

RAINER TRADERS & FOOD STUFF SUPPLIERS LIMITED

*REVISED BUSINESS PLAN*

*CARGO TRANSPORTATION  
PROJECT*

*PREPARED FOR*

*RAINER TRADERS & FOOD STUFF SUPPLIERS LIMITED*

*Dar es Salaam*

## 1.0 INTRODUCTION

### **RAINER TRADERS & FOOD STUFF SUPPLIERS LIMITED**

M/S RAINER TRADERS & FOODSTUFF SUPPLIES LTD. is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No. 30792 issued on 9th October 1996.

The project promoters are well established business in Sumbawanga carrying out various businesses but majoring in distribution, Transportation and the like. Having been in the business for more than 10 years the directors are now well prepared for expansion of transportation project and they see a very bright future in the transport sector.

This document has been prepared to serve as a business plan for M/S RAINER TRADERS & FOODSTUFF SUPPLIES LTD Transporter for their transport project.

### 1.1 Mission

To provide reliable, efficient, and cost-effective cargo transportation services across Tanzania and the East African region.

## 1.2 Vision

To be a leading logistics provider renowned for fleet reliability, technological integration, and customer satisfaction.

## 1.3 COMPANY OWNERSHIP

RAINER TRADERS & FOOD STUFF SUPPLIERS LIMITED is promoted by two shareholders who are very experienced in transport and logistic business

Name	Shares %	Nationality
Rainer Fredrick Lukarah P.O. Box 598 SUMBAWANGA	80	Tanzanian
Magreth Rainer Lukarah P.O. Box 598 SUMBAWANGA	20	Tanzanian

## 1.4 PROJECT LOCATION

The project head office will be located Plot No. 1367, Block "TT", Kizwite Area, Sumbawanga Urban

## 1.5 COMPANY VALUE

At RAINER TRADERS & FOOD STUFF SUPPLIERS 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.

RAINER TRRIDERS & FOOD STUFF SUPPLIERS 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 RAINER TRRIDERS & FOOD STUFF SUPPLIERS LIMITED, we practice transparency with all agencies that we are involved with.

At RAINER TRRIDERS & FOOD STUFF SUPPLIERS LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

#### 1.5 FLEET SIZE

RAINER TRRIDERS & FOOD STUFF SUPPLIERS LIMITED is planning to purchase **200** trucks and trailers, one truck conducting **2** trips per month operating for ten months per year.

#### 1.6 PROJECT ESTIMATED REVENUE

- The company has estimated that the project revenue to be US\$ 5000 per trip and one truck will conduct 2 trip per month.

- The project is planning to start with 50 vehicles in first year to be increased by 25% every year

### 1.7 PROJECT OPERATING COST

The company has estimated that the project operating cost and other cost to be 65% of the total annual revenue.

### 1.8 PROJECT FINANCING

The company has estimated that the project will be financed by long term loan amounting to US\$5,000,000 with interest rate of 8% repaid within 5 years and remaining US\$ 2,000,000 will be shareholders contribution and cashflows generated from business

### 1.9 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	500,000
Machinery & Equipment	800,000
Motor Vehicles	4,500,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	10,000
Working Capital	1,160,000
<b>TOTAL</b>	<b>7,000,000</b>

## 2.0 ORGANISATION FLOW CHART

RAINER TRADERS & FOOD STUFF SUPPLIERS LIMITED management is headed by Managing Director, the three will form Core management team to be assisted with, 1 HR and Admin Manager, 1 Logistics Manager, 1 Chief Accountant and 2 Junior accounting clerks. The operational team headed by 3 operational managers and includes drivers and cleaners, total of 220 people to be employed

## 3.0 INDUSTRY & MARKET ANALYSIS

### 3.1 Industry Overview

- Freight transport demand grows with industrial activity, agriculture exports, construction, and e-commerce.
- Regional integration (EAC & SADC) boosts cross-border cargo movement.
- Government initiatives (infrastructure, trade facilitation) create opportunities.

### 3.2 Target Market

- Importers/exporters
- Manufacturers
- Agricultural firms
- Retail and distribution companies

- Third-party logistics (3PL) partners

### 3.3 Market Size

Estimate based on freight volume growth (ton-km), port throughput growth (Dar es Salaam), and cargo originating/terminating inland.

