



# GLOBAL TRUST

## Global Trust Company Limited Corporate Business Plan

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### 1. Executive Summary

This business plan is a proposal for Global Trust Company Ltd., a potential company venturing to obtain market share in the Tanzania timber frame homes market with their unique Inside-Out Beams. This business plan highlights the key concepts of the product design and development, as well as explains the fundamental values and organization of Global Trust Company Ltd Wood Products Ltd.. The product is manufactured from small-diameter Douglas-fir trees of approximately 80 years old that have above-average strength and aesthetic properties. Removal of the raw material from Interior Forests.

By performing the service, the product becomes an eco-friendly substitute to other structural products. Aside from environmental friendliness, the product has dimensional integrity at or above those of other structural products in the market, and a unique aesthetic appeal. An interaction of heartwood and sapwood creates a light/dark design, which is free of defects, and appeals to a timber frame market where visual quality is important.

#### 1.1 Company

Global Trust Company Limited is a Company Limited by shares incorporated under the company Act 2002 having a certificate of Incorporation number 155290919. The company deals with number of different activities ranging from forest production and products, mining and supply of agricultural machinery and equipment in one hand and manufacturing and production of different articles crops, services of electronics , international marine services , freight forwarding services ( export & import ) , inland ( road ) transport ) , shipping agency , mechanical, building, real estate, foodstuffs and other financial activities on the other hand.

Our initial plan is to process logging, production of timbers, manufacturing wood products and mixed farming activities. The purpose of GTC is to provide with the customer the

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Products which fit their preference and standard of the Middle East specially EGYPT, West and Far East of African customers with strong, reliable and exceptional quality wood products for both industrial and domestic uses with a competitive pricing.

## **IQ Product and Service**

Global Trust Company Limited prepares, manufactures and supplies forest and wood products including logs, timbers and timber products of different size and types, the production of timber is mainly ranging from soft woods to hard wood, timbers processed are from various indigenous tree including pine (paina, saplas), Pod carpus (mpodo), Milicia excels (mvule), Eucalyptus camaldulensis (Mkaratusi, Mlingoti), basing on the knowledge, expertise and experience of environment and customers need, we will work in real-time and high quality level of services with our customers to meet their quality needs, which will reduce and even remove errors in size and defects in the use of our products. In turn, this will save the customer's time and money for reordering. We plan to position ourselves as a forward-thinking company and service oriented that continually invests in new ideas and with new technologies unlike our competitors with similar manufacturing wood products. Because of our unique approach, expertise and expected new sophisticated technology and efficient processes we will be in a position to potentially compete on price and high quality. As this manufacturing business plan will outline, our unique approach gives us a definitive advantage.

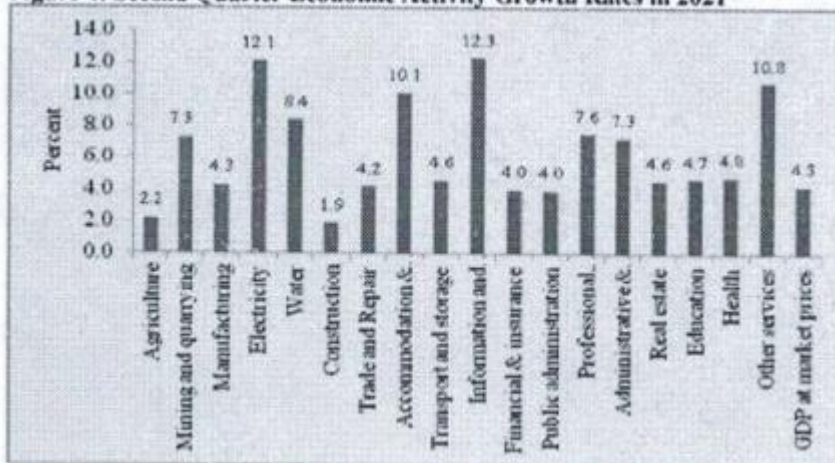
## **1.2 Market analysis**

In the United Republic of Tanzania manufacturing activity involves physical or chemical transformation of materials, substances, or components into final or semi processed goods. The materials include products of agriculture, forestry, fishing, mining and quarrying as well as products of other manufacturing activities. The activity experienced an expansion of 2.2 percent in the second quarter in 2021 compared to 2.0 percent Source: in the similar quarter in 2020. The growth rate was attributed to a general increase in the agricultural goods.

