

**HELIOS SERVICES LIMITED**

**P.O.BOX 11869**

**DAR ES SALAAM**

**A BUSINESS PLAN FOR  
REGISTRATION OF CARGO  
TRANSPORTATION PROJECT  
WITH TISEZA (TIC)**

# Contents

- 1.0 EXECUTIVE SUMMARY .....4
  - 1.1 Introduction.....4
  - 1.2 The Project.....4
  - 1.3 The Project Promoters .....5
  - 1.4 The Market .....5
  - 1.5 Project Cost and Financing Plan.....6
  - 1.6 Financing.....6
  - 1.7 Employment Opportunities .....6
  - 1.8 Social and Economic Aspects .....7
  - 9.0 Conclusion and Recommendations.....7
- 2.0 THE PROMOTERS .....8
- 3.0 THE PROJECT.....8
  - 3.1 Description .....8
  - 3.2 Project Location.....8
  - 3.3 Project Objectives.....8
  - 3.4 Sales Revenue Forecast, Direct & Indirect Cost Estimates.....9
  - 3.5 Employment Opportunities.....9
- 4.0 ENVIRONMENTAL ASPECTS ..... 10
  - 4.1 Constraints and Government Policy ..... 10
    - 4.1.1 Constraints..... 10
    - 4.1.2 Government Policy on Transportation..... 10
- 5.0 TRENDS IN TRANSPORTATION SECTOR IN TANZANIA ..... 11
  - 5.1 Road Transport in Tanzania ..... 11
- 6.0 CAPITAL INVESTMENT AND FINANCING PLAN..... 11
  - 6.1 Investment Plan ..... 11
  - 6.2 Financing Plan ..... 12
- 7.0 MARKET AND MARKETING ASPECTS..... 12
  - 7.1 A General Overview ..... 12
- 8.0 MANAGEMENT AND ORGANIZATION POLICY ..... 13
  - 8.1 Management ..... 13
  - 8.2 Management Policy ..... 13
- 9.0 SWOT ANALYSIS..... 13

9.1 Strength .....	14
9.2 Weakness.....	14
9.3 Opportunities .....	14
9.4 Threats.....	14
10. CONCLUSION AND RECOMMENDATIONS.....	14

## 1.0 EXECUTIVE SUMMARY

### 1.1 Introduction

**HELIOS SERVICES LIMITED** is a privately owned company incorporated for purpose of carrying out various services including manufacture and sale of motor vehicles, renting and leasing of motor vehicles, cargo transportation services, Sale, maintenance and repair of motorcycles and related parts and accessories. It is a mixed-owned (Indians and Tanzanian) company registered on 07/02/2024 with incorporation number 172029469.

The Company's registered physical address is located at Sabasaba Kwa Mpili, Plot No. 2300, Block "U", Mbagala Ward, Temeke District, along Kilwa Road, Dar es Salaam, while its official postal address is P.O. Box 11869, Dar es Salaam, Tanzania.

In response to the rapid expansion of trade, industrial activities, and infrastructure development across Tanzania, **Helios Services Limited** is in the process of implementing a cargo transportation project aimed at supporting the efficient movement of commercial goods across major economic corridors. As part of this initiative, the Company is currently undertaking the procurement of modern trucks and supporting motor vehicles that are specifically designed and suitable for cargo transportation operations. These assets will be deployed to ensure safe, timely, and cost-effective delivery of goods in compliance with national transport regulations and industry best practices.

During the initial phase of operations, the Company's core market focus will be on servicing all major cities and commercial hubs within Tanzania including Dar es Salaam, Dodoma, Mwanza, Arusha, Mbeya, Morogoro, and other strategic urban and industrial centers. This domestic focus is intended to establish a strong operational base, enhance service reliability and build long-term partnerships with manufacturers, traders, distributors and other logistics stakeholders within the country.

However, **Helios Services Limited** plans to expand its cargo transportation services beyond national borders to cover selected East African Community (EAC) member states leveraging Tanzania's strategic geographic position as a regional trade gateway. This expansion strategy is aligned with regional trade integration initiatives and is expected to contribute to overall social and economic growth.

### 1.2 The Project

The feasibility study report presents a comprehensive proposal for the implementation of a cargo transportation project through the strategic acquisition of a modern fleet of transportation vehicles. At full project implementation, the Company plans to operate a total fleet of ninety-five (95) cargo transportation vehicles within the first three (3) years of the project's operational phase. The phased fleet expansion approach is designed to bring into line capital investment with market demand, ensure operational efficiency and support sustainable growth while maintaining high standards of safety, reliability and service delivery.

