

**ATHS GENERAL TRADING CO. (T) LIMITED**  
Timber Processing and Exportation

**Comprehensive Business Plan**  
May 2025

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## **EXECUTIVE SUMMARY**

ATHS General Trading Co. (T) Limited is a Tanzanian-incorporated enterprise established to develop and operate a state-of-the-art timber processing facility in the Mafinga area of Iringa Region. The company will engage in sustainable timber harvesting, processing, and exporting of high-grade timber for furniture, construction, and design applications. The strategic goal is to meet growing demand in East Africa, the Middle East, and Europe for high-quality timber products while supporting environmental sustainability and local economic development.

## **OUR MISSION**

To become a leader in the sustainable timber processing industry by delivering superior quality products to global markets while empowering Tanzanian communities.

## **OUR VISION**

To be the foremost timber exporter in East Africa known for quality, innovation, and environmental stewardship.

## **COMPANY SYNOPSIS**

ATHS General Trading Co. (T) Limited is managed by experienced forestry professionals and investors. The company will leverage advanced sawmilling technologies and environmentally conscious practices to establish itself as a trusted timber brand in Africa and abroad. It is headquartered in Dar es Salaam with operational facilities in Mafinga.

## **TEAM OVERVIEW**

Led by CEO Mohamed Salim Ali, the leadership team includes financial and operations professionals with decades of industry experience. The initial team will consist of 2 expatriates and 50 Tanzanian staff covering operations, logistics, administration, and export services.

## **ORGANIZATIONAL STRUCTURE**

The company adopts a flat structure initially, promoting open communication and efficiency. Teams are divided into production, quality assurance, logistics, finance, and human resources. Functional leadership will evolve as operations scale up.

## **COMPANY GOALS AND OBJECTIVES**

- Start commercial operations by June 2025.
- Process and export over 2,000 tons of timber by the end of year one.

- Develop 3 long-term export partnerships in Kenya and UAE.
- Achieve annual revenue growth of 20%.
- Operate under certified sustainable forestry practices.

## **MARKETS AND PRODUCTS**

The company will primarily serve:

- East Africa (Kenya, Rwanda)
- Middle East (UAE, Saudi Arabia)
- Europe (furniture markets in Germany, Netherlands)

Main products include:

- Sawn timber (various grades)
- Kiln-dried wood
- Custom dimension wood blocks for furniture
- Construction timber

## **PRODUCT DESCRIPTION**

The core product line includes kiln-dried and air-dried timber produced from sustainably harvested logs. Timber is cut, processed, graded, and packaged for shipment in standard sizes or custom dimensions. All products comply with international phytosanitary and quality standards.

## **ADVANTAGES**

- Direct access to raw timber in Iringa.
- Experienced leadership team with export networks.
- Adherence to environmental regulations and certifications.
- Competitive pricing due to local sourcing and efficient production.

## **MARKET COMPARISON**

While many competitors operate informally or export raw logs, ATHS offers value-added processed timber, giving it a strong competitive advantage. Certified quality and tailored products further distinguish its brand.

## **COMPETITION**

Primary competitors include:

- Small Tanzanian sawmills with limited export capacity.
- Kenyan traders reprocessing Tanzanian timber.
- Importers from Congo and Mozambique selling similar products.

ATHS positions itself above them with premium processing and sustainability credentials.

## **INDUSTRY AND MARKETPLACE ANALYSIS**

Global timber demand is rising, especially for construction and furniture. EU regulations increasingly favor legal and traceable timber, which Tanzania can provide. Tanzanian sawmills are transitioning from raw log exports to value-added processing.

## **CUSTOMER ANALYSIS**

### **Primary customers:**

- Wholesalers in Kenya and UAE
- Furniture producers in Europe
- Construction firms and import/export agencies

### **Secondary markets include:**

- Hardware chains and retail lumberyards.

## **COMPETITOR ANALYSIS**

SWOT benchmarking reveals ATHS will outperform peers in quality, volume, and logistics. The greatest challenge is breaking into established supplier relationships, which will be addressed via trade shows and B2B networking.

## **SWOT ANALYSIS**

### **Strengths:**

1. Access to high-quality timber

The business has reliable sources of timber that meet high standards. High-quality timber is sought after for various applications, making it a valuable resource that can attract customers.

