

**HILLTOP MANUFACTURING AND TRADING
COMPANY LIMITED**

FEASIBILITY STUDY

ON

**EXPANSION OF MANUFACTURING FACILITIES
FOR BOTTLED WATER, JUICES, AND
CARBONATED SOFT DRINKS**

IN

KIGOMA REGION

MAY 2025

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

Hilltop Manufacturing and Trading Company, registered in Dar es Salaam, intends to expand its manufacturing facilities to install a fully automated juice, carbonated drinks, and bottled water plant

1.2 THE PROJECT

The primary goal of the project is to expand and establish a fully automated plant for juice, carbonated beverages, and bottled water in the Kigoma Region, catering to locals, foreigners, various industries, supermarkets, retail shops, and wholesalers operating in Tanzania and its neighboring countries.

1.3 PROJECT LOCATION

The proposed project will be located in plot no 13, Bangwe, Kigoma Region. The site has all the necessary amenities such as power, water, and telephone.

1.4 PROJECT PROMOTERS

The proposed water, juice, and bottling plant project is being promoted by a locally registered company, namely Hilltop Manufacturing and Trading Company of **P.O. Box 20965**, Kigoma. The following are the shareholders:

Name	Nationality	%
Shareholding		
Mohsin Abdullah Lalji	Tanzanian	56
Nargis Mohsin Lalji	Tanzanian	11
Taslim Mohsin Abdallah Lalji	Tanzanian	33

The shareholders are pioneering industrialists based in Kigoma, Tanzania, and are focused on producing essential consumer goods, with emphasis on mattresses, bottled water, and now expanding into juice and carbonated drinks. The company integrates modern production techniques with a strong commitment to sustainability and regional economic development. The promoters also have vast experience in the Tourism sector with commercial experience, and have capitalized to venture into the new intended lines of business in Tanzania.

1.5 INVESTMENT COST

The project cost is estimated at US\$ **2,840,000**, which will be contributed by the sponsors, and some will be a term loan. US\$

	LOCAL	TOTAL
Land & Building	700,000	700,000
Plant/workshop facilities	1,625,000	1,625,000
Vehicles	115,000	115,000
Furniture and fixture	50,000	50,000
Pre-expenses	-	-
Others	-	-
Working capital	350,000	350,000
Total	2,840,000	2,840,000

1.6 FINANCING PLAN

The promoters propose to finance the above investment costs in the following manner:

Source	Amount (USD)
Long-term Loan	2,000,000
Equity	840,000
Total	2,840,000

1.7 PLANT CAPACITY

The proposed project will have the capacity of producing **120,000 bottles** of water, Juice, and carbonated soft drinks **per day** when operating at 100% capacity on a single extended shift of 10 hours per day. However, it is expected that the plant will slowly build up its operations starting at 60% capacity, increasing to 70% capacity in the second year and 80% from year 3 onwards. Improvements in the workforce as they gain more skills and work experience.

1.8 MARKET

In Tanzania, the beverage market is a dominant market that plays a significant role in the manufacturing sector and the country's economy in general. As of 2019, the production of soft drinks was measured at 725.1 million liters, an increase from 645.8 million liters in the previous year. In 2018, the consumption of soft drinks in the country was valued at 120 million U.S.

The Beverage market contributes 27.9 percent of the total value of the selected manufactured commodities, as reported in the latest zonal economic performance report in Tanzania in September 2024. The Tanzania soft drink market is expected to witness a robust growth, reaching an estimated market size of USD 660.02 million in 2025, and is projected to grow further to USD 900.90 million by 2030.

Additionally, the regional beverage market in Tanzania has experienced remarkable growth due to improved conditions in the beverage sector and favorable production circumstances, leading to increased demand for these products. The most commonly consumed

beverages in Tanzania include soda, juice, and water, which are heavily influenced by the country's weather conditions. Much of Tanzania is characterized by extreme hot or mild warm weather, which drives the demand for refreshments to combat dehydration.

The demand for drinking water and non-alcoholic Drinks is influenced by the presence of a large population and the level of personal disposable income. The proposed project is designed to manufacture drinking water and non-alcoholic drinks which will have several packaging sizes of water products that include, Mineral Water (300ml, 500ml, 700ml, 1.5L, 1.7L), Fruit Juices (Mango, Passion, Pineapple) and - Carbonated Drinks (Cola, Orange, Berry, Energy drinks).

M/S Hilltop Manufacturing and Trading Company intends to capture the huge market which is formed by the areas of Western and Northern Tanzania, DRC Congo and other SADC countries which are near Kigoma region. Therefore, due to the nature of the market the proposed project will not face any marketing problems.

