

POLTAN AFRICA LIMITED

P.O.BOX 2801

DAR ES SALAAM

**A BUSINESS PLAN FOR REGISTRATION OF CARGO
TRANSPORTATION PROJECT WITH TANZANIA
INVESTMENT AND SPECIAL ECONOMIC ZONES
AUTHORITY (TISEZA)**

Prepared by:

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Dar Es Salaam

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1.0 INTRODUCTION

POLTAN AFRICA LIMITED is a privately owned company duly incorporated under the Companies Act, 2002 of the United Republic of Tanzania, with Certificate of Incorporation No. 112605, issued on 03rd November 2014. The company was established with the objective of delivering reliable, efficient and sustainable solutions across key sectors of infrastructure development and logistics.

The core business activities of **POLTAN AFRICA LIMITED** include site preparation works, construction of roads and railways, real estate development, cargo handling, storage and warehousing, transportation and other related transport operations. Through these activities, the company provides both domestic and transit cargo haulage services, supporting trade, industrial growth and regional connectivity.

The company's head office is strategically located at Mwananyamala Road, Plot No. 86/2, Block No. 45A, Kijitonyama Ward, Kinondoni District, Dar es Salaam Region, Postal Code 14113, along Kolumna Street. This location enables efficient coordination of operations and close engagement with key clients, stakeholders and government institutions.

POLTAN AFRICA LIMITED holds a valid Business License and Tax Identification Number (TIN) 125444369, confirming its full compliance with all statutory, regulatory and tax requirements applicable in Tanzania. The company operates strictly in accordance with national laws, policies and industry standards.

Since its establishment, the company has consistently demonstrated a strong commitment to legal compliance, good corporate governance and ethical business practices. The company maintains a positive and cooperative relationship with government authorities, regulatory bodies, and the wider Tanzanian community, while contributing to socio-economic development through responsible and sustainable operations.

1.1 Company's Current Information

- i. **Company Name;** POLTAN AFRICA LIMITED
- ii. **Address;** P.O.Box 2801

- iii. **Location;** Kinondoni District in Dar Es Salaam Tanzania
- iv. **Contacts;** +255764320000/ robert@poltanafrica.com
- v. **Shareholders;** Robert Joseph Tairo (Tanzanian) and Grazyna Teresa Tairo (Pole).

2.0 THE PROJECT

POLTAN AFRICA LIMITED is currently in the process of procuring trucks and other cargo transportation vehicles for the aim of establishing cargo transportation project. The feasibility study report sets out a proposal for the establishment of Cargo Transportation Project by purchasing fleet of trucks, tankers and other cargo handling and transportation vehicles. The total number is going to be 100 cargo transportation vehicles at full project implementation where will be purchased and in phases.

This project was established with various objectives including; carrying out cargo transportation of all manner of goods, raw materials and other related cargo, providing a proper cargo handling, warehousing and storage, Serving rural areas in general and important agricultural areas by efficient transportation services and supply of goods to rural areas, transporting transit cargo for neighboring landlocked countries East and Central Africa and training local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing this 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.

2.1 Project Description

In summary the project will entails the following

- ❖ Purchase of 100 unit of cargo transportation vehicles including trucks to be used in transporting of cargo from one point to another.
- ❖ Purchase of tools and equipment including generators, water bowsers, cranes, fork lift, trailers, tires, rims, welding machines, compressors, pump calibrator machine, various repair equipment and other machinery for the workshop.
- ❖ Civil works including minor renovation of workshop and company's office.

- ❖ Importation of office equipment namely: telephones, copy machines and Personal computers.

2.2 Project Location

As explained before, the company's registered offices located at Kinondoni District in Dar ES Salaam Region while this project will be conducted on Plot number P25805, Skanska Street, Wazo Ward, Kinondoni District in Dar Es Salaam Region - Tanzania. The company has secured suitable premises for office and showroom.

2.3 Project Objectives

The feasibility study proposes the acquisition of a fleet of 100 vehicles for the establishment of a comprehensive cargo transportation project. The project is designed to address growing demand for efficient logistics services within Tanzania and across the East and Central African region. The initiative is guided by the following micro and macro objectives:

2.3.1 Micro Objectives

- i. To carry out cargo transportation of all categories of goods, raw materials and related cargo. The project aims to provide reliable and timely transportation services for industrial goods, agricultural produce, construction materials, and other commercial cargo, ensuring safe delivery across domestic and transit routes.
- ii. To provide efficient cargo handling, warehousing and storage services. In addition to transportation, the project will offer professional cargo handling and secure warehousing facilities to minimize losses, improve inventory management, and enhance supply chain efficiency.
- iii. To serve rural areas, particularly key agricultural zones through efficient transport and supply services. The project seeks to improve access to reliable transportation in rural and agricultural regions, facilitating the movement of farm inputs to producers and the distribution of agricultural outputs to local and export markets.
- iv. To transport transit cargo for neighboring landlocked countries in East and Central Africa. The project will support regional trade by transporting transit cargo to and from landlocked countries including Rwanda, Burundi, Uganda, Malawi, Zambia, and

the Democratic Republic of Congo, utilizing Tanzania's strategic geographic position and transport corridors.

