

**GSG ENERGIES COMPANY LIMITED**

**BUSINESS PLAN**

**FOR**

**ESTABLISHMENT OF**

**FOR FUEL FILLING STATION PROJECT**

## BUSINESS PLAN FOR FUEL FILLING STATION

### 1. INTRODUCTION

The business plan was prepared by **GSG ENERGIES COMPANY LIMITED** for the establishment of a fuel filling station project. **GSG ENERGIES COMPANY LIMITED** is a private company limited by shares, registered in the United Republic of Tanzania with Certificate of Incorporation Number **168122195** dated 29th August 2023. The company plans to commence business promptly in line with CAP 432 of the Companies Act.

The investment proposal outlines the financial, human, technical, and other resources required for the project, assesses economic and commercial viability, and guides capital allocation for the fuel filling station sector.

With a **Tanzania Investment and special Economic Zones Authority (TISEZA) Certificate of Incentives**, the project qualifies for duty exemption on deemed capital goods and VAT deferment. Eligible capital goods include:

- a) Fuel dispensing pumps
- b) Underground fuel tanks
- c) Aboveground tanks
- d) Automatic tank gauging systems
- e) Fuel management systems (POS, pump controllers)
- f) Firefighting equipment
- g) Air compressors
- h) Generators
- i) Car wash machines
- j) Lubricant servicing equipment
- k) Power backup systems
- l) Electrical installation equipment
- m) Construction machinery specific to fuel station setup
- n) Safety & environmental protection systems

The company will also benefit from the **TISEZA One-Stop-Shop** for approvals, licenses, permits (residence/work), investment protection, arbitration, and foreign currency transfer.

## 2. COMPANY BACKGROUND

**GSG ENERGIES COMPANY LIMITED** is a private company based in **DAR ES SALAAM**, The Company shareholders are **GULF STAR GLOBAL TRADING DMCC** as a majority shareholder, **MOHAMMED IBRAHIM ELHAJ BACKEET** and **ISMAIL ELAZHARI ABDELGADIR ELAGIB** who are minority shareholders. **MOHAMMED IBRAHIM ELHAJ BACKEET, ISMAIL ELAZHARI ABDELGADIR ELAGIB** together with **MWAJUMA SALIM CHOGGY** are the directors of the company, who oversee its day-to-day operations. Currently the company intends to operate and manage a petrol station to qualify exemptions at TISEZA.

The main purpose of the proposed project is to undertake the fuel filling station, correspond with the clients of demand both local, regional and foreign market in the fuel sector. Pproduct especially in this competitive market, the quality of company business will guarantee clients satisfaction in proposed program. The fuel filling station is becoming the most needed project as it is the major component in the country, regional wide and the world. There is a very high demand for such ccommencement in all around the country.

will be one of the only few major fuels station companies in the country. It is on the basis of the above reasons that the management resolved to invest in establishing and operating a project of fuel business as a business. In setting up the facility, the intended project will be established in three years in setting up facilities for the project and is estimated to be at a cost of USD 500,000 – 520,000 (including working capital) as project capital investment.

This business plan outlines the establishment of a modern fuel filling station in Tanzania. The project involves the renovation and operation of a petrol station providing petroleum products (diesel, petrol, kerosene), lubricants, LPG, car-care services, and a convenience store.

The objective of the project is to enhance accessibility of high-quality petroleum products, support local business growth, and contribute to government revenue through taxes and employment creation.

The company intends to operate a modern fuel filling station to meet high domestic, regional, and international fuel demand, ensuring quality service and client satisfaction. The projected total capital investment is of USD 500,000 – 520,000.

### 3. TARGET MARKET

The demand for fuel in Tanzania is growing due to:

- a) Increasing vehicle numbers
- b) Expansion of transport and logistics
- c) Mining and construction activities
- d) Agricultural mechanization
- e) Economic growth and urbanization

The company aims to leverage this demand for both corporate and individual clients, providing reliable petroleum products.