1.9 The Implementation Plan:

It is planned that the project will take 5 years from the Time M/S Hilltop Manufacturing and Trading Company commences implementation of the project to the time it completes the purchasing of all the required machinery and equipment. M/S Hilltop Manufacturing and Trading Company shall appoint a team comprising of a competent people in order to achieve the set implementation time.

1.10 FINANCIAL AND ECONOMIC ANALYSIS

1.10.1 PROFITABILITY:

Based on a set of assumptions given herein, the projects demonstrate a profitable trend in their future operations. The project's Income Statement and Cash Flow indicate that the M/S Hilltop Manufacturing and Trading Company would be able to recoup the planned investment funds within the first six years. This indicates that the project is financially and economically viable. The project will also be liquid enough to meet maturing obligations and demonstrate by the projected cash flow statement

1.10.2 ECONOMIC BENEFITS

The successful operation of this processing plant will contribute significant economic benefits to the Kigoma region and Tanzania as a whole. The execution of this project will bring;

- Employment opportunities for **35** people
- Provision of income to other services providers, thus contributing to the reduction of poverty. The income to be earned will help in improving standard of living of the workers and other people residing in the region.
- The direct income for the workers, combined with other social benefits that the Management will provide, and help in the overall efforts of alleviation of poverty in the Region.

- Provision of a market for goods and services demanded by the expanded tax base to the Treasury and local Government authorities, and generation of substantial income to the Government.
- This project will facilitate opportunities to increase foreign exchange earnings through the export of some of its value products.

2.0 THE PROJECT CONCEPT

The project intends to expand and establish a fully automated plant for juice, carbonated beverages, and bottled water in the Kigoma Region. The automated manufacturing facility will produce bottled juice, carbonated beverages, and bottled water drinks, catering to locals, foreigners, various industries, supermarkets, retail shops, and wholesalers operating in Tanzania and its neighboring countries.

The promoters of the project are well-experienced and have various businesses in Tanzania, and will produce mineral water using the latest equipment for the manufacturing of high-quality mineral water and non-alcoholic drinks

2.1 PROJECT FINANCE

The promoters will partly fund the project, and they will also seek a bank loan from Banks in Tanzania. The promoters have a strong financing background, which ensures the successful Implementation of the project.

2.2 BRIEF PROFILE OF THE INVESTORS

The proposed water, juice, and bottling plant project is being promoted by a locally registered company, namely Hilltop Manufacturing and Trading Company of **P.O. Box 20965**, Kigoma. The following are the shareholders:

Name	Nationality	
Shareholding		
Mohsin Abdullah Lalji	Tanzanian	56%
Nargis Mohsin Lalji	Tanzanian	11
Taslim Mohsin Abdallah Lalji	Tanzanian	33

The shareholders are pioneering industrialists based in Kigoma, Tanzania, and are focused on producing essential consumer goods, with emphasis on mattresses, bottled water, and now expanding into juice and carbonated drinks. The company integrates modern production techniques with a strong commitment to sustainability and regional economic development. The promoters also have vast experience in the Tourism sector with commercial experience, and have capitalized to venture into the new intended lines of business in Tanzania.

2.3 LOCATION

The project will be located at plot no 13, Bangwe village in Kigoma Region. The location is well served by all the necessary infrastructure and environment requirements, and well suited to the nature of the envisaged project.

2.4 SOURCE OF TECHNOLOGY

The plant and machines, plus the related production technology, are a Rotary bottling line with a capacity of 15,000 bottles/hour. will be imported from the Far East and Europe. These machines are expected to produce products to match international standards.

2.5 Capital Investment and Finance

The project cost is estimated at US\$ **2,840,000**, which will be contributed by the sponsors, and some will be a term loan as below

	LOCAL	TOTAL
Land & Building	700,000	700,000
Plant/workshop facilities	1,625,000	1,625,000
Vehicles	115,000	115,000
Furniture and fixture	50,000	50,000
Pre-expenses	-	-
Others	-	-
Working capital	350,000	350,000
Total	2,840,000	2,840,000

2.6 PROJECT FINANCING

The promoters of the project have decided to make contributions and finance the project with equity and the term loan. The working capital will be sourced from local banks.

Source	Amount (USD)
Long-term Loan	2,000,000
Equity	840,000
Total	2,840,000

2.7 LAND AND BUILDING

The sum amounting to **US \$700,000** will be deployed for building construction and rehabilitation

2.8 PLANT AND MACHINERY

The cost of plant and machinery adds up to US\$ **\$1,625,000**

2.9 UTILITIES

The factory is using power from the national grid. There will be an adequate supply of water, and a generator will supplement the electricity.