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**Figure 4: Second Quarter Economic Activity Growth Rates in 2021**



Source: National Bureau of Statistics

## Summary of GDP Fourth Quarter (October - December) 2021

### Tanzania national bureau of statistics

GDP in the fourth quarter of 2021 (October - December), at current prices increased to 43.4 trillion shillings from 40.4 trillion shillings in the same period in 2020. In addition, during that period, Real GDP increased to shillings 36.9 trillion from shillings 35.2 trillion in the same period in 2020 equivalent to a growth of 4.9 percent.

The impact of construction industry which in some extent using timber and manufacturing industries base on wood input has given a growth to 1.9 & 4.3 percent in the second quarter in 2021 within the United Republic of Tanzania. As a timber processing company responds to this shift of consumer's demand for timber products attached thereon.

### 1.3 Strategy and Implementation

To achieve our business goals, we will produce a standard, complete and international size timber, prepared through up to date efficient operations processes. We plan to promote Global Trust Company Limited and our proprietary production approach with an aggressive, targeted marketing campaign. This will include a media campaign, print and online advertising and a targeted direct-mail campaign.

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. In addition, Global Trust Company Limited will focus as well on establishing our presence Within the industry at relevant trade shows such as Saba and Nane days within the United Republic of Tanzania and in the International Trade fair along the East and Central regions.

## 1.5 Management

. The leadership team is currently consists of Managing Director Mr. Ahmed Mohamed Ahmed Mohamed Abdelrahman, assisted by Operation Officer Mr Ibrahim Ahmed Mohamed Ahmed Abdelrahman, Personnel & Marketing Officer Mr. Yusuph Athuman Luwumba, in this time of establishment, key leaders will include directors of finance, Marketing and Sales, Human Resources and Information Technology, shipping director , logistics director , transport director & operation director . These positions remain unfilled for the time being, we do have several extremely qualified candidates interested in joining with us in this venture.

## 1.6 Financial plan

Our Company will earn revenue from the sale of timber and shipping into Middle East countries especially to EGYPT. It is expected to raise sales revenue from targeted market of about \$250.000 & expected to increase next year by 20% .

## 17 Source and use of fund

Global Trust Company Limited requires five hundred eight three thousand dollars (\$ 583.000) to launch business operation. The whole fund is ready to cover the cost of the of this business operation by Mr. Ahmed Mohamed Abdel Rahman through his company in Egypt ( Ahmed Mohamed Ahmed Mohamed Abdel Rahman and his partner el tawheed company )

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N.B

Mr. Ahmed Mohamed Ahmed Mohamed Abdel Rahaman is the owner of two companies in Tanzania and Egypt and the fund is ready on the bank in Egypt – See attached bank statement

### Share holders

Ahmed Mohamed Ahmed Mohamed Abd el Rahman	52%
Mohamed Ahmed Mohamed Ahmed Abd el Rahman	24%
Ibrahim Ahmed Mohamed Ahmed Abd el Rahman	24%