This project was established with following micro objectives:

- To carryout cargo transportation of all manner of goods, raw materials and other related cargo.
- To provide a proper cargo handling, warehousing and storage.
- Serving manufacturing and industrial areas in general by efficient transportation services and supply of goods to targeted market areas.
- To transport cargo for neighboring landlocked countries East and Central Africa.
- To train local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing the project is to support economic, social and administrative activities in the mentioned areas. Also, to increase the competitiveness of Tanzania goods in the export markets by offering competitive transport rates.

### 1.3 The Project Promoters

The project is being promoted by **HELIOS SERVICES LIMITED** based at an office in Dar es Salaam Region. The shareholders of the company are;

S/NO:	NAME OF SHAREHOLDER	NATIONALITY	SHAREHOLDING
1.	PHANI HIMADHAR SUNKARA P. O. BOX 11869 DAR ES SALAAM	INDIAN	80
2.	AHMED NAZIR AHMED P.O. BOX 11869 DAR ES SALAAM	TANZANIAN	80
3.	RAMANA KUMAR MUSUNURU 57-10-2, 4TH ROAD, NEW POSTAL COLONY, PATAMATA ANDHRA PRADESH, INDIA	INDIAN	40

### 1.4 The Market

Recent reforms taking place in economy indicate that there is an increase in demand for domestic cargo handling and transportation. The following are some of the factors that have contributed to such an increase in demand for these services in Tanzania.

- Increased level of rehabilitation and expansion of urban and trunk roads by the Government and international assistance agencies which has subsequently resulted in increased kilometers of passable roads by small and heavy-duty vehicles.
- Rise in people's standard of living and change in people's consumption patterns.
- Increase general level of investments in industrial activities as the major cause of rising of users of industrial inputs.
- Increased transit trade between Tanzania and its neighbors especially Uganda, Rwanda, Malawi, Burundi and the Democratic Republic of Congo. This factor have led to increased demand for

- transportation services for products in the country.
- Government investment incentives which have resulted in increased inflows of capital from both local and foreign private investors many of whom have ventured into the importation and supply of industrial raw materials.
- General improvement in the national economy especially the balance of payments which has made it possible for the Government to achieve great capability to import critical products into the country;

Reforms which are now being introduced in the sector, aim at influencing the inflow of and increased supply of both capital goods and other industrial products and their distribution in the country and beyond the national borders.

### 1.5 Project Cost and Financing Plan

**Helios Services Limited** plan to invest a total capital of USD 5,100,000 and the following is the summary of the capital investment cost estimated.

Type of Asset	Amount of Investment in USD
Land and Buildings	80,000
Plant/Machinery	40,000
Vehicles	4,700,000
Furniture and Fittings	35,000
Pre-Expenses	45,000
Others	50,000
Working Capital	150,000
<b>TOTAL</b>	<b>5,100,000</b>

### 1.6 Financing.

The project's cost will be financed by shareholder's local equity contributions as well as local loan from a bank. The company will contribute 20% of the total project cost as its local equity, while the rest 80% will be financed by loan from a local Tanzanian Bank. The following table shows the Company's Project financing plan in implementation of the project.

Equity	Loans	Total
US\$ 1,020,000	US\$ 4,080,000	5,100,000

### 1.7 Employment Opportunities

During the implementation of this project, both direct and indirect employment opportunities are expected to be created. **Helios Services Limited** intends to promote the growth of employment opportunities for Tanzanians in this manner contributing to the country's socio-economic development. The table below presents the estimated number of personnel expected to be engaged during the implementation of the project.

<b>Gender</b>	<b>Locals</b>	<b>Foreigners</b>
M	75	0
F	10	0
<b>TOTAL</b>	<b>85</b>	<b>0</b>

### **1.8 Social and Economic Aspects**

The proposed project will result into the following social and economic impacts:

- i. Increase the provision of high quality services in transportation of industrial products, construction materials and other cargo in the country.
- ii. Increased availability of quality distribution and marketing of products alongside competitive prices whereas, those products will result in increased and healthy competition among all trading and manufacturing companies
- iii. The proposed project will provide employment opportunities to approximately above 85 people.
- iv. The Government and its agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury.

### **9.0 Conclusion and Recommendations**

The Executive Summary highlights indicate that, the proposed project will be financially and economically viable. The project will greatly contribute to the development of cargo transportation sector to support Tanzania's growing economy. It is expected to contribute significantly to the social and economic progress by increasing the provision of reliable sales and distribution of the various products in the country. It is recommended that the project be accorded the required institutional and financial support to pave the way for its efficient implementation.