### 4. ECONOMIC GROWTH

Economic growth in Tanzania has spurred demand for fuel products across industries and business sectors. **GSG ENERGIES COMPANY LIMITED** seeks to maximize opportunities within the fuel sector, supported by experienced promoters.

### 5. FUEL STATION FACILITIES

The fuel station will include:

- a) Fuel pumps/dispensers
- b) Underground storage tanks (UGTs)
- c) Fuel delivery pipes and fittings
- d) Canopy over pump area
- e) Paved forecourt area
- f) POS systems / pump controllers
- g) Generator and backup power
- h) Firefighting equipment
- i) Air compressor and tyre inflation unit
- j) Oil/lubricant display stands
- k) Convenience store / shop
- l) Washrooms (optional)
- m) Perimeter fencing and security lighting
- n) CCTV surveillance (if installed)
- o) Signage and price display boards
- p) Drainage system with oil interceptors
- q) Waste disposal bins

## 6. COMPANY OBJECTIVES

### 6.1. GSG ENERGIES COMPANY LIMITED aims to:

- a) Construct and operate a modern EWURA-compliant fuel station
- b) Provide reliable petroleum products to communities
- c) Create employment and contribute to the local economy
- d) Expand investment portfolio in the energy sector

### 6.2. Services Offered:

- a) Petrol, Diesel, Kerosene
- b) Lubricants (engine oils & grease)
- c) LPG refilling and cylinder exchange
- d) Convenience store / mini-mart
- e) Car wash (optional)
- f) Mobile money and banking agents
- g) Tyre inflation and minor car services

## 7. PLAN OR PROSPECTS

- a) Smooth running of the **GSG ENERGIES COMPANY LIMITED** sector fuel filling station business.
- b) For efficient and effectiveness in operation.
- c) To increase more facilities for the project i.e work machines with introduction of new technology.
- d) To increase the volume of the project or capacity of the project to be processed in the fuel sector.

The investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the project and also assess its economic visibility and commercial visibility in order to allocate funds for fuel filling station sector.

The document has been prepared to serve as a business plan for **GSG ENERGIES COMPANY LIMITED** for a project specializing in fuel filling station as a project.

Generator room

The proposed project is estimated to cost about of USD 500,000 – 520,000 the project sponsors will provide full funding amounting of USD 500,000 – 520,000.

**10. LOCATION:**

The project head quarter will be In **DAR ES SALAAM** and the project area will be in **MBEYA**.

**11. CAPITAL INVESTMENT COST****COSTS AND ESTIMATE VALUE**

Investment costs and estimate value

| SN | Item                           | Description  | Amount (In USD) |
|----|--------------------------------|--|-----------------|
| 1  | Investment Costs               | Investment Cost  | 478,000         |
|    |                                | Working Capital  | 25,000          |
|    |                                | <b>Total</b>   |                 |
| 2  | Cost & Estimate Revenue Loss   | Estimate of total annual revenue   | 195,720         |
|    |                                | Total Operational Expenses of Project (Annual)   | 16515           |
|    |                                | Interest of bank Facilities  | 8%              |
|    |                                | Commissioning cost<br>10% material Total annual depreciation expenses  | 47800           |
|    |                                | Annual Income Tax<br>30%   | 32925           |
|    |                                | Total Profit & Loss:<br>(Annual)   | 58240           |
| 3. | Project Fixed Capital          | The costs before commissioning   | <b>58240</b>    |
|    |                                | Land & Landscaping   | 132,000         |
|    |                                | Civil & Building Implement   | 25000           |
|    |                                | Machinery, Office, Workshop & Lab Supplies   | <b>336000</b>   |
|    |                                | <b>Total</b>   | <b>493000</b>   |
| 4. | The costs before commissioning | Costs before commissioning including feasibility study, periodical visits, acquiring investment permits, technology, TIC License of Incentive, Environment License, EWURA, Port Authority (TPA), | 25000           |