### 3.4 Competitive Landscape

Key competitors include local fleets, leasing operators, and international logistics firms. Competitive edges include:

- Larger scale fleet
- Lower maintenance costs due to newer trucks
- Integrated tracking and route optimization

### 3.5 Services Offered

Service	Description
Full Truck Load (FTL)	Dedicated cargo per client
Less Than Truckload (LTL)	Shared space services
Cross-Border Transport	EAC & Southern Africa Routes
Dedicated Contract Logistics	Long-term contracted logistics
Cold Chain (Optional)	Temperature-controlled cargo

## 4.0 FLEET PROCUREMENT AND SETUP

### 4.1 Procurement Plan

- Source Country: China
- Truck Type: Heavy-duty cargo trucks (10–20 tons), tractor heads, semi-trailers
- Estimated Cost/Truck: USD 80,000–120,000 (depending on specs)

### 4.2 Import Logistics

- Select port of entry (e.g., Dar es Salaam)
- Shipping, port charges, inspection
- Duties and taxes
- Compliance with local road regulations

## 6.0 MARKETING & SALES STRATEGY

### 6.1 Value Proposition

- Large scale capacity
- On-time performance
- Transparent billing
- Real-time tracking

## 6.2 Channels

- Direct sales teams
- Partnerships with exporters & manufacturers
- Digital marketing (website, LinkedIn)
- Logistics fairs/conferences

## 6.3 Pricing Strategy

- Competitive per km rates plus fees
- Contract discounts for volume clients
- Seasonal pricing adjustments

## 6.4 Customer Retention

- Loyalty programs
- Dedicated account managers
- Performance guarantees

## 6.5 Competition

According to data available there are more than 15,000 trucks registered in Tanzania and RAINER TRAIIDERS & FOOD STUFF SUPPLIERS LIMITED plan to compete favorably with local and foreign companies.

## 7.0 RISK ASSESSMENT & MITIGATION

Risk	Mitigation
Regulatory Changes	Maintain compliance team
Fuel Price Fluctuation	Fuel surcharge model
Driver Shortages	Training programs & incentives
Maintenance Costs	Preventive maintenance schedules
Cross-Border Delays	EAC customs facilitation partnerships

### 7.1 Legal & Compliance

- Business registration and licensing
- Road transport permits
- Commercial vehicle insurance
- Tax compliance (import duties, VAT)
- Safety and emissions standards
- Cross-border transit permits (EAC/SADC)

### 7.2 Sustainability & ESG

- Fuel efficiency optimization
- Driver welfare & safety training

- Digital documentation (paperless)
- Emission monitoring & eventual transition to greener fleet

## 8.0 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

## 9.0 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\$ 616,700** in the 1<sup>st</sup> year to **US\$ 30,959,193** in the 8<sup>th</sup> 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\$ 1,485,700** in the first year to **US\$ 35,911,193** at the end of 8<sup>th</sup> 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\$ 2,000,000** in the first year to **US\$ 32,959,193** at the end of 8<sup>th</sup> years of the project's operations based

- **Payback Period**

Total investment is **US\$ 7,000,000** cash accumulation in 3th year **US\$ 8,060,100** which is more than the initial investment. The project payback Period is exactly 5years. The project has a relatively short payback period.

- **Loan repayment**

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

## 10.0 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 to 220 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.

## 11.0 CONCLUSION

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 220 people.
- 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.

## 12.0 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

RAINER TRADERS & FOOD STUFF SUPPLIERS LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue	5,000,000	10,000,000	15,000,000	20,000,000	21,000,000	22,050,000	23,152,500	24,310,125
Total Cost	3,250,000	6,500,000	9,750,000	13,000,000	13,650,000	14,332,500	15,049,125	15,801,581
Profit before Depreciation & Interest	1,750,000	3,500,000	5,250,000	7,000,000	7,350,000	7,717,500	8,103,375	8,508,544
Interest	400,000	320,000	240,000	160,000	80,000	-	-	-
Depreciation	469,000	469,000	469,000	469,000	469,000	469,000	469,000	469,000
Gross Profit	881,000	2,711,000	4,541,000	6,371,000	6,801,000	7,248,500	7,634,375	8,039,544
Tax (30%)	264,300	813,300	1,362,300	1,911,300	2,040,300	2,174,550	2,290,313	2,411,863
Profit After Tax	616,700	1,897,700	3,178,700	4,459,700	4,760,700	5,073,950	5,344,063	5,627,681
Accumulated Profit	616,700	2,514,400	5,693,100	10,152,800	14,913,500	19,987,450	25,331,513	30,959,193