- v. To train local personnel on an equal opportunity basis and provide competitive incentives. The project will prioritize skills development for Tanzanians by offering training, employment, and fair remuneration, while promoting inclusivity and equal opportunity across all levels of operation.
- vi. To enhance safety, reliability, and operational efficiency in cargo transportation. The project will adopt modern fleet management systems, safety standards, and maintenance practices to ensure dependable services, reduce transit risks, and improve overall operational performance.
- vii. To support environmentally responsible transport operations. The project aims to optimize fuel efficiency and fleet utilization in order to reduce operational costs and minimize environmental impact, in line with sustainable transport practices.

2.3.2 Macro Objectives

The predominant objective of the project is to support economic, social and administrative development in the targeted regions by improving logistics efficiency and accessibility. Furthermore, the project seeks to enhance the competitiveness of Tanzanian goods in both regional and international markets by reducing transportation costs and delivery times. It will also contribute to the growth of the building and construction industry by offering dependable and cost-effective transport solutions for construction materials and equipment.

3.0 PROJECT INVESTMENT BREAKDOWN (COST) AND FINANCING PLAN

3.1 Project Investment Cost

POLTAN AFRICA LIMITED plans to invest a total capital of USD 3,972,000 for the establishment of a Cargo Transportation Project involving the acquisition and operation of new fleet of 100 trucks and other cargo transportation vehicles. The proposed investment will be allocated to both fixed and working capital in order to ensure smooth and sustainable project implementation.

The capital expenditure breakdown is as follows: USD 30,000 will be invested in land and buildings to support administrative and operational functions; USD 190,000 will be allocated to plant and machinery for vehicle servicing, maintenance and operational support; USD 3,500,000 will be utilized for the purchase of 100 new cargo vehicles, forming the core asset of the project; USD 80,000 will be set aside for furniture and fittings; and USD 10,000 will cover pre-operational expenses, including licensing, registration, and initial setup costs. An additional USD 12,000 will be allocated to other ancillary expenses related to project establishment. The remaining USD 150,000 will be reserved as working capital to support day-to-day operations, including fuel, staff costs, routine maintenance and other operational requirements during the initial phase of the project. This investment structure is designed to ensure efficient deployment of resources, operational stability, and long-term financial sustainability of the cargo transportation business.

INVESTMENT BREAKDOWN

Type of Asset	Investment in USD
Land and Buildings	30,000
Plant/Machinery	190,000
Vehicles	3,500,000
Furniture and Fittings	80,000
Pre-Expenses	10,000
Others	12,000
Working Capital	150,000
TOTAL	3,972,000

3.2 Project Financing Plan

The project cost will be financed by shareholder's equity contributions and retained capital as shown on the table below.

Equity	Loan	Total
3,972,000	0	3,972,000

3.3 Sales Revenue, Direct & Indirect Cost and Profit Forecast

The following schedule provides a summary of the forecasted revenues, cost and gross profit during the first five (5) years of project implementation and its costs. The profit shown on the table is a projected gross profit and not a net profit.

REVENUE, COSTS AND PROFIT PROJECTIONS FOR FIRST 5 YEARS

Year	Revenue (USD)	Operating Costs (USD)	Gross Profit (USD)
Year 1	18,500,000	15,300,000	3,200,000
Year 2	21,200,000	17,100,000	4,100,000
Year 3	24,000,000	18,900,000	5,100,000
Year 4	26,800,000	20,800,000	6,000,000
Year 5	29,500,000	22,900,000	6,600,000

3.4 Employment Opportunities

The proposed Cargo Transportation Project is forecasted to create more than 80 direct employment opportunities for Tanzanians, thus making a meaningful contribution to national employment and skills development. The company expects to retain a skilled workforce of 80 employees, comprising 65 men and 15 women, who will be engaged across key operational, technical, and administrative functions required for the effective running of the project.

In addition to direct employment, the project will generate a significantly higher number of indirect employment opportunities through its value chain. These will include opportunities for fuel suppliers, vehicle maintenance service providers, spare parts dealers, insurance providers, clearing and forwarding agents, security services, and other logistics-related support services. As a result, the overall employment impact of the project is expected to extend well beyond the direct workforce, supporting livelihoods and income generation within the broader Tanzanian economy.