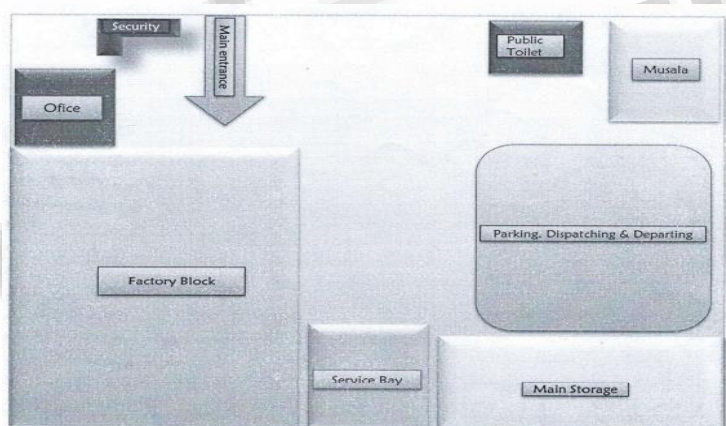
This fund will be used to cover the facilities, build-out costs, equipment, spare parts and initial operating costs including production overheads.

## 2. Business/Company Description

### 2.1 Industry Overview

Our company is preparing to lease manufacturing facilities, including chain saw,

We are requiring 8,093.70 sq meters facility to accommodate production area, products development and engineering, service bay, inventory storage and administrative building and Musala. As the business grows, we intend to establish carpentry section for simple affordable home and office furniture line.



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## 2.2 Description of product

Global Trust Company Limited is aiming at production of timber with different size and type basing on the customer's purposes and demand. For the time being Pine, Saplas and Eucalyptus will be available.

They will be treated and untreated ranging from

- A - 1x2 x 12; 1x3 x 12; 1x4 x 12; 1x8 x 12; 1x10 x 12;
- B - 2x2 x 12; 2x3 x 12; 2x4 x 12; 2x6 x 12;
- C - 3x6 x 12
- D - 4x4 x 12; and
- E - Any other size specified by customer for special need.

The next level of production will involve wood products including, home and office furniture and small wood items.

## 2.3 Business/Company positioning

## 2.4 Business pricing strategy

## 3. Production Plan

### 3.1 Production & Operation process

Simple and complete reliable processing shall be involved in the production of timber from when the order is placed to the delivery, steps involved with logic and professional processing includes

#### 3.1.1 Receiving Orders

3.1.2 Order processing, type of order (normal, special or urgent), agreement of technical specification, Quantity involved, and type of products needed,