## 2.0 THE PROMOTERS

The promoter of this project is **HELIOS SERVICES LIMITED** with head office in Dar es Salaam Tanzania and address of P. O. BOX 11869 – Dar es Salaam. Is a privately owned company incorporated for purpose of carrying out various services including manufacture and sale of motor vehicles, renting and leasing of motor vehicles, cargo transportation services, Sale, maintenance and repair of motorcycles and related parts and accessories. It is a mixed-owned (Indians and Tanzanian) company registered on 07/02/2024 with incorporation number 172029469. As explained earlier, the shareholders of the company are mixed (Tanzanian and Indians).

## 3.0 THE PROJECT

**Helios Services Limited** plans to acquire 95 cargo transportation vehicles as main investment target to the proposed project of cargo transportation. This express a comprehensive proposal for the implementation of a cargo transportation project through the strategic acquisition of a modern fleet of transportation vehicles.

The phased fleet expansion approach is designed to bring into line capital investment with market demand, ensure operational efficiency and support sustainable growth while maintaining high standards of safety, reliability and service delivery.

### 3.1 Description

In summary the project entails the following

- Purchase of 95 unit of cargo transportation vehicles to be used in transportation of cargo from one point to another.
- Purchase of tools and equipment including generators, cranes, fork lift, trailers, tires, rims, welding machines, compressors, pump calibrator machine, various repair equipment and other machinery for the workshop.
- Civil works will include minor renovation of workshop and company's office.
- Importation of office equipment namely: telephones, copy machines and Personal computers at company's head office.

### 3.2 Project Location

The company's project operations will be at Sabasaba Kwa Mpili, Plot Number 2300, Block "U", Mbagala Ward, Temeke District, along Kilwa Road in Dar es Salaam - Tanzania.

### 3.3 Project Objectives

This project was established with the following micro objectives:-

- To carryout cargo transportation of all manner of goods, raw materials and other related cargo.
- To provide a proper cargo handling, warehousing and storage.

- Serving production and industrial areas in general by efficient transportation services and supply of goods to different parts of the country and neighboring countries.
- To transport transit cargo for neighboring landlocked countries of East and Central East African countries such as Rwanda, Burundi, Uganda, Malawi, Zambia, Democratic Republic of Congo, etc.
- To train local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing the project is to support economic, social and administrative activities in the mentioned areas. Also, it aims to increase the competitiveness of Tanzania goods in the export markets and improve the manufacturing, building and construction industries by offering competitive transport rates.

### 3.4 Sales Revenue Forecast, Direct & Indirect Cost Estimates

The following schedule provides a summary of the minimum forecasted revenues, cost and gross profit during the first five years of project implementation.

#### REVENUE COSTS AND PROFIT PROJECTIONS FOR FIRST 5 YEARS

Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Sales Revenue</b>	<b>2,050,000</b>	<b>2,255,000</b>	<b>2,480,500</b>	<b>2,728,550</b>	<b>3,001,405</b>
Cost of Sales (Fuel, trip drivers, routine servicing)	717,500	789,250	868,175	954,993	1,050,492
Salaries & Wages	300,000	315,000	330,750	347,288	364,652
Motor Vehicle Running Expenses	255,000	272,850	291,950	312,387	334,253
Overhead & Administration	130,000	136,500	143,325	150,491	158,016
Depreciation	470,000	470,000	470,000	470,000	470,000
Insurance	98,000	102,900	108,045	113,447	119,119
Marketing & Business Development	42,000	46,200	50,820	55,902	61,492
Communication & ICT	20,000	22,000	24,200	26,620	29,282
<b>Total Operating Costs</b>	<b>2,032,500</b>	<b>2,154,700</b>	<b>2,287,265</b>	<b>2,431,128</b>	<b>2,586,306</b>
<b>Profit Before Tax (Tanzania)</b>	<b>17,500</b>	<b>100,300</b>	<b>193,235</b>	<b>297,422</b>	<b>415,099</b>

### 3.5 Employment Opportunities

During the implementation of this project, both direct and indirect employment opportunities are expected to be created. **Helios Services Limited** intends to promote the growth of employment opportunities for Tanzanians in

this manner contributing to the country’s socio-economic development. The table below presents the estimated number of personnel expected to be engaged during the implementation of the project.

