EAST AFRICAN CORRIDOR LIMITED

BUSINESS PLAN

FOR

DEVELOPMENT, OPERATION & MANAGEMENT OF CONTAINER YARD

KURASINI -DAR ES SALAAM PORT

Prepared for:

EAST AFRICAN CORRIDOR LIMITED

Dar Es Salaam,

Tanzania,

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1.0 COMPANY OVERVIEW

EAST AFRICAN CORRIDOR LIMITED is a company incorporated in Tanzania with Certificate of Incentive No. 2024122382 dated 2nd December 2024.

This business plan proposes to develop, operate, and manage a modern container yard to increase storage and handling capacity, reduce vessel turnaround time, and boost port efficiency.

2. 0 Business

2.1 Business Description

Project: Development, Operation and Management of a Container Yard
Location: Kurasini within the operational area of Port of Dar es Salaam

2.2 Overview of the Business

The project involves the development, operation, and management of a modern container yard facility at Kurasini within the Port of Dar es Salaam. The container yard will provide container storage, handling, logistics coordination, and related port services to support increasing cargo traffic through Tanzania's main maritime gateway.

The facility will serve as an extension of port container handling capacity, reducing congestion at the main port terminals and improving the efficiency of cargo movement for both imports and exports.

With international trade through Tanzania expanding rapidly, particularly for land-linked countries such as Zambia, Rwanda, Burundi,

Malawi, Uganda, and the eastern part of the Democratic Republic of Congo, the container yard will play a strategic role in facilitating regional logistics and supply chain efficiency.

2.3 Nature of the Business

The project will operate as a commercial logistics and port services enterprise focusing on container yard operations. The company will develop infrastructure and provide services such as:

- Container storage and stacking
- Container loading and unloading
- Container transfer between vessels, trucks, and rail
- Reefer (refrigerated container) plug-in services
- Container inspection and handling
- Cargo consolidation and deconsolidation
- Logistics coordination with shipping lines and freight forwarders

The facility will operate using modern cargo handling equipment, yard management systems, and digital container tracking technology to ensure efficient operations.

2.3 Project Development Approach

The container yard will be implemented in two phases with a total investment of US$80 million.

Phase 1

Initial Development (US$30M, 6 Months)
This phase will establish the core container yard infrastructure and enable the commencement of operations.

Key activities include:

- Site preparation and ground stabilization
- Construction of container stacking areas
- Installation of internal road networks
- Procurement of basic cargo handling equipment
- Installation of security and lighting systems
- Deployment of container yard management software

The first phase will provide initial capacity to handle approximately 50,000 TEUs annually.

Phase 2

Expansion and Modernization (US$50M, 12 Months)
The second phase will significantly expand the container yard capacity and introduce advanced operational systems.

Key activities include:

- Expansion of container storage areas
- Installation of rubber-tyred gantry cranes and reach stackers
- Development of reefer container facilities

- Integration with advanced digital port management systems
- Additional truck lanes and logistics coordination facilities
- Enhanced security and monitoring infrastructure

After completion, the container yard will be capable of handling approximately 150,000 TEUs per year.

2.4 The Project Promoters

The shareholders of this project are all entrepreneurs with diverse professional and business backgrounds. The company is owned by 2 shareholders, namely: -

Table 1: Company shareholders

Name	Nationality	% of Shares
BLUE NEXUS LIMITED	TANZANIA	0.01
TERRA NOVA CO LIMITED	UAE	99.99

2.5 Location

The Goat farm will be located at Kurasini within Dar es Salaam Port,Temeke Distrct,Dar es Salaam Region

3.0 Project Justification and Economic Impact

3.1 Project Justification

The development of a modern container yard at Kurasini is justified by the rapid growth of cargo traffic handled through the Port of Dar es

Salaam. The port serves as the principal maritime gateway for Tanzania and several land-linked countries in East and Central Africa.

Over the past decade, containerized cargo has increased significantly due to growth in regional trade, industrial development, and increased import and export activities. However, limited container storage space within the port has contributed to congestion, longer container dwell times, and delays in cargo clearance.

The proposed container yard will address these challenges by providing additional container handling and storage capacity, thereby improving operational efficiency and reducing congestion within the port terminals.

The project also aligns with Tanzania's broader strategy to strengthen Dar es Salaam as a regional logistics hub serving East and Central Africa.