2. Export-ready infrastructure

The presence of established facilities and systems geared towards exporting goods ensures that products can be shipped efficiently and effectively. This capability broadens market reach and enhances competitiveness in international markets.

3. Strong local and foreign investment

The influx of investments signifies confidence in the company's potential. Local and foreign investments can provide financial stability, enhance operational capabilities, and facilitate growth initiatives.

## Weaknesses:

### 1. New market entrant:

Being a new player means facing the challenge of building brand recognition and trust among potential customers. It may take time to establish a solid market position and customer base.

### 2. Dependence on third-party logistics:

Relying on external logistics providers can lead to vulnerabilities, such as delays or increased costs. It may also limit control over the shipping and delivery process, which can affect customer satisfaction.

## Opportunities:

### 1. Plastic bans increasing demand for wood:

With a growing trend towards banning plastic products, there is a rising demand for sustainable, wood-based alternatives. This trend presents an opportunity for the business to market and sell eco-friendly timber products effectively.

### 2. New EU sustainability policies favoring traceable timber:

These policies create a favorable working environment for businesses that offer responsibly sourced timber. Adhering to these regulations will attract green-conscious customers and open up partnerships with organizations that prioritize sustainability.

## Threats:

### 1. Regional instability:

Political or economic instability in the region can disrupt supply chains, affect market conditions, and pose risks to business operations, making it essential to have contingency plans.

### 2. Currency exchange fluctuations:

Variability in currency exchange rates can impact profitability, especially when dealing internationally. Businesses must have strategies in place to mitigate the risks associated with currency changes.

## Marketing Strategy

### 1. Direct B2B marketing via international trade expos:

Participating in trade expos allows direct engagement with potential B2B clients. This approach facilitates networking, showcases products, and builds relationships with industry leaders and buyers.

### 2. Digital platforms (Alibaba, TimberWeb):

Using well-known digital platforms enables easy access to a wide range of international buyers. These platforms help in reaching a global audience and can streamline the sales process through online transactions.

### 3. Industry magazines and forestry associations:

Advertising in industry publications and collaborating with forestry associations can enhance visibility among target markets. It positions the business as a thought leader and can generate leads through targeted readership.

### 4. Partnership with export agents and logistics providers:

Collaborating with experienced export agents and logistics firms can facilitate smoother transactions and distribution. This partnership can reduce the complexity of international shipping and increase customer satisfaction through reliable service.

## **OPERATIONS**

The operations timeline outlines key milestones for a project, detailing the schedule for specific activities:

### 1. Land Acquisition (May 2025)

This is the first step where the necessary land for the project will be purchased or leased. Securing the land is crucial for the subsequent phases.

### 2. Machinery Installation (August 2025)

This stage involves setting up and installing the required machinery. This is vital to ensure that the facility is equipped for production.

### 3. Trial Production (December 2025)

Before moving into full-scale production, trial runs will be conducted to test machinery and production processes. This phase helps identify any issues that need to be addressed.

### 4. Full Production (January 2026)

After successful trial production, the project will transition to full-scale production. This indicates that the facility is fully operational and producing goods as intended.

Operations will use a single-shift model initially with potential for double shifts depending on demand.

Overall, each phase depends on the successful completion of the previous one, leading to the commencement of full operations by January 2026.

## **LOCATION & FACILITY**

The plant will be based in Mafinga, Iringa Region—known for dense forest cover and proximity to timber sources. The facility will span ~500 sqm and include sawmill equipment, drying sheds, and a logistics bay.

## **INVENTORY**

Inventory management will follow a just-in-time model to reduce warehousing costs. Raw logs will be kept for 2 weeks max, with 4-week cycles for processed timber ready for shipment.

## **IMPORTANT ASSUMPTIONS**

### **1. Stable Timber Supply from Iringa**

This means that the region of Iringa is expected to consistently provide a reliable amount of timber. A stable supply is crucial for businesses that depend on timber for production, as it ensures they can meet demand without significant disruptions or price fluctuations.

### **2. Government Support for Exporters Continues**

This assumption suggests that the government will maintain its support for businesses involved in exporting goods, such as timber. This support could include financial aid, favorable trade regulations, or infrastructure development, which can help exporters remain competitive in international markets.

