

TRANSPORTATION CHALLENGES AND ACHIEVEMENTS IN TABORA REGION

(CASE STUDY – ATHWALS'S TRANSPORT & TIMBER LTD)

➤ INTRODUCTION

The role of transportation of agricultural goods contributes significantly in the development of a region and the country at large. The industry provides employment, skills and acts as a catalyst in the economy of a country. However, the industry is high risk and need commitment for those involved.

This presentation tracks how ATHWAL'S TRANSPORT & TIMBER LTD has evolved from a small company owning 8 small, seven ton trucks and now operates 180 truck & trailers of up to thirty ton capacity in its fleet. The company is based in Tabora.

➤ COMPANY PROFILE

ATHWAL'S TRANSPORT & TIMBER LTD was established in 1996 in Tabora. The company was involved in the timber industry, tobacco and cotton transportation. Later, the company resorted to tobacco transportation mainly.

The company has its headquarters in Tabora with branch offices in Kahama and Dar-Es-Salaam. Management of the company is vested under two Directors: Amritpal Singh Athwal and Navinderpal Singh Athwal. The company has six departments all managed by Tanzanians. ATT employs about 300 people consisting of permanent and seasonal workers. There exists a diversification of skills among employees. The matrix includes drivers, mechanics, welders, accountants, guards, and IT professionals. In order to enhance their professional skills, we have sent drivers for health and safety awareness courses. Mechanics and welders are sent to VETA for training in order to improve their skills. We do pay e-education fees for some accountants who are enrolled in these courses.

➤ SCOPE OF OPERATIONS

The main operation for ATT company is transportation of tobacco in the western tobacco growing zone (Tabora, Urambo, Sumbawanga, Kigoma, Shinyanga, and Singida. Primary haulage involves movement of tobacco from primary society warehouses to company main warehouses at railheads. Secondary haulage involves transportation of tobacco to processing factories in Morogoro. Concurrently, ATT transports fertilizers,

agrochemicals, wrapping materials and all other agricultural inputs used by all farmers in the cited areas in cooperation with cooperative unions.

ATT provides storage facilities (warehouses) for transit tobacco and fertilizers. It operates these in Tabora and Kahama. In order to enhance efficiency of its fleet performance, the company has its own garage. The garage repairs and services trucks, fabricates trailers, and carries out truck extensions modeled for tobacco transportation.

➤ **PARTNERSHIP IN DEVELOPMENT**

ATT success in its operations has been possible due to a cordial interaction with various partners in Tabora. First and foremost are the farmers involved in tobacco production. Farmers have increased tobacco production over years. As a result, demand for more haulage facility has been created. Conversely, ATT have expanded haulage capacity by adding more trucks. Secondly, the involvement of international tobacco companies – TLTC (Tanzania Tobacco Leaf Company Ltd and Alliance One in the development of tobacco has improved tobacco volume and quality. These companies have enhanced secure opportunities to ATT in transporting tobacco to the factories. Collaboration in transport involves other transporters as well. Partnership in the operations of the company has been enhanced through close interaction with Cooperative Unions, Municipal, Government ministries, government agencies and TRA. The prevailing atmosphere has created an environment where ATT excels as one of the top tax payers in the region.

➤ **CHALLENGES**

Every business adventure has challenges that have to be surmounted for the business to succeed. At the beginning of our business multiple challenges were faced. Road network was poor and accessibility to primary society warehouses was a major task. As demand for trucks increased, there were no credit facilities from banks where the company could get loans. Skilled workers were difficult to get and retain. Workshop facilities and access to spare parts for trucks was lacking. However, with active ingenuity, we were able to overcome these challenges. Banks were willing to provide loans due to the company's good credit rating. The company set up workshop facilities and workers were trained in their various skills.

➤ **ACHIEVEMENTS**

By reflecting from 1996 when the company started, we can conclude that quantifiable achievement has been made. The number of trucks owned by the company has increased from 8 to 180 trucks. Our turn over exceed 10 billion Tanzanian shillings. The company has a modern workshop operated by Tanzanians.

➤ **FUTURE PROSPECTS**

Tabora and adjacent regions are opening up in infrastructure and the environment is conducive for serious investors. With the new roads coming up from Manyoni to Tabora, Nzega to Tabora and Tabora to Kigoma this will help transporters and open up Tabora to economic development. The area has great agricultural potential and good governance. Due to this environment, ATT plans to invest in the following fields. Construction of ware houses (9,000 square meters, and offices estimated to cost 3 billion Tanzanian shillings. In addition ATT plans to invest in to a plastic factory for recycling used plastic and cleaning the environment. In addition, ATT plans to construct a honey processing plant in order to provide marketing opportunities for bee farmers. As Tabora town is expanding very fast and the provision of houses are inadequate. The company is contemplating to increase more houses in its current housing estate venture that was started 4 years ago. The venture will include a hotel near Tabora airport.

➤ **CONCLUSION**

Tabora region is endowed with unlimited potential for development. The prevailing interaction and cooperation between investors and government has improved significantly in the past 2 years. ATT applauds endless efforts exerted by the Regional Commissioner in Tabora in promoting TABORA. She is very much pro active in development of Tabora, and she is one person who is ready to listen to the business community and also tries to assist. God bless her.