|    |                                  |                                       |               |
|----|----------------------------------|---------------------------------------|---------------|
|    |                                  | Municipality, Road Administrative etc |               |
|    |                                  | Training Before Commissioning         |               |
|    |                                  | <b>Total</b>                          |               |
|    |                                  |                                       |               |
| 6. | Transport, Work place & Supplies |                                       |               |
|    |                                  | Utility and Electricity               | 1240          |
|    |                                  | <b>Total</b>                          | <b>700000</b> |
| 7. | Salary and Wages                 | Salaries and wages                    | 11570         |
|    |                                  | Security & CCTV                       | 1030          |
|    |                                  | Maintenances                          | 1240          |
|    |                                  | License & Misc                        | 820           |
|    |                                  | Marketing                             | 615           |
|    |                                  |                                       |               |
|    |                                  | <b>Total</b>                          | <b>15275</b>  |

Fixed capital depreciation

| S/N                            | Description        | Production (Estimated) | Unit Price (USD) | Amount (USD)     |
|--------------------------------|--------------------|------------------------|------------------|------------------|
| 1.                             | Production Average | 1000 T per year        | 1000             | 1,000,000        |
| <b>Total Cash Income</b>       |                    |                        |                  | <b>1,000,000</b> |
| Deduction (Current Costs)      |                    |                        |                  | 195,720          |
| Deduction (Depreciation Costs) |                    |                        |                  | 47,800           |
| Deduction (Banking Fees 12%)   |                    |                        |                  | 23,486           |
| <b>Net Profit (USD):</b>       |                    |                        |                  | <b>733,994</b>   |

**Period of Investment & Capital Return**

|    |                                       |  |        |
|----|---------------------------------------|--|--------|
| 1. | Period of Investment & Capital Return | Purchase of machinery, equipment, transport, set-up and putting into operation | 1 year |
|    |                                       | Commissioning, trial operation, financing & administrative affairs             | 1 year |
|    |                                       | Settling the principal with interest   | 1 year |
|    |                                       | Capital Annual Rate  | 1 year |

**COMPANY FINANCING**

| Description  | Total (USD) | Banking Loan | Customer Share |
|--|-------------|--------------|----------------|
| Fixed Costs of Project                                 |             | 0            |                |
| Cost of Circulating Capital<br>15% of Current Expenses | -           | -            | -              |
| <b>Total</b>   |             | <b>0</b>     |                |

The intended project is to be implemented within 3 years. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

**9.FINANCIAL PLAN (SOURCE OF FUNDS)**

**COMPANY LIMITED** has firmed up finances for the implementation programmed by its fund and Loan.

Foreign equity

USD \$ 503,000.00

**TOTAL**

**USD \$ 503,000.00**

**12. GRAPHITE PROJECT OIL SECTOR**

1. Construction and installation of petroleum storage infrastructure
2. Supply of machinery, pumps, and equipment
3. Development of transport, logistics, and distribution networks.

### **13. SUBMISSION**

**GSG ENERGIES COMPANY LIMITED** submits the investment proposal and its application to the Tanzania Investment and Special Economic Zones Authority (TISEZA) for registration and award of certificate of Incentives for the commencement of the processing project.

The project will soon commence after the company is registered under Tanzania Investment and Special Economic Zones Authority (TISEZA) and being issued the Certificate of Incentives. Thereafter the company will import the project facilities such as;

- a) Fuel dispensing pumps
- b) Underground fuel tanks
- c) Aboveground tanks
- d) Automatic tank gauging systems
- e) Fuel management systems (POS, pump controllers)
- f) Firefighting equipment
- g) Air compressors
- h) Generators
- i) Car wash machines
- j) Lubricant servicing equipment
- k) Power backup systems
- l) Electrical installation equipment
- m) Construction machinery specific to fuel station setup
- n) Safety & environmental protection systems

### **14. ECONOMIC GROWTH**

The current economic growth which had been registered in Tanzania, as the result of investment, business, constructing have attracted more investments as well as processing and business in the Tanzania such as the intended fuel business sector project. The economic growth influenced such need of fuel especially business is in demand and are growing day by day for the increased production in oil.