2.16 MOTOR VEHICLES

Utility pick-ups and trucks will be required. The total of both vehicles will amount to US\$ \$ **115,000**. The project will also purchase one 4-wheel drive non-utility vehicle for the use of the Managing Director.

3.0 THE MARKET

3.1 INTRODUCTION

In Tanzania, the beverage market is a dominant market that plays a significant role in the manufacturing sector and the country's economy in general. As of 2019, the production of soft drinks was measured at 725.1 million liters, an increase from 645.8 million liters in the previous year. In 2018, the consumption of soft drinks in the country was valued at 120 million U.S.

The Beverage market contributes 27.9 percent of the total value of the selected manufactured commodities, as reported in the latest zonal economic performance report in Tanzania in September 2024. The Tanzania soft drink market is expected to witness a robust growth, reaching an estimated market size of USD 660.02 million in 2025, and is projected to grow further to USD 900.90 million by 2030.

Additionally, the regional beverage market in Tanzania has experienced remarkable growth due to improved conditions in the beverage sector and favorable production circumstances, leading to increased demand for these products. The most commonly consumed beverages in Tanzania include soda, juice, and water, which are heavily influenced by the country's weather conditions. Much of Tanzania is characterized by extreme hot or mild warm weather, which drives the demand for refreshments to combat dehydration.

3.2 THE DEMAND

The Tanzanian market for soft drinks is experiencing significant growth, with the key drivers of this growth including urbanization, rising disposable incomes, and the evolving lifestyle that has increased the demand for convenience and refreshing beverages.

Furthermore, Tanzania is also experiencing rapid growth as a result of shifting consumer preferences, a young and expanding population, and a favorable economic landscape. Local and regional soft drinks brands are gaining traction, driven by consumer preferences. Through this growth in consumption patterns, it can be known that the business environment for soft drinks within the country shows a significant potential for succeeding and gaining a market share position. This is an opportunity for both the established players and the new entrants to expand their presence and capture a larger share of the growing market.

With the persistent annual growth rate of 5% to almost 8% since the year 2000, the Tanzanians have shown a significant increase in the consumption of these beverages, which makes the Tanzanian market the most dynamic market in Africa. Tanzanian consumers are extremely drawn to the soft drinks, which include carbonated and non-carbonated beverages and fruit juices, driven by changing lifestyles, rising disposable income, and the need for a convenient, refreshing option.

The proposed project is designed to manufacture drinking water and non-alcoholic drinks which will have several packaging sizes of water products that include, Mineral Water (300ml, 500ml, 700ml, 1.5L, 1.7L), Fruit Juices (Mango, Passion, Pineapple) and - Carbonated Drinks (Cola, Orange, Berry, Energy drinks.



From the above graph, one of the key trends is the growing demand for healthier alternatives such as low-sugar drinks, natural fruit juices, and herbal beverages. There is an increasing popularity of local brands as consumers value their contribution to the local economy and perceive them as fresher options. The demand for convenient products has increased, making soft drinks an integral part of daily consumption. This is due to several macroeconomic factors, including steady GDP growth and improved infrastructure, which have played a vital role in driving market expansion. Additionally, innovation and competition have been spurred by the increase in foreign investments.

3.3 MARKET DRIVERS

1. Rising Disposable income: The Consumer spending power has been enhanced due to the increase in the household incomes in Tanzania, thus more purchases have been increased in non-essential products such as soft drinks. This trend is commonly seen in the urban areas with expanding middle-class populations.
2. Young Population: Tanzania has a large, youthful consumer base that is in between 18 years and 35 years of age that are inclined in the consumption of soft drinks, this drives the market growth of soft drinks in Tanzania.
3. Urbanization: Rapid Urbanization is causing an increase in the demand for on-the-go beverages, which contributes to the growth of the soft drink market as consumers opt for a quick and refreshing option, such as carbonated drinks, juice, and/or bottled water.
4. Health Consciousness: There is a rising focus on health as it has shown a shift in consumer preferences heading toward a healthier approach in their options, this includes low-sugar drinks, natural fruit juices, and herbal beverages. This growing health consciousness is shaping product development.