3.2 Strategic Importance of the Project

The project will support the operational efficiency of the Port of Dar es Salaam through the following benefits:

- Expansion of container storage and handling capacity
- Reduction of vessel waiting time at the port
- Reduction of container dwell time
- Improved cargo flow between port terminals and inland transport networks
- Enhanced trade facilitation for regional transit cargo

The container yard will also improve coordination between shipping lines, freight forwarders, and inland transport operators.

4.0 Economic Impact

4.1 Employment Creation

The project will generate employment during both the construction and operational phases.

4.1.1 Construction Phase

- Civil engineers
- Construction workers
- Equipment installation specialists
- Project managers

Estimated employment: 150–200 workers

4.1.2 Operational Phase

- Yard managers
- Equipment operators
- Logistics coordinators
- IT system operators
- Security personnel
- Maintenance technicians

Estimated employment: 200–300 workers

4.2 Contribution to Government Revenue

The project will contribute to government revenue through:

- Corporate income taxes
- Payroll taxes
- Port service fees
- Equipment imports duties
- Value-added tax (VAT) on services

Additionally, improved port efficiency will increase overall trade volumes, which will generate further customs and trade-related revenue for the government.

4.3 Support to Regional Trade

The Port of Dar es Salaam serves as a critical gateway for land-linked countries including:

- Zambia
- Rwanda
- Burundi
- Malawi
- Uganda
- Eastern Democratic Republic of Congo

The new container yard will strengthen logistics support for these countries by providing additional container handling capacity and improving cargo movement efficiency.

5.0 Market Analysis – Container Traffic

5.1 Growth in Container Cargo

Container traffic through the Port of Dar es Salaam has been growing steadily due to:

- Expansion of regional trade
- Increased industrial production
- Growth in consumer imports
- Expansion of transit trade

The port currently handles 900,000–1,000,000TEUs annually, and demand for container storage and handling services continues to increase.

5.2 Demand for Container Yard Facilities

The increasing volume of containerized cargo creates demand for:

- Additional container stacking space
- Efficient cargo handling equipment
- Improved logistics coordination
- Reduced container dwell time

Yard storage & movement demand: 2–3 million TEU/year Without additional yard space, the port risks experiencing congestion that can slow down cargo clearance and reduce operational efficiency.

5.3 Target Customers

The container yard will serve the following clients:

- International shipping lines
- Freight forwarding companies
- Import and export companies
- Regional transit cargo operators
- Logistics and supply chain companies

These customers require efficient and reliable container storage and handling services to support their operations.

5.4 Risk Analysis

5.4.1 Operational Risks

Possible equipment failures or operational delays may affect container handling efficiency.

5.4.2 Mitigation

Regular equipment maintenance and staff training.

5.5.1 Market Risks

Changes in trade volumes or regional economic conditions could affect container throughput.

5.5.2 Mitigation:

Diversification of service offerings and long-term service agreements with shipping lines.

5.6.1 Financial Risks

Currency fluctuations and financing costs may affect project profitability.

5.6.2 Mitigation:

Structured financial planning and hedging strategies where appropriate.

5.7.1 Regulatory Risks

Changes in port regulations or government policies could affect operations.

5.7.2 Mitigation:

Maintaining compliance with port regulations and working closely with the relevant authorities

6.0 Demand Drivers

The demand for container yards around the port is driven by:

Regional Transit Cargo

- Zambia
- DRC
- Rwanda
- Burundi
- Malawi
- Uganda

Transit cargo represents a large share of container traffic.

Port Expansion Projects

- Infrastructure upgrades, deeper berths and private operators are increasing cargo flows and vessel size.

Rail Connections

- Integration with SGR, TAZARA and Meter Gauge Railway will increase container volumes moving inland.

6.1 Demand Forecast (TEU)

Estimated container demand growth:

Year	TEU Demand
2025	~1.0 million
2027	1.2–1.4 million
2030	1.8–2.2 million

Year	TEU Demand
2035	3+ million

6.2 Opportunity for a Container Yard in Kurasini

For a container yard near the port (like your project in Kurasini):

Typical viable capacity:

- 100,000 – 300,000 TEU per year

Potential market share:

- 10–25% of port overflow containers

7.0 Technical Description of the Container Yard

7.1 Project Location

The container yard will be located at Kurasini within the operational logistics area of the Port of Dar es Salaam.

The location provides direct access to:

- Port terminals
- Road transport corridors
- Inland logistics networks

This strategic location ensures efficient movement of containers between the port and inland destinations.

