

KILUWA FOILSTECH LIMITED

Business Plan

For

**Manufacturing of Various
Packaging Materials**



1.0 Executive Summary

KILUWA FOILSTECH LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No. 179457628 dated 7th November, 2024.

The manufacturing facilities will be located at **Kiparang'anda Village, Mkuranga District, Coastal Region.**

This location is suitable for this business. The location is suitable for this kind of production as the machines are environmentally friendly and the infrastructure for new factory and roads are good to connect to other areas of the city and upcountry.

The communications on the area are quite good to support the development of the business as the factory is close to the main road, spacious that it can accommodate large fleet of Lorries for deliveries of raw materials from the port and the delivery van. Its strategic location within the consumers' area increases the marketability of the products.

The plant will be powered by TANESCO and a 20 kVa stand by generator will be in place to support the erratic power supply from the giant utility supplier.

The Coast region is the most accessible area to locate a new factory. The growth of the city of the region over the last decade has created a reliable road network to most major cities and towns in the northern and central parts of Tanzania (in fact, Dar es salaam is known as the Gate Way to all regions and neighbouring countries. In addition, it should be noted that the location of the company allows for a strong penetration strategy due to its close proximity the other regions and neighbouring countries.

The project will acquire some trucks and for the transportation of the raw materials to the factory and finished products to the markets.

The major products will be:

- Copper foil,
- Silver foil,

- Gold foil,
- Stainless steel foil. And other packaging materials

The project promoter expects to serve domestic market and later will enter into export markets where they anticipate selling produced products in Malawi, Zambia and in other foreign markets.

1.2 Business Background of Promoters

The Shareholders are local investors who have vast experience in production of packaging materials; they have been in the sector for more than 10 years in Tanzania.

Names of Shareholders	% of Shares	Nationality
Kiluwa Group of Companies Limited	99.8	Tanzania
Mohamed Said Kiluwa	0.2	Tanzania

2.0 Legal Status & License.

KILUWA FOILSTECH LIMITED is planning to apply and get government approval to operate such business in Tanzania. Such as:

- Certificate of incentives
- Industrial license
- Business license
- Osha
- TBS
- Nemc etc.

3.0 Management & Organizational Structure

All aspects of the operations will be managed by the shareholders for the initial three years; there will be a requirement for **55** production staff. These employees will be primarily in production. The administration, marketing and finance functions will be managed by the key managers i.e. the promoters. The accountancy function will be outsourced initially. Books will be kept manually during year one but it is intended to

invest in a computerized software accountancy package (e.g. Sage)

The summary of employees is as following

Gender	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	1	5	10	16
Men	4	8	27	39
TOTAL	5	13	37	55

4.0 Market Analysis

The market analysis conducted indicates that there are no other high volume local manufacturers of foil such as: copper foil, silver foil, gold foil, and stainless-steel foil in Tanzania. At present there are few companies which produce various packaging materials in Tanzania though the demand is increasing rapidly; this market requires the supply of a quality, volume fulfilment and pack off service.

4.1 Market Demand

As indicated in the previous section, a market has been identified. Market research indicates the market for

various packaging materials is estimated to 20,000,000 units per year.

KILUWA FOILSTECH LIMITED has set its sales target processing of 30tons per day equal to 1,000,000 units per year which is equal to 5% of market share

4.2 Competitive advantage over Importers.

As previously stated, potential customers are purchasing mainly from the China, Kenya etc. resulting in excessive lead times, high “minimum order quantities” and significant transportation costs

4.3 Current Local producers

Since the demand is greater than the supply, current local producers require the customer to place orders at least 5 five days before, this is gap which need to be fulfilled by **KILUWA FOILSTECH LIMITED**

4.4 Target Market

KILUWA FOILSTECH LIMITED has identified potential customers such as exporters, manufacturer, Transporters

and wholesalers as key potential customers in each market segment. The intention is to target the materials/purchasing departments in no more than four companies in each segment. Once the customer relationship develops, and credibility is assured, the offer will be extended to other customers

4.5 Competitive Environment

KILUWA FOILSTECH LIMITED aim to offer a similar range of products as those offered by local producers and imported foil besides aluminum foil, such as: copper foil, silver foil, gold foil, and stainless-steel foil competitors. However, with its proximity to its customer base **KILUWA FOILSTECH LIMITED**. Will be in a position to offer lower “minimum order quantities”, quicker lead times and reduced transport costs. The company will invest in the most up to date equipment, which will minimize labour costs, drive production yields and minimize unit production cost.