<b>Gender</b>	<b>Locals</b>	<b>Foreigners</b>
M	75	0
F	10	0
<b>TOTAL</b>	<b>85</b>	<b>0</b>

**4.0 ENVIRONMENTAL ASPECTS**

This cargo transportation project shall be conducted in strict compliance with all applicable Tanzanian environmental laws and regulations. Recognizing that logistics operations including vehicle transit, cargo handling, fuel management and maintenance naturally impact the environment. The company is committed to rigorous mitigation strategies. The company will implement comprehensive safety and control protocols to minimize emissions, noise, and waste, while proactively managing the risks of spillages or fire. Through diligent vehicle maintenance, waste management procedures and robust emergency response plans, we ensure all operations align with the environmental standards mandated by relevant authorities.

**4.1 Constraints and Government Policy**

**4.1.1 Constraints**

The road transport in Tanzania is heavily dependent on imported vehicles and related inputs. The road transport sector is however facing the following challenges:

- Shortage of adequate transportation equipment;
- Poor infrastructure facilities particularly trunk roads;
- Shortage of adequate transport services to land-locked neighboring countries which would like to use our port facilities for enhancement of their international trade;
- Poor maintenance of roads and transport equipment;
- Lack of proper co-ordination between the transport sector and other sectors of the economy.

**4.1.2 Government Policy on Transportation**

The government has put a greater emphasis on the transport and communication sector so as to improve upon them and consequently lead to economic development. The following are some of the national transport policies among others:

- To improve the standard of trunk road network by maintaining the existing roads so as to ensure satisfactory level of service and to expand the feeder roads in order to cover a wider areas of production.

- Rehabilitation and maintenance of existing railway network in order to facilitate smoothly movements of goods within the country and other neighboring countries.
- To give assistance to the private sector to enable the provision of proper transport services both in the country and neighboring states. The private transport sector expected to provide over 70% of total road services.

From the brief outline mentioned above, the transport policy in all its intent geared towards improving and encouraging all modes of transport whether private or public and run on strictly business principles in order to promote efficiency and raise the quality of the service rendered.

## **5.0 TRENDS IN TRANSPORTATION SECTOR IN TANZANIA**

In Tanzania most of the country's total passenger and goods transport demand is met by the road transport sector. While rail and steamer services also play an important role in inter-regional transport, interregional transport is almost wholly catered for road transport. Road transport is a key link between sea and lake ports, railheads, regions, district and villages where the majority of the population lives and also the neighboring countries.

### **5.1 Road Transport in Tanzania**

During 2016, the government continued to improve trunk, regional and rural transport which contributed immensely to the growth of other socio-economic sectors. About 70 percent of all cargo in the country is transported via roads, of which 64 percent is destined to neighboring countries, while 90 percent of passengers use road transport.

## **6.0 CAPITAL INVESTMENT AND FINANCING PLAN**

### **6.1 Investment Plan**

The Company plans to establish a fleet of ninety-five (95) cargo transportation trucks with a total project investment of USD 5,100,000. The project will be financed through a combination of shareholders' equity and bank loan. Out of the total investment, an amount of USD 4,700,000 will be allocated to the procurement of cargo transportation vehicles covering various capacity categories including 15 trucks of 5-ton capacity, 25 trucks of 7-ton capacity, 30 trucks of 10-ton capacity, and 25 trucks of 15-ton capacity.

The remaining investment will cover supporting project components, including furniture and fittings estimated at USD 35,000, building and office-related costs amounting to USD 80,000, pre-operational expenses estimated at USD 45,000, working capital of USD 150,000, and USD 50,000 allocated for other project-related requirements. The detailed investment breakdown is presented in the table below.

Type of Asset	Amount of Investment in USD
Land and Buildings	80,000
Plant/Machinery	40,000
Vehicles	4,700,000
Furniture and Fittings	35,000
Pre-Expenses	45,000
Others	50,000
Working Capital	150,000
<b>TOTAL</b>	<b>5,100,000</b>

## 6.2 Financing Plan

It is estimated that a total of US \$ 5,100,000 will be required to acquire the various assets as shown in the table above.

The bulk of the capital cost will be raised by the company itself through equity contribution and bank loan. The other major source of funding will be bank loan and internally generated revenue from operations, which will be reinvested back. The company will contribute 20% of the total project cost as its local equity, while the rest 80% will be financed by loan from a local Tanzanian Bank as explained in the table below.