### **3. International Market Demand Remains High**

High demand in international markets indicates that there is a strong interest in purchasing timber from abroad. This could be driven by various factors, such as growth in construction industries or sustainability efforts that increase the need for timber products.

#### 4. No Major Policy Shifts on Export Licensing

This means that the regulations or policies governing how exporters obtain licenses to sell their products abroad are expected to remain unchanged. Stability in licensing policies is vital for exporters as it fosters predictability and reduces compliance costs.

#### 5. Exchange Rate Remains Within +/-10% Band

This assumption refers to the expectation that the currency exchange rate will fluctuate within a 10% range. A stable exchange rate is essential for exporters, as it affects the pricing of goods in foreign markets and helps manage financial risks associated with currency fluctuations.

These assumptions outline a favourable and stable environment for timber exporters that rely on consistent supply, governmental support, strong international demand, stable policy frameworks, and manageable exchange rate fluctuations.

### **Investment Financing Plan in Million US\$/Tshs.**

1. Foreign Equity (Tsh 750,000,000): This represents funds coming from investors outside the country. Foreign investors might bring not only capital but also expertise, networks, and possibly new technology. Attracting foreign equity can enhance your project's credibility and open up international markets.

2. Local Equity (Tsh 250,000,000): This is the investment coming from domestic sources, such as local investors or institutions. Local equity is crucial for gaining community support and fostering relationships with national stakeholders. It shows that locals believe in the project's potential.

Total Investment: The total financial backing for the investment plan is Tsh 1,000,000,000 (750,000,000 + 250,000,000). This diversified approach can mitigate risks and provide a stable foundation for the project.

## SALES FORECAST

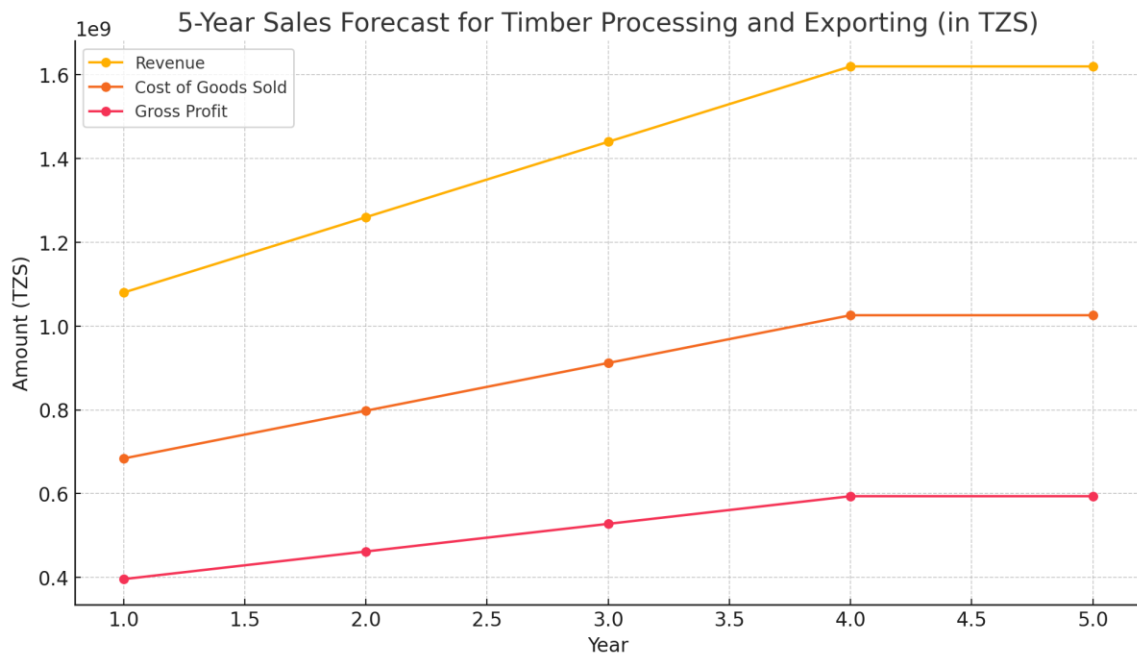
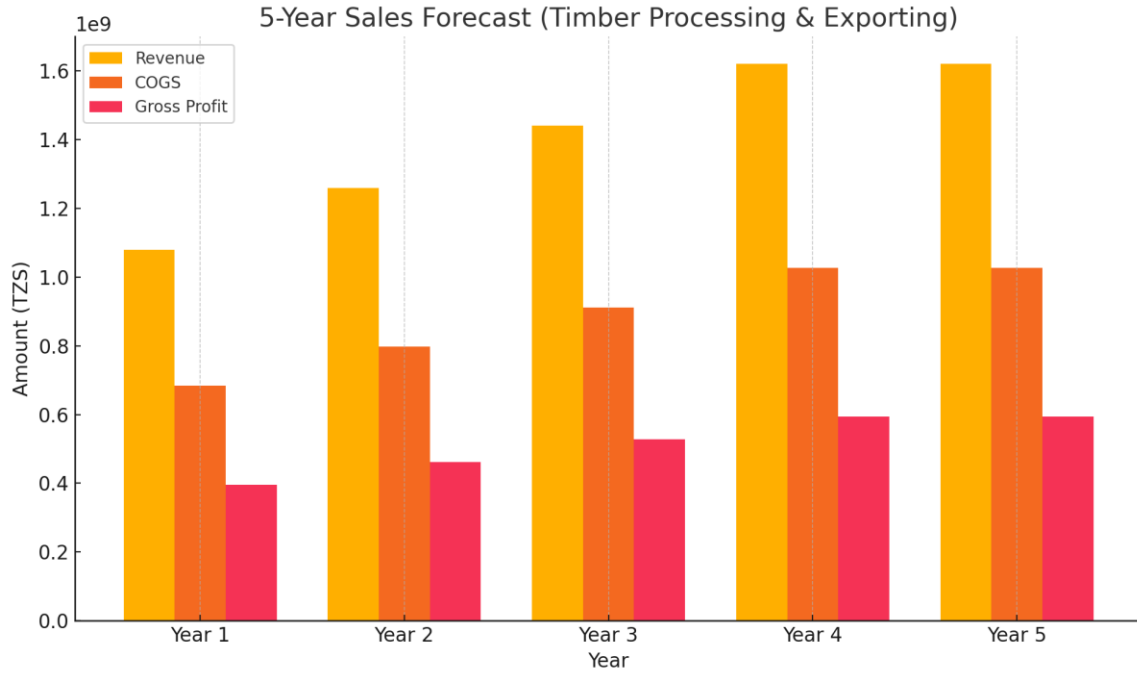
Production capacity starts at 60% and ramps up to 90% by Year 5. Initial investment of TZS 1,000,000,000 covers land, machinery, kilns, working capital, and initial operations.