### **15. COMPETITION OR MARKET**

Despite the presence of several fuel companies in Tanzania, the current supply of petroleum products remains insufficient compared to the increasing national demand. The market is competitive, dominated by established oil and gas companies with strong market presence.

## **Main Competitors**

- a) Puma Energy
- b) TotalEnergies
- c) Lake Oil
- d) Oryx/GAPCO
- e) Local independent stations

## **Competitive Advantages of the Project**

The project is designed to achieve sustainable competitiveness in the market through:

- a) **Strategic location of the station**
- b) **Modern and efficient equipment**
- c) **Competitive and customer-friendly pricing**
- d) **Excellent customer service standards**
- e) **Multiple service offerings (fuel, lubricants, car wash, tyre services, mini-mart)**
- f) **Reliable transport fleet**, ensuring timely fuel deliveries due to reduced mechanical breakdowns
- g) **Ownership of transportation trucks**, minimizing operational delays and improving reliability

These strengths position the project to capture meaningful market share and provide consistent value to customers.

## **16. BUSINESS STRATEGY**

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- a) Advertisement and promotion (media & street campaigns)
- b) Qualified and experienced operators
- c) On-the-job training
- d) Business discipline

## **17. ENVIRONMENTAL ISSUES**

Project activities are environmentally friendly, with proper waste management and safety systems in place.

## 18. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors **GSG ENERGIES COMPANY LIMITED, ISMAIL ELAZHARI ABDELGADIR ELAGIB** together with **MWAJUMA SALIM CHOOGY** are the directors of the company, who oversee its day-to-day operations and they are well versed in distribution of the business.

## 19. MANPOWER & TECHNOLOGY TRANSFER

- a) Employment of ~50 local and foreign staff (direct and indirect)
- b) On-job training for technical skills
- c) Use of modern fuel dispensing and monitoring systems

## 18. ECONOMIC & SOCIAL BENEFITS

- a) Job creation
- b) Technology transfer
- c) Government revenue (taxes, licenses, permits)
- d) Support for local businesses and transporters

## 19. RISK ANALYSIS & MITIGATION

| Risk                    | Mitigation                                 |
|-------------------------|--|
| Fuel price fluctuations | Regulated margins, service diversification |
| Competition             | Strategic location, service quality        |
| Regulatory delays       | Certified consultants, compliance          |
| Environmental risks     | EIA, safety controls                       |

## 23. CONCLUSION & RECOMMENDATION

The project is economically and financially viable, scalable, and aligned with Tanzania's development goals. **TISEZA Certificate of Incentives** is recommended to facilitate duty exemptions and accelerate operations.

The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.

Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

Appendix I  
**GSG ENERGIES COMPANY LIMITED**  
**PROJECTED INCOME**  
**STATEMENT**  
(Fig. USD \$ '000')

| INCOME                                |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|
|                                       | I     | II    | III   | IV    |
| SALES INCOME                          | 720.0 | 760.0 | 800.0 | 850.0 |
| TOTAL INCOME                          | 720.0 | 760.0 | 800.0 | 850.0 |
| Utilities                             | 150.0 | 150.0 | 150.0 | 150.0 |
| Salaries and Wages                    | 80.0  | 85.0  | 90.0  | 100.0 |
| Transportation/fuel                   | 100.0 | 105.0 | 110.0 | 120.0 |
| Administrative Expenses               | 100.0 | 110.0 | 120.0 | 130.0 |
| Other Expenses                        | 40.0  | 50.0  | 60.0  | 70.0  |
| TOTAL EXPENDITURE                     | 470.0 | 500.0 | 530.0 | 570.0 |
| NET PROFIT (PRE-TAX AND DEPRECIATION) | 250.0 | 260.0 | 270.0 | 280.0 |