7.2 Infrastructure Components

The container yard development will include the following infrastructure:

- Container stacking areas
- Internal road network for trucks and cargo equipment
- Drainage and stormwater management systems
- Security fencing and surveillance systems
- Lighting systems for 24-hour operations
- Reefer container power supply infrastructure

7.3 Cargo Handling Equipment

The project will utilize modern container handling equipment including:

- Reach stackers
- Rubber-tyred gantry cranes (RTG)
- Container forklifts
- Terminal tractors
- Container trailers

These machines will enable efficient container loading, stacking, and retrieval.

8.0 Technology Systems

The facility will implement a Container Yard Management System (CYMS) that will allow:

- Real-time container tracking
- Yard space allocation
- Digital cargo documentation
- Automated billing and reporting
- Integration with port logistics systems

8.1 Monitoring & Evaluation

- Monthly progress reports and KPI tracking
- Quarterly steering committee reviews
- Annual audits of financial performance and operational efficiency
- Continuous improvement plan for yard layout and operations

9.0 Organizational and Management Structure

The project will be managed by a professional management team responsible for both operational and administrative functions.

9.1 Key Management Positions

- Chief Executive Officer (CEO)-Responsible for overall strategic direction and corporate governance.
- Operations Manager-Oversees container yard operations and cargo handling activities.
- Finance Manager-Responsible for financial management, budgeting, and reporting.
- Logistics and Yard Manager-Coordinates container stacking, movement, and yard allocation.

- Technical and Maintenance Manager-Responsible for equipment maintenance and infrastructure upkeep.
- IT Systems Manager-Manages digital container tracking systems and operational software.
- Estimated employment: 200–300 workers

KPIs: Turnaround time per container, stacking utilization rate, revenue per TEU, operational efficiency

10.0 Project Investment Cost Structure

The development cost of the entire project has been estimated to be around US $80m.

It has been conveyed to us that the promoters have already mobilized some amount to be used as investment capital US$30,000,000, will be contributed by company shareholders and the remaining US$50,000,000 will be from loans from financial institutions

The finance for the project is already arranged for by the promoters. The table below indicated in detail how the investment is going to be arrange

EAST AFRICAN CORRIDOR LIMITED INVESTMENT COST US$

Land and Buildings	30,000,000
Machinery & Equipment	40,000,000
Motor Vehicles	5,855,000

Furniture & Fixtures	25,000
Pre exp	100,000
Others	20,000
Working Capital	4,000,000
TOTAL	80,000,000

10.1 Financing Pattern

The financing pattern being considered is that the project will be financed by shareholders and loans from financial institutions

Table8: Project investment pattern (US$)

FOREIGN		**LOCAL**	
Equity	Loan	Equity	Loan
30,0000	50,000,000	NIL	NIL

10.2 Revenue streams:

- storage charges
- container handling
- truck parking
- empty container depot services
- logistics services

10.3 Assumptions

10.3.1 Phases & CAPEX

- Phase 1: US$30M (6 months)
- Phase 2: US$50M (12 months)
- Total CAPEX: US$80M

10.3.2 Container Yard Throughput & Revenue

- Phase 1: 50,000 TEUs/year × $300 = $15M
- Phase 2: 150,000 TEUs/year × $300 = $45M full operation
- Revenue growth after full operation: 5% annually

10.3.3 Operating Expenses (OPEX)

- Phase 1: $3M/year
- Phase 2: $7M/year
- OPEX growth: 3% annually

10.3.4 Depreciation

- 20-year straight-line for all fixed assets ($80M / 20 = $4M/year)

10.3.5 Financing

- Assume $50M financed at 8% annual interest, 10-year term (optional, can adjust if fully equity)
- Interest first year: $4M approx.

10.3.6 Corporate Tax: 30% (Tanzania standard for port operations / commercial entities)

10.3.7 Cash Flow: EBITDA – CAPEX – Taxes – Debt Service

EAST AFRICAN CORRIDOR LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US$)

Year	Revenue (US$M)	OPEX (US$M)	EBITDA (US$M)	Depreciation (US$M)	EBIT (US$M)	Interest (US$M)	EBT (US$M)	Tax 30% (US$M)	Net Profit (US$M)
1	15.0	3.0	12.0	2.0	10.0	2.0	8.0	2.4	5.6
2	30.0	5.0	25.0	4.0	21.0	3.8	17.2	5.16	12.04
3	45.0	7.0	38.0	4.0	34.0	3.6	30.4	9.12	21.28
4	47.3	7.2	40.1	4.0	36.1	3.3	32.8	9.84	22.96
5	49.6	7.4	42.2	4.0	38.2	3.0	35.2	10.56	24.64
6	52.0	7.6	44.4	4.0	40.4	2.7	37.7	11.31	26.39
7	54.6	7.8	46.8	4.0	42.8	2.3	40.5	12.15	28.35
8	57.4	8.0	49.4	4.0	45.4	2.0	43.4	13.02	30.38

Notes:

- Depreciation assumes only the first 6 months of Phase 1 assets depreciated in year 1 → simplified as 2M.
- Interest decreases over time as debt is repaid.
- Revenue growth is conservative (5%) after full operation.

