-commerce and last-mile delivery across urban and peri-urban areas
- Expansion into regional trade routes (e.g., DRC, Zambia, Rwanda) to offer cross-border services
- Government infrastructure projects driving logistics demand in construction and mining
- Partnerships with tech platforms and retailers to integrate delivery services
- Development of value-added services like warehousing, inventory management, and contract logistics

### **Threats:**

- High competition from both established and informal logistics operators

- Regulatory changes affecting transport operations (e.g., axle load limits, border policies)
- Road infrastructure limitations in remote regions that increase operating costs
- Economic slowdowns or fuel shortages that affect freight volumes
- Security risks along some regional routes impacting cross-border transport

### **13. RECOMMENDATION**

To solidify its competitive position in Tanzania’s logistics market, **Anda Auto Limited** should prioritize investment in digital logistics infrastructure—including client portals, real-time tracking, and mobile booking systems—to meet evolving customer expectations and improve operational efficiency. Expanding regional logistics routes and building strategic partnerships with retailers, industrial players, and tech platforms will unlock new revenue streams.

Additionally, the company should invest in fleet diversification (e.g., cold chain, fuel-efficient, or EV-ready vehicles) and training programs to build internal capacity and stay ahead of industry needs. Sustainability efforts—such as fuel optimization, eco-friendly packaging for warehousing clients, and CSR engagement—can also enhance brand reputation and align with global trends.

Finally, improving brand visibility through digital marketing, B2B outreach, and trade participation will support growth into new segments and regions.