Appendix II  
**GSG ENERGIES COMPANY LIMITED**  
**PROJECTED CASHFLOW**  
**STATEMENT**  
**(Fig. USD \$ '000')**

| Year                          | I            | I            | II           | I            | V            | Total        |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               |              | I            | I            | V            |              |              |
| <b>Cash inflow</b>            |              |              |              |              |              |              |
| Income from operation         | 250.0        | 260.0        | 270.0        | 280.0        | 290.0        | 1350.0       |
|                               | 250.0        | 260.0        | 270.0        | 280.0        | 290.0        | 1350.0       |
| <b>Cash outflow</b>           |              |              |              |              |              |              |
| Interest payments             | 50.0         | 45.0         | 40.0         | 35.0         | 30.0         | 200.0        |
| Loan re-payment               | 50.0         | 50.0         | 50.0         | 50.0         | 50.0         | 250.0        |
| Wear & tear                   | 10.0         | 12.0         | 14.0         | 16.0         | 18.0         | 70.0         |
| Taxes                         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 50.0         |
|                               | 120.0        | 117.0        | 114.0        | 111.0        | 108.0        | 570.0        |
| <b>Surplus cash generated</b> | <b>130.0</b> | <b>143.0</b> | <b>156.0</b> | <b>169.0</b> | <b>182.0</b> | <b>780.0</b> |

Appendix III  
**GSG ENERGIES COMPANY LIMITED**  
**PROJECTED LONG TERM LOAN REPAYMENT**  
 (Fig. USD \$ '000')

| Year | Principal | Repayment |       | Amount |
|------|-----------|-----------|-------|--------|
|      |           | Interest  | Total |        |
| I    | 50.0      | 50.0      | 100.0 | 450.0  |
| II   | 50.0      | 45.0      | 95.0  | 400.0  |
| III  | 50.0      | 40.0      | 90.0  | 350.0  |
| IV   | 50.0      | 35.0      | 85.0  | 300.0  |
| V    | 50.0      | 30.0      | 80.0  | 250.0  |
| VI   | 50.0      | 25.0      | 75.0  | 200.0  |
| VII  | 50.0      | 20.0      | 70.0  | 150.0  |
| VIII | 50.0      | 15.0      | 65.0  | 100.0  |
| IX   | 50.0      | 10.0      | 60.0  | 50.0   |
| X    | 50.0      | 5         | 55.0  | 0.0    |

Appendix IV  
**GSG ENERGIES COMPANY LIMITED**  
**PROJECTED BALANCED SHEET**  
 (Fig. in USD \$ .....USD)

| No. | ITEM                        | YEAR I | YEAR II | YEAR III | YEAR IV | YEAR V |
|-----|-----------------------------|--------|---------|----------|---------|--------|
|     | <b>Source of funds</b>      |        |         |          |         |        |
| 1   | Shareholders funds          | 100.0  | 150.0   | 200.0    | 250.0   | 350.0  |
| 2   | Long term Loan              | 100.0  | 95.0    | 90.0     | 85.0    | 80.0   |
| 3   | Associated Cos/ Director    | 100.0  | 100.0   | 100.0    | 100.0   | 100.0  |
| 4   | Current Liabilities         | 200.0  | 250.0   | 300.0    | 350     | 400    |
|     |                             | 500.0  | 595.0   | 690.0    | 785.0   | 930.0  |
|     | <b>Application of funds</b> |        |         |          |         |        |
| 1   | Fixed Assets                | 300.0  | 300.0   | 300.0    | 300.0   | 300.0  |
| 2   | Current Assets              | 200.0  | 295.0   | 390.0    | 485.0   | 630.0  |
|     |                             | 500.0  | 595.0   | 690.0    | 785.0   | 930.0  |