#### 3.1.3 Checking out presence of Order in the warehouse

#### 3.1.4 Checking the status of raw material available to fit the order

#### 3.1.5 Decision on ordering the raw materials

#### 3.1.6 Inspection of the input and specification

#### 3.1.7 Processing involving cutting, sizing, cleaning, resizing, treating, grading

#### 3.1.8 Reprocessing other possible products

#### 3.1.9 Finishing (final touching, smoothing, retreating as requested and necessary)

#### 3.1.10 Storage or parking and dispatching

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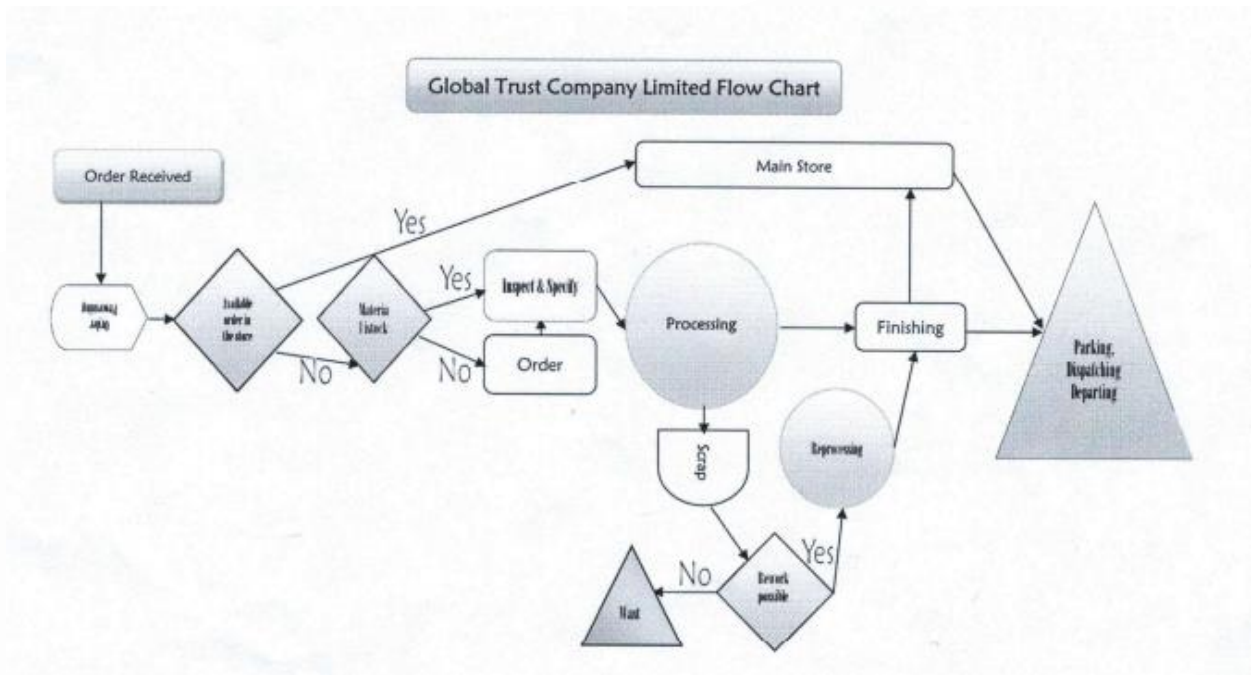
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## 3.1.11 Delivery



## 3.2 Cost of production

The Cost of production will involve four areas of processes of which both direct expenses and indirect expenses will be borne, these areas includes:

### 3.2.1 Direct Materials

35% of the cost shall involve direct materials, material needed for the production of GTC timber products.

These materials include the logs of different type and size, posts, spare parts, consumables blades, chains for chainsaw machines, fuel, chemical substance for timber treatment and lubricant.

### 3.2.2 Direct Labor

There is a cost of labor in different sections of operation to be set aside. The target cost should allow for any expected idle time that will occur during the



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manufacture of the product. This might be the normal level of idle time in the company's manufacturing operations.

### 3.23 Direct Expenses

Including the cost of fuel, blades, and lubricants are to be allocated during the production plan.

### 3.24 Variable Production Overhead

A target cost could be a target marginal cost. However production overhead costs are often a large proportion of total manufacturing costs, and it is therefore more likely that the target cost will be a full cost, including production overheads. If activity-based costing is used, it might be possible to identify opportunities for limiting the amount of production overheads absorbed into the product cost by designing the product in a way that limits the use of activities that drive costs, for example by reducing the need for materials movements or quality inspections.

Salary of the production manager

Salary of shipping manager

Salary of operation manager

Salary of logistics manager

Material handling and Storage

Customer order processing and chasing

Materials purchasing

Inspection and Quality Control

Production planning and other post production cost such as

Selling activities

Shipping cost

Warehousing and dispatching

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3.25 Management has set aside pro-action of the full costs reduction strategy through the following actions:-

3.2.5.1 Re-designing or reprocessing products or components those are already used or become scrap during production process for the future use or new possible order of same products.

3.2.5.2 Discussing with key suppliers methods of reducing materials costs. This strategy involves the entire 'value chain' from original suppliers of raw materials to the customers of the end-product, and negotiations and collaborations with suppliers might be an appropriate method of finding important reductions in cost during contract draft as required by Tanzania Forest Service Agency ( TFS)

3.2.5.3 Elimination of non-value-added activities or non-value added features of the timber products design. The cost of non-value added product features or activities can therefore be saved without any loss of value for the intended customer.

Value analysis may be used to systematically examine all aspects of a GTC product cost to provide the product with the required quality and at the lowest possible cost.