4.6 Product Proposition

The business will produce and supply a range of quality, low cost packaging materials, in real time to customers in its market segments. Furthermore, the company will emphasize its product quality by becoming accredited to ISO9002 as quickly as possible (ISO 9002 is an internationally recognized quality assurance system and will engender customer confidence in the quality of our products and also get TBS approval

4.7 Channels of Distribution

The geographic market area will be the Dar es Salaam Potential customers will be sourced across all market segments; the company will establish 1 selling centers in each district in Dar es Salaam Region totaling 4 selling centers

5.0 Market strategy

To ensure customer specification / design is fully understood, face to face sales and service is required. By offering expert advice it will be possible to identify

customer needs and find solutions to offer quality product at as low price as possible.

5.1 Advertising

An overall marketing budget has been agreed to ensure the target market are made aware of the product and its unique selling points. In terms of advertising, there will be limited, but focused ads and editorial placed in a selection of relevant trade journals.TV, Newspapers, and Radio.

5.2 Personal Selling

The principle marketing tool that will be employed by **KILUWA FOILSTECH LIMITED** will be direct and personal selling. Cold calling, comprising of telesales and customer visits, will be the main thrust of the sales effort. Sales calls will emphasize the advantages of using an Irish based supplier (including low cost production and unparalleled lead times

6.0 Manufacturing Process

KILUWA FOILSTECH LIMITED will supply a range of packaging materials to meet the specifications and requirements of the targeted customer sectors.

The manufacturing process will be guided by the philosophy of (JIT) Justin Time Manufacturing, thus ensuring the minimum amount of working capital is tied up in stock. The machinery sourced has the capability of finishing the product to the standard requirements of each of the targeted sectors. The products will be designed to match customer requirements with the company offering attractive, functional and unique solutions. The manufacturing strategy ensures that **KILUWA FOILSTECH LIMITED** act as a technical design function to its customer base, thus ensuring customer satisfaction and profitable growth. The manufacturing equipment chosen is fully automated and requires limited la

bour involvement, thus ensuring a competitive unit production cost. The bulk of the raw materials required can be sourced in Ireland from a number of different suppliers.

7.0 Project's Investment Capital

The estimated capital investment cost of the project is US \$ 1,160,000.

KILUWA FOILSTECH LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	400,000.00
Machinery & Equipment	420,000.00
Motor Vehicles	200,000.00
Furniture & Fixtures	60,000.00
Pre exp	20,000.00
Others	10,000.00
Working Capital	50,000.00
TOTAL	1,160,000.00

For the project to be a reality a total investment amounting to US \$1,160,000 is needed

7.1 Financing Pattern

The project will be financed by equity by 50%

8.0 Aspects of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The growing demand for foil such as: copper foil, silver foil, gold foil, and stainless-steel foil products locally and in neighboring countries gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

8.1 Monitoring and Evaluation

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

9.0 Financial Analysis

9.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied.

It is assumed that the major raw material will be procured from local market. Textiles products will be manufactured at the factory. Revenues have been conservatively estimated based on experience of the promoters and trends in the industry.

9.2 Projected Sales Revenue

For projection purposes, it is assumed that the economic life of the project is 8 years, and that production of the different types of packaging materials commence from the first year of operation.

	1	2.	3	4	5	6	7	8
Revenue	1,630,800	1,793,880	1,973,268	2,170,594	2,387,654	2,626,419	2,889,061	3,177,967

9.3 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project commence earns profit in 4th year. Accumulated after tax profits grow from. US \$(22,384) in first year to US \$ **2,495,644** in the 8th year.

9.4 Projected Cash Flows

This is shown in the financial statements. The project accumulated cash from grow from US\$ (76,784) in the 1st year to US \$ 2,445,088 in the 8th.

9.5 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$ 1,160,000 in the first year of operation to US \$ 3,655,644 in the 8th year.