Through structured training, fair remuneration and adherence to equal opportunity principles, the project will promote skills transfer, workforce development, and inclusive economic participation, while strengthening the capacity of local professionals within the transportation and logistics sector.

Employment Opportunities Created

Men	65
Women	15
Total	80

4.0 THE PROJECT PROMOTERS

The promoters in this project is **POLTAN AFRICA LIMITED** with head office in Dar es Salaam Tanzania with address of P. O. BOX 2801 – Dar es Salaam. The shareholders of the company are mixed Tanzanian and Pole. The following table shows shareholders information and their number of shares.

Class Ordinary: 100,000 shares, 1,000 TZS/share for an authorized share capital of 100,000,000/= TZS

S/NO:	NAME OF SHAREHOLDER	NATIONALITY	SHAREHOLDING
1.	ROBERT JOSEPH TAIRO	TANZANIAN	600
2.	GRAZYNA TERESA TAIRO	POLE	400

5.0 TRENDS IN TRANSPORTATION SECTOR IN TANZANIA

5.1 Background

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.

5.2 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.

5.3 Constraints of Road Transportation in Tanzania

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

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

5.4 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 therefore 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 area of agricultural production. Rehabilitation and maintenance of existing railway network is also given greater attention;
- ✚ To give assistance to the private sector to enable the provision of proper transport services both in the country and neighboring states. Hence, 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.

5.5 Environmental Aspects

Generally, Tanzania has environmental regulations governing the operation of garages and workshops. Nevertheless each operator takes basic precautions to ensure that during operations and in case of an accidental spillage or fire, damage to environment is limited to the minimum possible level.

6.0 MARKET AND MARKETING ASPECTS

6.1 A General Overview

There is a wide market for transportation of domestic as well as transit cargo. Likewise, the market for transportation of fuel, as well as building and construction materials is huge, especially for the rural road contractors and builders in general. Hence, it is expected that the sponsors would not face many marketing and operational problems in managing the proposed project. The ports of Dar es Salaam, Tanga and Mtwara have undergone major rehabilitation, modernization where it is not as only to be able to compete with South Africa ports in handling the East, Central and Southern African import and export trade but also, as a strategy for meeting the national demands for cargo handling that have grown steadily following project of agricultural, mining and industrial activities especially in East and

Central Africa. These factors would provide the proposed freight haulage project the necessary condition for its soft establishment and expansion of its future operations.

POLTAN AFRICA LIMITED will work to achieve the projected sales for both domestic and transit business in the neighboring countries of Kenya, Uganda, Rwanda, Burundi, Eastern parts of the Democratic Republic of Congo, and Zambia.

7.0 MANAGEMENT AND ORGANIZATION POLICY

7.1 Management

The company policy is to have adequate work force to manage its operations efficiently. **POLTAN AFRICA 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 industrial experience.

7.2 Management Policy

The day to day operations are managed by the Managing Director, assisted by Managers in areas of Finance and Administration and Transport operations. The manager for Transport Operations is the overall in charge of the fleet 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 poll is therefore professionally managed.

8.0 SWOT ANALYSIS

A proper SWOT analysis is necessary in order to position the business to maximize our strength on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats. In order to achieve this; **POLTAN AFRICA 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 **POLTAN AFRICA LIMITED**.

8.1 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. **POLTAN AFRICA 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.

8.2 Weakness

Our weakness could be that upon receiving the incentive from TISEZA we could expand too fast and exceed the demand of our customers and suppliers, and perhaps the fact that we decided to diversify our Transportation logistics activities could count against us initially. However, we are aware of this and from our projections; we will overcome this weakness with time and turn it to a major advantage for the business.

8.3 Opportunities

The opportunities that are available to us cannot be quantified; 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.

8.4 Threats

The project may face challenges arising from global economic downturns, which negatively can affect government spending on infrastructure projects and overall operating conditions. To mitigate these risks, the Company will adopt flexible strategies, including collaboration with private investors and strengthening partnerships with local transport operators to support operations during periods of economic uncertainty.

9.0 CONCLUSION AND RECOMMENDATIONS

The foregoing analysis demonstrates that the proposed project will generate significant economic, social, and financial benefits within the country. The financial assessment confirms that the project is commercially viable and sustainable. In view of these findings, it is strongly recommended that **POLTAN AFRICA LIMITED** be accorded the necessary institutional and strategic support to facilitate the successful implementation and expansion of the cargo transportation project, thereby contributing to national development and regional trade facilitation.