

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

PROGRESS REPORT

INTRODUCTION

Taida Logistics Company Limited is one of the transportation service provider based in Dar es Salaam, Tanzania. Established with a vision to streamline and enhance the movement of goods within Tanzania and beyond, Taida Logistics specializes in offering reliable, efficient, and cost-effective transportation solutions to both local and international clients.

With a robust fleet of vehicles and a dedicated team of professionals, Taida Logistics has built a reputation for delivering exceptional service in road transportation, warehousing, and freight forwarding. The company serves various industries, including manufacturing, retail, and imports/exports, and prides itself on providing tailored solutions that meet the unique needs of each client.

As a forward-thinking organization, Taida Logistics is committed to continuous growth and expansion. The company is actively working on increasing its fleet size, diversifying its services into clearing and forwarding, and relocating to a larger facility to accommodate its growing operations. Through these efforts, Taida Logistics aims to further enhance its market position, improve operational efficiency, and provide innovative logistics solutions that contribute to the success of its clients.

Taida Logistics holds a Certificate of Incentive from Tanzania Investment and Special Economic Zones (TISEZA). As a requirement of the certificate, the company is providing this progress report to TISEZA to highlight the achievements and plans for continued growth and development as follows.

1. Planned activities for the period
 - A. Expansion of Vehicle Fleet: The company plans to acquire additional vehicles to increase its fleet size and capacity to meet the growing demand for transportation services. This expansion will allow the company to take on more transportation contracts and reduce the strain on its current fleet, enabling them to better serve existing clients while also pursuing new business opportunities. With this expansion, the company anticipates an increase in revenue and operational efficiency. Additionally, the new vehicles will be equipped with advanced telematics systems to optimize fuel

consumption, reduce idle time, and streamline route planning, further improving operational efficiency.

B. Improving Operational Efficiency and Increasing Profit Margins:

The company will introduce automated fleet management systems to optimize route planning and reduce fuel consumption. This system will track vehicle performance, provide real-time insights into vehicle location, and optimize deliveries to minimize costs associated with fuel and labor.

The company will also adopt a more robust supply chain management system that integrates inventory management, vehicle maintenance scheduling, and contract management. This will streamline operations, reduce overhead costs, and improve overall productivity.

To increase profit margins, the company plans to renegotiate contracts with clients to secure better rates and offer value-added services such as premium deliveries or priority scheduling. Additionally, by reducing its reliance on subcontracted work, the company will retain a greater share of the profit from each contract, improving overall profitability.

2. Achievements made on the project implementation to date

- A. Improved Operational Efficiency: The company has successfully implemented an upgraded fleet management system that allows for real-time tracking of all vehicles. This system has resulted in a 15% reduction in operational delays, contributing to better customer satisfaction and improved service delivery.
- B. Enhanced Client Portfolio: The company has successfully secured new long-term contracts with several high-profile clients, expanding its client base by 25%. This expansion provides greater business stability and enhances the company's reputation in the market.
- C. Infrastructure Upgrades: Significant investments have been made in upgrading office and vehicle maintenance facilities. The company has installed state-of-the-art equipment for vehicle maintenance, which has increased the overall lifespan of the fleet and reduced maintenance costs by 10%.
- D. Increased Revenue and Profit Margins: Due to the strategic expansion of the fleet and more direct contracts, the company has experienced a 20% increase in annual revenue, with a corresponding increase in profit margins by reducing reliance on subcontractors.
- E. Employee Training and Development: The company has introduced an employee development program, focusing on upskilling both administrative staff and drivers. As a result, most of employees have undergone certification in safety standards and customer service, improving overall operational competency.

3. The company updated information the following aspects:

S/No.	Information	Description	Current Project Status
1	Shareholder's Information	<p>Previous Shareholders names, nationality and percentage of ownership</p> <p>Current Shareholders names, nationality and percentage of ownership</p>	<p>Shareholder-1: GLORAY INTERNATIONAL LLC Place of registration: United Arab Emirates Percentage of ownership: 60%</p> <p>Shareholder-2: YEA HONG INTERNATIONAL INVESTMENT CO. LTD Place of registration: Mauritius Percentage of ownership: 40%</p>
2	Company communication Information	<p>Email address:</p> <p>Mobile Number:</p> <p>Land Line Telephone Number:</p> <p>Physical Address (Plot No. Block No. Street, District and Region:</p>	<p>tony@taidalogistics.com +255 742242986</p> <p>1st Floor, Cube Building, Slipway Road, Dar es Salaam</p>
3	Contact Person	<p>Name:</p> <p>Position:</p> <p>Communication details (Email, Mobile and telephone:</p>	<p>Taolin Liu General Manager tony@taidalogistics.com +255 742242986</p>
4	Incorporation	Certificate of Incorporation Number:	155988479
5	TIN Information	TIN Certificate No.:	155988479
6	Project Objective	Project Core Activity	Transportation Of Goods By Road
7	Capacity	Project capacity per year	4,500,000,000TZS
8	Direct Employment	<p>Foreign Men</p> <p>Foreign Women</p> <p>Local Men</p> <p>Local Women</p>	<p>4</p> <p>1</p> <p>39</p> <p>3</p>
9	Indirect employment	Type/areas of Indirect employment	0

4. Project Financing Expenditure to date (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	0	87,500	87,500

Plant and machinery	0	175,000	175,000
Vehicles/Aircrafts	0	62,500	62,500
Furniture	0	21,500	21,500
Office equipment	0	37,500	37,500
Insurance Cover	0	12,500	12,500
Pre-operational expenses	0	37,500	37,500
Working sub-total capital	0	220,000	220,000
Grand Total	0	1,200,000	1,200,000

5. Project Financing

Explain how the project is being financed e.g equity, loans, sources of loans, conditions etc. see table below: -

	Amount (USD)	Source Country
Local equity	1,200,000	Tanzania
Local loans	0	0
Foreign equity	0	0
Foreign Loans	0	0
Total Investment	1,200,000	Tanzania

6. Problems and Solutions

In the Implementation of the project, the company has faced various problem as mentioned below.