10.1 Economic Aspects

Implementation of this project will have the following social and economic values

- The project will involve transfer of technology.
- The project will create employment for **55** people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will earn substantial amounts of foreign exchange.

10.2 Implementation

Project implementation is expected to be relatively very short once project has been approved it is estimated that ordering and assembling of machines will take approximately 16 months: -

	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	April 2025
2	Ordering of plant and machineries and Vehicles	April –July 2026
3	Arrival of Plant, Machinery and Vehicles	September 2026
4	Assembling and fixing machines	Sept-Nov 2026
5	Testing machines	January -2027
6	Commercial production	April -2027

11.0 Conclusion and Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 2022.

KILUWA FOILSTECH LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT

	1	2	3	4	5	6	7	8
Revenue	1,630,800	1,793,880	1,973,268	2,170,594	2,387,654	2,626,419	2,889,061	3,177,967
Cost of Sales	1,598,184	1,775,941	1,953,535	1,519,416	1,671,358	1,838,493	2,022,343	2,224,577
Profit before Depreciation & Interest	32,616	17,938	19,732	651,178	716,296	787,925	866,718	953,390
Depreciation	55,000.	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Net Profit	(22,384)	(37,061)	(35,267)	596,178	661,296	732,925	811,718	898,390
Tax (30%)	-	-	-	178,853	198,388	219,877	243,515	269,517
Profit After Tax	(22,384)	(37,061)	(35,267)	417,324	462,907	513,048	568,202	628,873
Accumulated Profit	(22,384)	(59,445)	(94,712)	322,612	785,519	1,298,567	1,866,770	2,495,644

KILUWA FOILSTECH LIMITED PROJECTED CASH FLOW US\$

	-	1	2	3	4	5	6	7	8
SOURCES:									
Profit before interest and depreciation	-	32,616	17,938	19,732	651,178	716,296	787,925	866,718	953,390
Loan	-								
Total Sources	-	32,616	17,938	19,732	651,178	716,296	787,925	866,718	953,390
Applications:									
Capital expenditure	1,080,000	0	0	0	0	-	0	0	0
working Capital & Others	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Cash	-	(76,784)	(62,067)	(60,268)	571,178	437,905	488,048	543,203	603,873
Tax	-	-	-	-	178,853	198,388	219,877	243,515	269,517
Sub total	1,160,000	3,216	17,933	19,732	651,178	716,293	787,925	866,718	953,390
Total applications	1,160,000	3,216	17,933	19,732	651,178	716,293	787,925	866,718	953,390
Accumulated cash		(76,784)	(138,851)	(199,119)	372,059	809,964	1,298,012	1,841,215	2,445,088

KILUWA FOILSTECH LIMITED PROJECTED BALANCE SHEET USD

	0	1	2	3	4	5	6	7	8
Fixed Assets	-								
Opening balance	-	1,080,000	1,345,000	1,734,450	1,844,700	2,269,250	2,229,600	2,190,750	2,152,700
Total Long-term Assets	-	1,080,000	1,345,000	1,734,450	1,844,700	2,269,250	2,229,600	2,190,750	2,152,700
Less depreciation	-	55,000	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	55,000
Closing balance	-	1,025,000	1,290,000	1,679,450	1,789,700	2,214,250	2,174,600	2,135,750	2,097,700
Working capital	80,000	80,000	80,000.00	80,000	80,000	80,000.00	80,000.00	80,000.00	80,000
Accumulated cash	-	-76,784	-138,851	-199,119	372,059	809,964	1,298,012	1,841,215	2,445,088
Total assets	80,000	1,028,216	1,231,149	1,560,331	2,241,759	3,104,214	3,552,612	4,056,965	4,622,788
Financed by									
Equity	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000
Net profit	-	-22,384	-59,445	-94,712	322,612	785,519	1,298,567	1,866,770	2,495,644
Total equity	1,160,000	1,137,616	1,100,555	1,065,288	1,482,612	1,945,519	2,458,567	3,026,770	3,655,644
Total equity and debts	1,160,000	1,137,616	1,100,555	1,065,288	1,482,612	1,945,519	2,458,567	3,026,770	3,655,644