3.4 MARKET SCOPE

The Soft drinks market in Tanzania encompasses the production, distribution, and consumption of non-alcoholic beverages, which include carbonated drinks, fruit juices, bottled water, herbal

beverages, and low-sugar/natural drinks. Two areas that have been covered are ;

1. **Next to Home Market:** This includes retail sales through supermarkets, hypermarkets, e-commerce platforms, and convenience stores. This is the one segment that identifies the consumers that purchase the soft products mainly for the household use.

2. **Out-of-Home Market:** This includes the sales that are mainly based on hospitality services in some establishments such as restaurants, cafes, bars, and catering services, that are catering to consumers who are seeking beverages in social and dining settings.

3.5 MARKET OPPORTUNITIES

1. Health-Conscious Product development: since there is a growing demand for healthier beverages, this includes low-sugar, natural fruit juices, herbal drinks and functional beverages (vitamin-infused or plant-based drinks). There is an opportunity for brands to capitalize on this trend by expanding their offerings in this category.

2: Growing Youth demographic: Tanzania has a large young population that is more inclined toward the consumption of soft drinks. Having a target on this demographic with products that are tailored to the Youth's preferences, such as energy drinks and the flavored options, shows a significant potential for growth.

3. Innovative and premium beverages: When there is an increase in income of a consumer, there is also an opportunity to make an

introduction to high-quality, premium products like organic juices, craft sodas, and exotic flavors that will cater to the middle class.

4. Expansion of Local and regional Brands: There is a high level of popularity with the local brands in which can be seen with the consumers having a preference of locally produced products. Companies can improve their selling patterns in the local market in which have unique advantage for local flavors.

5. E-commerce growth: The rise of Ecommerce in Tanzania is a new distribution channel that companies can take advantage of while making an entrance to the market this will enable companies to have a significant market share by using the convenience of direct door to door delivery.

3.6 DISTRIBUTION AND SALES

The beverage market is easily dominated through the sales and distribution channels that will be able to help them gain a competitive advantage. This is done through

1. *Strategic Partnerships* in which collaboration with distributors and retailers to expand the company's reach and access.
2. *Pricing Strategies*, where a company is developing a pricing strategy that helps it stay profitable and competitive;
3. *Sales Force*, whereby it is established to target specific accounts to help maintain the relationship with retailers.

In Conclusion, having a large market share in the Tanzanian beverage industry is possible, through establishing a system that will not hinder the growth of the factory but will help on smoothing the activities of the factory. Through product innovation, pricing strategies, and marketing strategies, it will make the market share of the beverage company smooth and profitable.

4.0 MANPOWER REQUIREMENTS AND ORGANISATION

4.1 Manpower Requirements

4.1.1 Total Manpower Requirement

The Company will employ to the tune of **35** workers, including 5 expatriates

4.1.2 Recruitment and Training

4.1.3 Recruitment

All new staff would be recruited at least one month before the plant operations are commenced.

4.1.4 Training

The management of the plant would strive to employ competent and qualified personnel in the beverage business. To reduce costs few senior staff will be trained at the selected locally available institutions. All other supporting staff will be trained on the job. However, it is expected that most of them will have some basic knowledge and experience.

4.1.5 IMPLEMENTATION SCHEDULE

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. Factors such as finalization of civil works, survey, acquisition of machinery and equipment, recruitment of qualified personnel and other factors have been looked into.

5.0 INVESTMENT AND FINANCING

5.1 Assumptions

- The project construction time is assumed to be one year.
- The economic life of the project is 10 years.
- The currency exchange rate of Tshs. 2,600/= to one US\$ has been adopted.
- Reinvestment in vehicles shall be done after every four years.

The total production per annum is **120,000 bottles per day** of mineral water, juices, and carbonated drinks

5.2 OPERATING COSTS

The prices of inputs are assumed to remain constant over the ten years period because under rising inflation the prices and services will rise including those of outputs hence having, the profits margin unchanged.

The operation costs are estimated to be 40 % of the revenue.

5.3 DEPRECIATION

Depreciation rates have been calculated as follows:

Land, building and civil works	4% Straight Line
Vehicle	25% Straight Line
Pre-Operational Expenses	20% Straight Line
Equipment	12.5% Diminishing Value

5.4 Tax

Corporation tax is charged at 30% on profits before tax.

6.0 FINANCIAL AND ECONOMIC ANALYSIS

6.1 INCOME

The project's income at full capacity utilisation is estimated to average at annual sales of **USD 1,346,154**

6.2 PROJECTED CASH FLOWS

The project has a positive net cash flow from year 2 of operation to the tenth year.