A. Limited Fleet of Vehicles (Only 30 Cars):

Problem: The company's current fleet consists of only 30 vehicles, which is insufficient to meet the growing demand for transportation services. This limited capacity results in the company receiving more work than it can handle, forcing it to decline additional transportation contracts. As a result, potential revenue is lost, and the company is unable to capitalize on business opportunities.

Solution: To address this, the company plans to significantly expand its fleet by acquiring more vehicles. This will not only increase the company's ability to take on more contracts but will also reduce the dependency on external contractors, ultimately allowing the business to grow and meet the increasing demand in the market. The expansion of the fleet will also improve operational efficiency by enabling the company to handle multiple jobs simultaneously and cater to more clients.

B. High Dependency on Sub-Contracting:

Problem: A considerable portion of the company's contracts are sub-contracted by third-party operators. While this approach helps in increasing the volume of work, it reduces the company's control over timelines, and profitability. Sub-contracting also leads to delayed payments, as payment processes between multiple parties can take longer, which impacts cash flow and financial stability.

Solution: To solve this, the company is focusing on transitioning towards direct contracts with clients. By reducing reliance on sub-contracting, the company will regain control over service quality, payment timelines, and profit margins. This move will help build stronger, more reliable relationships with clients, leading to better terms, quicker payments, and higher profit margins. Additionally, a shift to direct contracts will improve operational efficiency by eliminating third-party intermediaries and associated delays.

C. Challenges in Hiring Reliable Drivers:

Problem: One of the key challenges faced by the company is finding reliable drivers who meet the required standards of having proper documentation such as national identification cards, skills, and integrity. Drivers are the backbone of the company's operations, and without trustworthy and competent drivers, the company risks operational disruptions, vehicle maintenance issues, and customer dissatisfaction. The difficulty in finding qualified drivers is further compounded by the growing concern about the integrity of some drivers.

Solution: The company plans to implement a comprehensive driver recruitment and vetting process. This will include thorough checks of all necessary documentation, skills assessments, and integrity evaluations. To further ensure reliability and quality, the company will invest in regular training programs to enhance the skills of its drivers and ensure they adhere to the company's standards of professionalism and integrity. Additionally, offering competitive pay and benefits will help attract and retain skilled and dependable drivers, reducing turnover rates and improving overall service quality.

7. Future Plans

A. Expansion of Vehicle Fleet:

The company's primary goal for the near future is to significantly increase its fleet of vehicles. With only 30 vehicles currently in operation, the company is in a position where fleet expansion is essential for meeting the increasing demand for its transportation services. By acquiring additional vehicles, the company will not only expand its capacity to serve more clients but also improve operational flexibility. The expansion will include purchasing new trucks, vans, and other vehicles suitable for various types of cargo and transportation needs. The new fleet will ensure that the company can accept more contracts, improve service reliability, and respond to urgent customer needs more efficiently.

B. Relocation to a Larger Property (Minimum 10 Acres):

As the company grows, it will need more space for vehicle storage, maintenance, and future operations. The current premises are no longer sufficient to accommodate the growing fleet and business requirements. The company plans to move to a larger property, ideally at least 10 acres in size, which will provide ample space for vehicle parking, maintenance workshops, and office facilities. This move will also allow the company to streamline its operations, reduce congestion, and improve logistics. Additionally, the new

location will offer opportunities for future business expansion, such as setting up a centralized operations hub or extending service offerings.

C. Diversification into Clearing and Forwarding and Inland Container Depot:

The company recognizes the need for diversification to strengthen its position in the logistics and transportation sector. Moving forward, the company plans to expand its services to include clearing and forwarding, as well as establishing an inland container depot (ICD). These services will enable the company to offer a more comprehensive logistics solution, covering not just transportation but also customs clearance, freight forwarding, and container handling. This expansion will increase the company's service portfolio, open new revenue streams, and improve its ability to handle international shipping and large-scale logistics projects. The move into these areas will also enhance the company's competitiveness in the logistics industry by providing end-to-end services and positioning the company as a one-stop solution for businesses looking for reliable and efficient logistics services.

8. Recommendations and any other comments

The company has one recommendation that can help to improve Investment sector especially in transportation where the company does its activity

A. Enhancing and Expanding Incentives for Business Growth:

TISEZA should enhance and expand the range of incentives available to Investors. This could include offering greater tax exemptions, reducing import duties on equipment and machinery, and providing financial support for capital investment in areas like fleet expansion, infrastructure development, and green technologies. By strengthening these incentives, TISEZA would make investment more attractive to both local and foreign investors, accelerating the growth of businesses and contributing to the overall economic development of Tanzania. These incentives would also help businesses improve their financial sustainability and ability to expand into new sectors such as clearing and forwarding and inland container depots.