

FAATAH STATIONERY LIMITED

PROJECT FEASIBILITY STUDY

FOR

THE ESTABLISHMENT OF PRINTING FACILITIES

FOR

PRINTING ALL TYPES OF PRINTING PRODUCTS

Prepared by
Faatah Stationery Limited
P.O. Box 71807
DAR ES SALAAM

July 2020

1.0 EXECUTIVES SUMMARY:

Faatah Stationery Limited is a limited company by shares established for the purpose of engaging in the production of all kinds of printing products

The project, which was incorporated 27/03/2020 with certificate of incorporation no **141379305** and intends to establish and install printing facilities for manufacturing of all types of printing products using multipurpose printing facilities.

The activity will involve acquiring multipurpose printing machines, which will manufacture different printing products.

The location of the project will be at plot no 73 Lindi/Congo Street, Kariakoo, Ilala, Dar-es-Salaam. To implement the project an Investment of **US\$ 1,050,000** will be required and will comprise of equity. Market for the products will be within Tanzania and indirectly export to the neighbouring countries.

2.0 INTRODUCTION

Printing Industry in Tanzania has been growing steadily. Various investors have been venturing in the business using both old but still up to date technologies while others are adapting modern technologies with sophisticated and highly expensive equipment's. M/s Faatah Stationery Limited having noted that there is a demand for printing products, resolved to install the new Printing facilities to produce different printing products in order to raise both capacity and revenue. The company have decided to put investment of about USD **1,050,000**. The proposed machinery and equipment will be printing all works involving more than one colour concentrating mainly in the manufacturing of all types of printing products.

3.0 The Project

The project proposal aims to establish manufacturing facilities for various printing works by acquiring multi- purpose equipment's for manufacturing various printing products.

3.1 The Sponsors

The project is being sponsored by M/s Faatah Stationery Ltd, a limited liability company, registered in Tanzania under Certificate of incorporation No. 141379305 of the 27th day of March 2020.

The shareholders are also the only directors of the Company at the moment.

The shareholding structure is as follows:

NAME AND ADDRESS OF SHAREHOLDERS	NATIONALITY	SHAREHOLDING STRUCTURE
Abdifatah Mohamed Hassan P.O.Box 100049 Dar-es-salaam	Kenyan	100(10%)
Abdulkadir Adan Hussein P.O.Box 100049 Dar-es-salaam	Somali	200(20%)
Mahad Osman Ibrahim P.O.Box 100049 Dar-es-salaam	Somali	400(40%)
Un-allotted	Tanzanian	300(30%)

The registered capital of the Company is TShs200,000,000 (divided into 1,000 shares of T.Shs. 200,000/= each.)

Both the above shareholders are qualified with vast experiences. They will jointly contribute equity to finance purchase of machinery, equipment and working capital. The project is thus backed by well established and experienced people with sound technical , financial and managerial aspects with regards to modern printing.

3.2 Location

The location of the project will be at plot no 73 Lindi/Congo Street, Kariakoo, Ilala, Dar-es-Salaam

3.3 Buildings

The machineries will be installed in the same go down which is used for other various offices, stores, computer services and marketing.

3.4 Machinery and Equipment's

The programme is intended for installing new printing facilities for manufacturing various printing products such as photocopy papers, packaging's, calendars, pads, cardboard boxes, and other paper related products.

3.5 Vehicles

The company intends to purchase the following vehicles, which will be used for transporting workers, delivery of finished goods, and Directors Cars. However, with the proposed project will acquire 2 – 5 tons light truck, one director's car and a minibus for works. The vehicles will cost US\$ 100,000.

3.6 Furniture and Fittings

Furniture for the new offices, the computer room and stores will be acquired. Computers being part of the office equipment will be acquired and installed as well.

3.7 Infrastructure and environment

Infrastructure to the site is adequately developed. As far as environment is concerned, programmes to keep the factory and its surroundings clean and clear of waste are being implemented. The factory is not involving in any toxic, gases or grease materials, so it is considered environmentally friendly.

3.8 Depreciation

In order to provide for replacement of wearing equipments and future re-investment of the capital, an economic depreciation has been worked out on a straight-line method.