Equity	Loans	Total
US\$ 1,020,000	US\$ 4,080,000	<b>5,100,000</b>

## 7.0 MARKET AND MARKETING ASPECTS.

### 7.1 A General Overview

There is a strong and growing market for both domestic and transit cargo transportation in Tanzania and the wider region. Demand for transportation services continues to increase due to population growth, rising consumption needs, industrial expansion and the strengthening of key economic sectors such as agriculture, mining and manufacturing. As a result, the transportation sector is expanding progressively within the country and across neighboring markets. In this context, the project sponsors are not expected to face significant marketing or operational challenges in implementing and managing the proposed cargo transportation project.

Furthermore, the ports of Dar es Salaam, Tanga, and Mtwara have undergone major rehabilitation and modernization. These improvements have enhanced their capacity and efficiency, enabling them to compete effectively with major regional ports while meeting the growing national and regional demand for cargo handling. The increased flow of import and export cargo linked to agricultural, mining and industrial activities in East and Central Africa provides a favorable operating environment for freight haulage services.

From this perspective, **Helios Services Limited** will focus on achieving its projected sales through the provision of reliable domestic cargo transportation services, while gradually expanding its operations to selected neighboring countries, including Kenya, Uganda, Rwanda, Burundi, the Democratic Republic of Congo and Zambia, in line with the phased implementation of the project.

## **8.0 MANAGEMENT AND ORGANIZATION POLICY**

### **8.1 Management**

The company policy is to have adequate work force to manage its operations efficiently. **Helios Services Limited** believes in keeping on board only the very essential manpower strength, to develop them into highly motivated and sincere company team for the best and efficient operations of the company.

The company has a team qualified and experienced functional managers in the areas of Transport Operations, Workshop Operations and Finance & Administration. Other senior and middle level staffs are available for the operations of the company. The personnel for the project phase will also be qualified, well-seasoned and possessing considerable transportation experience.

### **8.2 Management Policy**

The day to day operations are managed by the Managing Director, assisted by Managers in areas of Transport operations, Finance and Administration. The manager for Transport Operations is the overall in charge of the fleet, warehousing and Workshop Operations. An Accounts Assistant is available to assist in Accounting, Procurement and Finance functions. The Marketing Unit is responsible for both the countrywide and regional wide sales and marketing for the service. The job responsibilities include market planning and development, sales promotion and sales co-ordination. The company's fleet pool is therefore professionally managed.

## **9.0 SWOT ANALYSIS**

A proper SWOT analysis is necessary in order to position the business to maximize our strength, advantage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats. In order to achieve this; **Helios Services Limited** employed the service of an expert Human Resource and Business Analyst with preference in the transportation logistics industry to help the company to conduct a detailed SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives. Here below is a summary from the result of the SWOT analysis that conducted on behalf of **Helios Services Limited**.

### 9.1 Strength

Company's strength as a Transportation Logistics Company is in the fact that has healthy relationships with loads of major players (Transporters) within and outside of the country and Headquartered in Dar es Salaam, Tanzania a key trade and logistics hub in East Africa. **Helios Services Limited** has some of the trucks with high capacity that can bring large amount of cargo at the shortest period and satisfy customer demands. Employs over 30 professionals with expertise in logistics, trade and commodity markets.

### 9.2 Weakness

Our potential weakness may be the risk of expanding too rapidly after receiving incentives from TISEZA, which could temporarily outpace the demand from our customers and suppliers. In addition, our decision to diversify transportation and logistics activities may present initial operational challenges. However, the company is fully aware of these risks and, based on its projections and phased implementation strategy, expects to manage them effectively over time and transform them into a long-term competitive advantage.

### 9.3 Opportunities

The opportunities that are available to us cannot be computed; we know that there are loads of individuals who needs transportation logistics services in Tanzania. The government policies of empowering local companies will enable us achieve this goal. It is the company's main objective that all possible cargo transportation opportunities are well economically utilized.

### 9.4 Threats

Some of the threats and challenges that we are likely going to face when we start operation effectively are global economic downturn that can affect negatively on government spending on projects and environment effects. To mitigate the impacts of such threats the Company will put in place strategies such as collaborating with private investors and strengthening relations with local suppliers with few trucks to support us during crisis.

## 10. CONCLUSION AND RECOMMENDATIONS

The preceding discussion highlights on the social, economic and financial dimensions, where the projected project is set to generate in this country. The brief financial analysis indicates that the project will be financially viable. It is expected to contribute significantly to the social and economic progress by increasing the provision of reliable sales and distribution of the various products in the country. Therefore, it is recommended that the project be accorded the required institutional and financial support to pave smooth way for its efficient implementation. On other hand, it is strongly recommended that the sponsors, **Helios Services Limited** be available with the required institutional assistance so as to enable them expand the cargo transportation project.