6.3 DEVELOPMENT BENEFITS

6.3.1 Developmental Linkages:

Upon Completion of The Implementation Programme and on operational the project will be capable of creating the following:

- ◆ Promote increased availability of juice, carbonated beverages, and bottled water in the Western and Northern Tanzania
- ◆ Generating Foreign Exchange through its export trade which will be exporting some its products to the neighbouring countries
- ◆ Create employment for 35 local indigenous people;
- ◆ Promote inter-regional trade through exports to neighbouring democratic republic of Congo, and East African Region just to mention a few.
- The project will generate income for the Government mainly in the form of corporation tax and VAT.

7.0 CONCLUSION

The undertaking of this expansion project is in line with the Government objective of encouraging proper development of industries in the country. In addition, it will have a positive impact on the development of the region, as it would generate a number of benefits and more positive impact on the economy of the region. The proposed project is technically sound, financially viable, and economically/socially beneficial.

HILLTOP MANUFACTURING AND TRADING COMPANY
INVESTMENT COST

	LOCAL	TOTAL
Land & Building	700,000	700,000
Plant/workshop facilities	1,625,000	1,625,000
Vehicles	115,000	115,000
Furniture and fixture	50,000	50,000
Pre-expenses	-	-
Others	-	-
Working capital	350,000	350,000
Total	2,840,000	2,840,000

HILLTOP MANUFACTURING AND TRADING COMPANY

FINANCING PLAN

Source	Amount (USD)
Long-term Loan	2,000,000
Equity	840,000
Total	2,840,000

HILLTOP MANUFACTURING AND TRADING COMPANY

DEPRECIATION SCHEDULE

US \$

		Rates	1	2	3	4	5	6	7	8	9	10
Land and Building	700,000	4% S. L	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Machinery and Equipment	1,625,000	12.50%	203,125	203,125	203,125	203,125	203,125	203,125	203,125	203,125	-	-
Motor Vehicles	115,000	25%	28,750	28,750	28,750	28,750	-	-	-	-	-	-
Furniture and Fittings	50,000	12.5 %	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	-	-
TOTAL			266,125	266,125	266,125	266,125	237,375	237,375	237,375	237,375	28,000	28,000

HILLTOP MANUFACTURING AND TRADING COMPANY PROJECT PROFIT AND LOSS STATEMENT

US \$

	1	2	3	4	5	6	7	8	9	10
Sales Revenue	807,692	942,308	1,076,923	1,211,539	1,346,154	1,346,154	1,346,154	1,346,154	1,346,154	1,346,154
Cost of sales	323,077	376,923	430,769	484,616	538,467	538,467	538,467	538,467	538,467	538,467
Operating Profit	484,615	565,385	646,154	726,923	807,687	807,687	807,687	807,687	807,687	807,687
Less Depreciation	266,125	266,125	266,125	266,125	237,375	237,375	237,375	237,375	28,000	28,000
Profit before Tax	218,490	299,260	380,029	460,798	570,312	570,312	570,312	570,312	779,687	779,687
Taxes 30%	65,400	89,778	114,009	138,239	171,094	171,094	171,094	171,094	233,906	233,906
Profit after tax	153,090	209,482	266,020	322,559	399,218	399,218	399,218	399,218	545,781	545,781
Accumulated profit	153,090	362,575	991,171	1,313,730	1,712,948	2,511,384	2,910,602	3,309,820	3,855,601	4,401,382

HILLTOP MANUFACTURING AND TRADING COMPANY

PROJECTED CASHFLOW

US\$

	0	1	2	3	4	5	6	7	8	9	10
Cash Inflow											
Equity	2,840,000	-	-	-	-	-	-	-	-	-	-
Total Inflow	2,840,000	-	-	-	-	-	-	-	-	-	-
Operational Inflow											
Profit Before Tax		218,490	299,260	380,029	460,798	570,312	570,312	570,312	570,312	779,687	779,687
Depreciation		266,125	266,125	266,125	266,125	237,375	237,375	237,375	237,375	28,000	28,000
Total Operations Inflow		484,615	565,385	646,154	726,923	807,687	807,687	807,687	807,687	807,687	807,687
Total Cash inFlow	2,840,000										
Cash Outflow											
Investment	2,840,000	-	-	-	-	-	-	-	-	-	-
Operational Outflow		-	-	-	-	-	-	-	-	-	-
Taxation		65,400	89,778	114,009	138,239	171,094	171,094	171,094	171,094	233,906	233,906
Total Cash Outflow		65,400	89,778	114,009	138,239	171,094	171,094	171,094	171,094	233,906	233,906
Net Cash flows	-	419,215	475,607	532,145	588,684	636,593	636,593	636,593	636,593	573,781	573,781