Average selling price: TZS 1,500,000 per ton of processed timber (export price).

Processing capacity at full scale: 1,200 tons/year.

### Sales Forecast (in TZS)

Year	Production Capacity	Timber Sold (Tons)	Revenue	Cost of Goods Sold	Gross Profit
2026	60%	720	1,080,000,000	684,000,000	396,000,000
2027	70%	840	1,260,000,000	798,000,000	462,000,000
2028	80%	960	1,440,000,000	912,000,000	528,000,000
2029	90%	1,080	1,620,000,000	1,026,000,000	594,000,000
2030	90%	1,080	1,620,000,000	1,026,000,000	594,000,000



# Profit and Loss

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## ATHS GENERAL TRADING CO. (T) LIMITED

<b>Trading Income</b>	
Other Revenue	354,566,700.00
Sales	1,209,907,780.00
Total Trading Income	1,564,474,480.00
<b>Cost of Sales</b>	
Cost of Goods Sold	631,194,480.00
Total Cost of Sales	631,194,480.00
<b>Gross Profit</b>	<b>933,280,000.00</b>
<b>Operating Expenses</b>	
Consulting & Accounting	7,000,000.00
Electricity	27,000,000.00
General Expenses	35,800,000.00
Insurance	5,000,000.00
Legal expenses	12,000,000.00
Marketing & Advertising	5,400,000.00
Motor Vehicle Expenses	53,000,000.00
Office Expenses	22,100,000.00
Rent	76,500,000.00
Repairs and Maintenance	105,000,000.00
Telephone & Internet	8,300,000.00
Travel - International	14,920,000.00
Travel - National	3,660,000.00
Wages and Salaries	45,600,000.00
Total Operating Expenses	421,280,000.00
<b>Net Profit</b>	<b>512,000,000.00</b>