

*EEL CABLE EAST AFRICA LIMITED*

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*PLOT 318 and 317, BLOCK A, CBD, KIBAHA TOWN*

*COUNCIL,*

*PWANI, TANZANIA*

*Business Plan*

# *EEL CABLE EAST AFRICA LIMITED*

## **1. EXECUTIVE SUMMARY**

EEL CABLE EAST AFRICA LIMITED is a corporation domiciled in the United Republic of Tanzania. The Company is owned by two shareholders, Mr. Bin Wang and Mr. Junfeng Feng, who intend to invest in the manufacturing sector in Tanzania. This business plan outlines the company's intention to initially lease a suitable facility to commence cable manufacturing operations, with plans to subsequently acquire land and develop a dedicated manufacturing plant. The project aims to produce high-quality electrical cables to meet the growing demand in Tanzania and the East African region, while contributing to industrial development and job creation.

The estimated investment cost is approximately United States Dollars One Million Five Hundred Thousand (USD 1,500,000), which will be funded through shareholder contributions.

## **2. OBJECTIVES**

2.1 The primary objective of this investment is to:

- a) Acquire land for the development of a cable manufacturing facility.
- b) Develop and construct a modern factory equipped with state-of-the-art manufacturing infrastructure.
- c) Manufacture high-quality electrical cables to meet local and regional demand.
- d) Create sustainable employment opportunities and contribute to the industrial growth of Tanzania.

2.2 The development will focus on establishing a modern, well-equipped manufacturing facility dedicated to the production of high-quality electrical cables, incorporating advanced technology and ensuring a safe and efficient operational environment.

## **3. INVESTMENT COST**

3.1 The total investment cost is USD 1,500,000 which will be divided as follows:

- 3.1.1 **Land acquisition:** USD 120,000 for the purchase of land measuring 20,000 square meters.

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3.1.2 **Factory construction:** An investment of USD 250,000 is earmarked for the construction of essential factory infrastructure to support efficient and secure operations. This includes land preparation such as leveling and hardening, construction of a perimeter wall for security, and a water tower to ensure reliable water supply. The project will also involve the installation of surveillance systems, the development of administrative office space, residential units for key personnel, dedicated security rooms, and warehouses for storing raw materials and finished products. This comprehensive setup is designed to provide a functional, safe, and sustainable environment for the factory's day-to-day operations.

3.2 The funding for the project will be sourced entirely from shareholder contributions.

## **4. EMPLOYMENT**

The project will create approximately 70 local employment opportunities. These positions will include roles in security, factory management, logistics coordination, office administration, and general maintenance. Local recruitment will be prioritized, contributing to the socio-economic development of the region and country at large.

## **5. PROCUREMENT AND MATERIALS**

5.1 The procurement of materials for the project will be conducted in two ways:

5.1.1 **Local Procurement:** Most of the materials for factory development will be procured locally.

5.1.2 **Imports:** Certain raw materials and equipment, which are not readily available locally, will be imported from China or Bahrain.

## **6. MARKETING PLAN**

6.1 Once completion of the manufacturing facility, the focus will shift to launching a comprehensive marketing campaign to promote the company's high-quality electrical cables. Efforts will target key industries such as construction, energy, and

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telecommunications within Tanzania and the wider East African region. The marketing strategy will emphasize product reliability, competitive pricing, and timely delivery to attract and secure long-term contracts with distributors, wholesalers, and end-users, thereby driving sales growth and establishing the company as a leading cable manufacturer in the region.

6.2 Key strategies for marketing and attracting tenants include:

6.2.1 **Networking and Partnerships:** Engage with companies, importers, exporters, who would benefit from electrical products.

6.2.2 **Targeted Outreach:** Direct marketing campaigns, including outreach to international companies.

6.2.3 **Incentives and Discounts:** Offer introductory discounts to attract initial purchasers.

## **6.3 IMPLEMENTATION TIMELINE**

6.3.1 The project will be executed according to the following timeline:

6.3.1.1 **Land Purchase:** The acquisition of land will be completed by 2025.

6.3.1.2 **Infrastructure Development:** Development work, including land leveling, hardening, perimeter wall construction, and other infrastructure, will be completed by 2026.

6.3.1.3 **Full Business Operations:** Full operations will commence once the facility is ready secured which the same is expected by mid 2026.

## **7. FINANCIAL FORECAST**

7.1 **Sales Revenue:** From Year 2 to Year 5, the projected sales revenue for the cable manufacturing factory is expected to grow steadily, starting at USD 250,000 in Year 2, increasing to USD 500,000 in Year 3, USD 750,000 in Year 4, and reaching USD 1,000,000 by Year 5. This growth reflects the planned scale-up in production capacity and market expansion efforts as the factory operations stabilize and gain market traction.