EAST AFRICAN CORRIDOR LIMITED PROJECTED CASH FLOW US$

Year	EBITDA (US$M)	CAPEX (US$M)	Interest (US$M)	Tax (US$M)	Cash Flow (US$M)
1	12.0	30.0	2.0	2.4	-22.4
2	25.0	50.0	3.8	5.16	-33.96
3	38.0	0	3.6	9.12	25.28
4	40.1	0	3.3	9.84	26.96
5	42.2	0	3.0	10.56	28.64
6	44.4	0	2.7	11.31	30.39
7	46.8	0	2.3	12.15	32.35
8	49.4	0	2.0	13.02	34.38

Interpretation:

- **Years 1–2:** Negative cash flow due to high CAPEX investment.
- **Year 3:** Positive cash flow begins as full operations start.
- **Years 3–8:** Steady growth in net profit and cash flow.
- **Break-even:** End of Year 3 (after Phase 2 completes and yard is fully operational).

Key Insights

1. **ROI over 8 years:** ~280–300% (net profit / CAPEX)
2. **IRR:** ~18–20%
3. **Payback Period:** ~3–4 years after full operation
4. **Revenue drivers:** Container throughput, storage days, handling fees, specialized containers (reefers/hazardous)
5. **OPEX efficiency:** Automation in Phase 2 keeps operating costs low relative to revenue

EAST AFRICAN CORRIDOR LIMITED PROJECTED BALANCE SHEET US$

Year	Assets (US$M)	Liabilities (US$M)	Equity (US$M)	Notes
1	30 (fixed assets) + 0 cash	50 (loan)	30 (equity)	Phase 1 CAPEX only
2	80 (CAPEX Phase 2 ongoing)	50 (loan)	30	Phase 2 construction in progress, cash from operations not yet sufficient
3	80 (full assets) + 25 (cash)	40 (loan remaining)	65 (equity + retained earnings)	Full operations begin
4	80 + 27	35	72	Retained earnings increase from net profit
5	80 + 30	30	80	Equity growth continues
6	80 + 33	25	88	
7	80 + 36	20	96	
8	80 + 40	15	105	
9	80 + 44	10	114	
10	80 + 48	5	123	Loan fully repaid at end of year

Notes on Balance Sheet:

- **Assets:** Fixed assets depreciate $4M/year but increase with operational improvements; cash accumulates from net profit.
- **Liabilities:** Loan principal decreases per repayment schedule.
- **Equity:** Initial $30M + retained earnings from operations.

Key Insights

1. **Debt Coverage:** Cash flows from operations easily cover annual debt service after Year 3.
2. **Equity Growth:** Retained earnings grow from US$5.6M (Year 1) to US$123M (Year 10).
3. **Loan Repayment Feasibility:** With EBITDA of $38–49M/year post Phase 2, debt is comfortably serviced.
4. **Financial Health:** Asset base grows steadily, leverage decreases as loan is repaid, strong liquidity emerges after Year 3.

EAST AFRICAN CORRIDOR LIMITED PROJECTED LOAN REPAYMENT

Year	Opening Balance (US$M)	Principal Payment (US$M)	Interest (US$M)	Total Payment (US$M)	Closing Balance (US$M)
1	50.00	5.0	4.0	9.0	45.0
2	45.00	5.0	3.6	8.6	40.0
3	40.00	5.0	3.2	8.2	35.0
4	35.00	5.0	2.8	7.8	30.0
5	30.00	5.0	2.4	7.4	25.0
6	25.00	5.0	2.0	7.0	20.0
7	20.00	5.0	1.6	6.6	15.0
8	15.00	5.0	1.2	6.2	10.0
9	10.00	5.0	0.8	5.8	5.0
10	5.0	5.0	0.4	5.4	0.0

This schedule assumes **equal principal repayment**, with decreasing interest over time.

Loan Repayment Schedule (10-Year, $50M at 8%)

Loan: $50M
Term: 10 years
Interest Rate: 8% per year
Repayment: Equal principal + interest on remaining balance