## APPENDIX II

## RAINER TRADERS &amp; FOOD STUFF SUPPLIERS LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	1,750,000	3,500,000	5,250,000	7,000,000	7,350,000	7,717,500	8,103,375	8,508,544
Equity	2,000,000								
Loan	5,000,000								
Total Sources	7,000,000	1,750,000	3,500,000	5,250,000	7,000,000	7,350,000	7,717,500	8,103,375	8,508,544
Applications:									
Capital expenditure	5,810,000	-	-	-	-	-			
working Capital &Others	1,190,000								
Cash	-	1,485,700	2,686,700	3,887,700	5,088,700	5,309,700	5,542,950	5,813,063	6,096,681
Tax	-	264,300	813,300	1,362,300	1,911,300	2,040,300	2,174,550	2,290,313	2,411,863
Sub total	7,000,000	1,750,000	3,500,000	5,250,000	7,000,000	7,350,000	7,717,500	8,103,375	8,508,544
Total applications	7,000,000	1,750,000	3,500,000	5,250,000	7,000,000	7,350,000	7,717,500	8,103,375	8,508,544
Accumulated cash		1,485,700	4,172,400	8,060,100	13,148,800	18,458,500	24,001,450	29,814,513	35,911,193

## APPENDIX III

## RAINER TRADERS &amp; FOOD STUFF SUPPLIERS LIMITED PROJECTED BALANCE SHEET US\$

<u>Fixed Assets</u>		1	2	3	4	5	6	7	8
Opening balance	–	5,810,000	5,341,000	4,872,000	4,403,000	3,934,000	3,465,000	2,996,000	2,527,000
Total Long-term Assets	–	5,810,000	5,341,000	4,872,000	4,403,000	3,934,000	3,465,000	2,996,000	2,527,000
Less depreciation	–	469,000	469,000	469,000	469,000	469,000	469,000	469,000	469,000
Closing balance	–	5,341,000	4,872,000	4,403,000	3,934,000	3,465,000	2,996,000	2,527,000	2,058,000
Working capital	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
Accumulated cash	–	1,485,700	4,172,400	8,060,100	13,148,800	18,458,500	24,001,450	29,814,513	35,911,193
Total assets	1,190,000	8,016,700	10,234,400	13,653,100	18,272,800	23,113,500			
Financed by									
Equity	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Accumulated profit	–	616,700	2,514,400	5,693,100	10,152,800	14,913,500	19,987,450	25,331,513	30,959,193
Total equity	2,000,000	2,616,700	4,514,400	7,693,100	12,152,800	16,913,500	21,987,450	27,331,513	32,959,193
Long term loan	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	–	–	–	–
Total debts	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	–			
Total equity and debts	7,000,000	6,616,700	7,514,400	9,693,100	13,152,800	16,913,500	21,987,450	27,331,513	32,959,193

## RAINER TRADERS &amp; FOOD STUFF SUPPLIERS LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	500,000	490,000	480,000	470,000	460,000	450,000	440,000	430,000
Machinery, Tools & Equipment	800,000	792,000	784,000	776,000	768,000	760,000	752,000	744,000
Motor Vehicles	4,500,000	4,050,000	3,600,000	3,150,000	2,700,000	2,250,000	1,800,000	1,350,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000	5,000	4,000	3,000
Total	5,810,000	5,341,000	4,872,000	4,403,000	3,934,000	3,465,000	2,996,000	2,527,000
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Machinery tools & Equipment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Motor Vehicles	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
ANNUAL DEPRECIATION	469,000	469,000	469,000	469,000	469,000	469,000	469,000	469,000

## APPENDIX V

## RAINER TRADERS &amp; FOOD STUFF SUPPLIERS LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	1,000,000	400,000.00	1,400,000.00	5,000,000.00
2	1,000,000	320,000.00	1,320,000.00	4,000,000.00
3	1,000,000	240,000.00	1,240,000.00	3,000,000.00
4	1,000,000	160,000.00	1,160,000.00	2,000,000.00
5	1,000,000	80,000.00	1,080,000.00	1,000,000.00