3.9 Products and Capacity

The printed products include all types. Some new variety of prints products will be added depending on the trend of the market. The machinery proposed will have the capacity to manufacture 1,000,000 pieces of various printing products per annum each piece selling at USD6.0. the products can be Envelopes, Exercise Books, printing papers and other Printing services for various customers. Since the products are mixed and taking into consideration that printing services will form major part of the production the capacity of the project will start from 70% ,80%, 90% and 100%

3.10 Production and technology

The existing paper technology will be used. The printing products will differ in its texture depending on purpose of the final product.

3.11 Materials in puts

The main raw material will be paper related product mainly waste, cast coated papers duplex sheets cardboard cartoons and cut sheets.

Other Materials and inputs required are: Newsprint, Grey Board sheets, Art duplex, Craft paper, Plain printing paper, Glue, Wax, Staple wire, Colours & Inks, Films, Binding materials, Miscellaneous materials.

3.12 Implementation Schedule

Implementation is projected to take a period of three years.

4.0 MARKETING ASPECTS

4.1 Markets

Faatah Stationery Limited will establish a chain of clients who will be regular customers for the products and services rendered by the company. The company has been able to establish contacts all over Tanzania and neighbouring countries. The project main aim is to satisfy the domestic market.

4.2 Competition

The competition in the printing industry is relatively stiff. This is so from the fact that there are quite a number of printing presses in Tanzania. Considering the fact that the promoter intends to purchase a superior up to date machinery, the company will strive to establish better machinery balancing, adaptation of product and production process and with this it will be possible to beat the competition over other printers.

Faatah Stationery Limited intends to gain its share of market from its competitors, and this has been the one among other reasons for the establishment of the printing project

5.0 FINANCIAL PROJECTIONS

5.1 Financial Items

To develop the project, the items listed below will form part of investment.

	US\$
Land and Building	50,000
Plant	700,000
Vehicles	100,000
Furniture & Fittings	50,000
Pre-expenses	-
Others	50,000
Working capital	100,000
Total	1,050,000

5.2 Financial Structure and Source

The project financing will be implemented by the sponsors and financing institutions who will be requested to provide long term credit in future.

	Amount	US\$
Equity	1,050,000	1,050,000
Total	1,050,000	1,050,000

5.3 Performance projections

(i) Investment

A total US\$ 700,000 is required to meet the costs for purchasing machinery and equipment.

(ii) Revenue

Revenue earnings for the first year are estimated to US\$ 3.6m as per sales revenue projections.

(iii) Estimated Profit & Loss

The projected annual statement of income (profit & loss) reveals that the project net income will be US\$ 0.545 m to be realised in year one.

6.0 MANAGEMENT AND ORGANIZATION

6.1 Management

The management of Faatah Stationery Limited will be established according to the company memorandum and Articles of Association establishing the company.

A General Manager who will be assisted by a company director, production manager, marketing coordinator and accountant will head the management of Faatah Stationery Limited. For the efficient operation of the company, all key positions will be staffed with qualified and experienced personnel. The company intends to employ 58 people.

6.2 Training

Printing technology in Tanzania is not new. The company will employ operators who are fully trained on printing works and experienced on the operations of printing machines. Training requirements will be conducted within the company to involve the employees to be recruited.

7.0 ECONOMIC CONSIDERATION

7.1 Project Priority

Faatah Stationery Limited will introduce a new technology which will improve a technological demand for improved quality and increased production out-put in the printing industry and the company to raise the production of printing products hence increased economic gains.

7.2 Linkages

The company will have backward and forward linkages. The capital investment will result in increased production out-put of printing products which will enable the industries and individual customers to increase their production out-put respectively. This is other area which is considered to link well with the proposed investment in the economic gain by the customers as a result of this investment.

7.3 Monetary effects

The company will have positive effect on foreign earnings as those companies, which use the products, are geared to earn foreign exchange from exports. The other area where the monetary effect will be felt is for the government earnings to taxes, employment both direct and indirect and increased profits for the company.

8.0 CONCLUSION

The project is in line with Government objective of encouraging proper development of industries in the country. In addition, it will have positive impact on the development of the region, as it will generate a number of benefits and more positive impact on the economy of the region.

The document has provided a full analysis on the financial, technological viability of the printing materials along with the financing requirements /parameters have been established that the proposed project is technically sound, financially viable and economically socially beneficial.

In the context of immense useful potential of this project, the management of Faatah Stationery Limited anticipates that all interested party will give their full support so as to ensure timely implementation of the project.