7.2 **Cash Flow:** Positive cash flow is expected to commence immediately as cable production and sales begin, supported by growing market demand and increasing revenue over time.

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## **8. RISK ASSESSMENT AND MITIGATION**

8.1 While the project has a promising outlook, there are certain risks to consider, including:

8.1.1 Delays in Infrastructure Development: Construction delays may extend the timeline. Mitigation strategies include having contingency plans and reliable contractors to ensure on-time delivery.

8.1.2 Volatility in raw material prices: particularly for copper, aluminum, and PVC, which are essential components in cable manufacturing. As these materials are subject to global price fluctuations, the company plans to manage this risk through long-term supplier agreements, strategic inventory management, and exploring local sourcing opportunities where possible.

8.1.3 Operational risks: such as equipment failure, production delays, and inefficiencies could disrupt output and hinder the company's ability to fulfill orders. This will be addressed by investing in high-quality machinery, implementing routine preventive maintenance schedules, and providing ongoing technical training for production staff to ensure operational continuity and efficiency.

8.1.4 Market Changes: Fluctuations in demand for warehousing could impact rental rates. Ongoing market research and diversification of potential tenants will help mitigate this risk.

8.1.5 Human resource risks: such as shortages of skilled labor or high staff turnover, could impact productivity and increase recruitment costs. The company plans to address this by offering competitive compensation, fostering a positive and safe work environment, and investing in continuous staff training and development.

8.1.6 Regulatory and compliance risks particularly in adhering to health, safety, and environmental standards enforced by Tanzanian authorities such as TBS, OSHA, and NEMC. To manage this, the factory will establish a compliance framework, conduct periodic internal audits, and assign dedicated personnel to oversee and ensure adherence to all applicable regulations.

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## **9. CONCLUSION**

This cable manufacturing investment project presents strong potential for growth and profitability within the industrial and infrastructure development sectors. Backed by a clear and structured plan covering land acquisition, factory construction, machinery installation, marketing, and financial forecasting, the project is well-positioned to generate consistent revenue through cable sales and contribute to import substitution. With an expected break-even period of 3.5 years and significant infrastructure development, the project also aims to stimulate local employment and support economic growth, making it a valuable and sustainable investment opportunity in the manufacturing sector.

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## CASH FLOWS PROJECTIONS FOR FIVE YEARS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Cash Inflows:</b>	2025	2026	2027	2028	2029
<b>Amount in</b>	\$	\$	\$	\$	\$
Authorized Shared Capital	1,500,000	-	-	-	-
Sales Revenue	-	250,000	500,000	750,000	1,000,000
Scrap Sales & Other	-	10,000	15,000	20,000	25,000
<b>Total Cash Inflows</b>	<b>1,500,000</b>	<b>260,000</b>	<b>515,000</b>	<b>770,000</b>	<b>1,025,000</b>
<b>Cash Outflows:</b>					
Land Acquisition	120,000	-	-	-	-
Legal fee and Permits	10,000	-	-	-	-
Site Preparation	20,000	-	-	-	-
Factory Construction Phase 1	250,000	100,000	-	-	-
Factory Construction Phase 2	-	100,000	50,000	-	-
Office & Admin Block	30,000	20,000	-	-	-
Machinery (Extruders)	200,000	100,000	100,000	-	-
Testing and Lab Equipment	25,000	15,000	-	-	-
Vehicles (Delivery Vans)	40,000	-	-	-	-
Raw Materials (Copper, PVC)	-	100,000	200,000	300,000	400,000
Factory Labor Wages	-	60,000	80,000	100,000	120,000
Utilities (Electricity, Water)	-	30,000	35,000	40,000	45,000
Admin Salaries	-	50,000	60,000	70,000	80,000
Marketing and Sales	-	25,000	30,000	35,000	40,000
Transport and Distribution	-	15,000	20,000	25,000	30,000
Maintenance and Spares	-	10,000	15,000	20,000	25,000
Insurance and Licenses	5,000	5,000	5,000	5,000	5,000
Office Running Costs	-	8,000	10,000	12,000	15,000
<b>Total Cash outflows</b>	<b>700,000</b>	<b>638,000</b>	<b>605,000</b>	<b>607,000</b>	<b>760,000</b>
<b>Net cash inflow/(outflow)</b>	<b>800,000</b>	<b>(378,000)</b>	<b>(90,000)</b>	<b>163,000</b>	<b>265,000</b>
Balance b/f	-	800,000	422,000	332,000	495,000
<b>Balance C/f</b>	<b>800,000</b>	<b>422,000</b>	<b>332,000</b>	<b>495,000</b>	<b>760,000</b>