3.2.5.4 Achieve economies of scale; GTC shall produce in larger quantities which will in turn reduce unit cost due to the fact that fixed overhead costs will be spread over a larger quantity of GTC products. However, production in larger quantities will reflect the projected sales demand increase by the same amount.



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3.2.5.5 GTC will train staff in more efficient techniques and working methods for the idea of Improving efficiency and costs reduction.

To achieve cost reductions as a result of the learning curve or, more likely, the experience curve effect. The learning curve is most likely to exist in a labor intensive environment. It results in cost savings as labor becomes more familiar with performing a new and complex task. The experience curve effect relates to cost savings made in costs other than labor costs as the GTC becomes more familiar with production of a new products line.

## 3.2 Labor requirement

**From the planed of production operation there are**

- 3.3.1 Machine Operator
- 3.3.2 Plumbers
- 3.3.3 Drivers
- 3.3.4 Store keeper
- 3.3.5 Sellers
- 3.3.6 Administrators
- 3.3.7 Brokers
- 3.3.8 Office employees

## 3.4 Capital requirement

- 3.4.1 Fund for construction
- 3.4.2 Fund for Machines
- 3.4B Fund for Raw materials
- 3.4.4 Fund for Salaries and Wages
  - Direct labor
  - Direct materials

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Direct expenses  
 Prime cost  
 Overhead Cost  
 Indirect materials  
 Indirect labor  
 Indirect expenses

Total factory/production cost  
 Administration/Distribution Overhead  
 Transport  
 Selling & Distribution  
 Shipping

## 4. Market and Competition

### 4.1 Customers

Customers vary from individual person to regal person, from private sectors to public sector. Ministries, Departments, Agencies and institutions require the wood products for construction, domestic and office furniture within United Republic of Tanzania and Outside Tanzania.

Within the United Republic of Tanzania, the main regions using timber products excessively include but not limited to Dar es Salaam, Tanga, Dodoma, Arusha, Mwanza and other Municipals of Tanzania.

The Outside market includes Middle East especially Egypt

### 4.2 Market size & trend

Home market shows the targeted customers and their profile depend much on both Construction industry of Public and private sector mainly in the newly regions and cities of Dar es Salaam, Tanga, Dodoma and Arusha

Three steps involved in calculating the potential Market

Size (by Volume and Value). That's through estimation of total number of targeted customer available and determination of the penetration by knowing as whether it's a mission critical or specialized purpose.

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Through profile screening of targeted customers involved, it's found out that in most cases they have no national burn or religious limitations when it comes to the use or The estimated number of customers in the market in the cities and Municipality is 250.000 of different ethnics, tribal and sectorial background .



## consumption of timber products

Through our marketing strategy, value-base positioning, nature and demand pull due age need of GTCL product is falling under 75% as penetration rate as it is categorized as life purpose product.

Potential Market Size

Potential Market Volume = No. of targeted customer x Penetration  
= rate 250,000 x75%  
= 187,00

Potential Market Value = Potential Market Size (Volume) x Average Price  
= 187,500 x 5,000  
= 937,500

### 4.3 Competition Introduction

The Forestry Development Trust (FDT) is working with all segments of tree grower and numerous public and private forestry service providers in Tanzania's Southern Highlands, seeking to transform the commercial forestry sector by facilitating market system changes.

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A special emphasis is placed on ensuring small to medium scale tree growers enhance their position and contribution within the commercial forestry sector. UNIQUE completed this wood product market study to help assess the current state of the sector and propose a set of recommendations that FDT and other actors in the sector can pursue to support the transformation. This executive summary first sets out the current conditions in the sector, focusing on the supply base, the processing landscape and demand for wood products. It then highlights the scale of the opportunity in Tanzania, which is significant, before recommending how these opportunities can be realized.

The demand for wood products is expected to continue to grow. Wood product demand is driven largely by the construction, furniture and paper sectors. Other sectors using wood are power transmission, using eucalyptus poles (a key market for STGs) and the transport sector consuming wood in the form of pallets and boxes. Wood product demand is expected to grow strongly, more than doubling in round wood equivalent (rwe) between 2013 (national consumption of 2.3 million m<sup>3</sup> rwe) and 2035 (5.2 million m<sup>3</sup> rwe), driven primarily by the construction sector and paper consumption.

## **STGs will benefit from increasing the value of their standing timber and by being incorporated into more productive value chains**

STGs will benefit primarily by increasing the value of their standing timber achieved through better silviculture and lengthening rotation, but they will also benefit if additional markets for their trees can be created, and if they can work together as groups to aggregate supply and create more certainty of supply for processing investments. The sawn timber value chain will remain the key value chain for STGs in the Southern Highlands and can provide significant gains in efficiency and quality if the enabling conditions for better processing can be met and the switch away from ding dongs to more efficient band saws can be made. The transmission pole value chain is potentially attractive to STGs due to the relatively quick and high return on investment but the market remains limited by the national market outlook for poles in Tanzania. The veneer/plywood value chain is relatively new but is potentially attractive to STGs as it offers a new market for short diameter eucalyptus logs and an alternative use for woodlots originally planned for poles. Nonetheless, quality requirements for raw material are key and must be primarily addressed to further



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develop this market segment. The production of wood fiber for pulp, particle and fiber board could be a promising market option for STGs if large industrial actors invest in processing industries, organize raw material supply from STGs in out-grower schemes, and substantially support STGs in improving growth performance and product quality.

## **Conclusion**

The commercial forestry sector in Tanzania is in a period of transition as the supply base moves away from the large private and government plantations towards small and medium scale tree growers. This shift in supply has created challenges as the processing landscape is not set up to efficiently serve small growers and the quality and productivity of their woodlots are low, meaning the sector is performing well below its potential. With small and medium tree growers set to remain key players in the sector, there is therefore a vital need to ensure continued focus on driving higher productivity and quality in their woodlots. From a market perspective, there is the requirement to look to catalyze investment in better processing technology, but only where a minimum set of conditions are met. Over time, as the productivity and quality of small tree grower woodlots increases and they evolve as grower groups, these conditions will start to be met in more areas of the Southern Highlands and stimulate further investment. From a policy perspective, there is a need to ensure that there is an aligned vision for the evolution of the sector so that market actors can all contribute to the creation of a competitive, inclusive and resilient sector. This should help to demonstrate the potential of plantation based value chains and wood products markets, and their relevance for the environment, national economy and rural development. In addition, better linkages between different actors in the value chain should be sought, standards for raw material and wood products should be promoted and there could be the opportunity to try to drive pro-wood procurement policy from public sector sectors to help drive demand for wood products.

## **4.4 Estimated sales**

### **Wood product prices in Tanzanian markets**

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The prices for wood products in Tanzania vary according to region and supplier. Thus, there is no national commodity price, e.g. for rough sawnwood. The following table presents the results of price survey undertaken amongst wood product dealers in Dar es Salaam, Mbeya, Mwanza, Arusha and Dodoma. The table also includes mill gate prices of large domestic producers of wood products and import prices for wood based panels and sawnwood<sup>16</sup>. The overview indicates regional differences, with very high prices in Arusha and Dar es Salaam and low prices in Mbeya (note: the low sawnwood prices in Mbeya may be a function of high local availability and import pressure by Malawi imports). However, Tanzania is not import dependent on sawnwood and import prices are not a threat to domestic production competitiveness.

Product specification as encountered in market		Market price in TSh/m <sup>3</sup>					List price in TSh/m <sup>3</sup>	
Sawnwood		Dar	Mwanza	Arusha	Dodoma	Mbeya	Mill gate price South. Highlands	Import price 2015 (CIF)
Sawn wood pine	2x4x12, untreated	431,000	377,000	700,000	323,000	215,000	-	500,000
Sawn wood pine	1x8x12, untreated	861,000	700,000	807,000	646,000	323,000	-	
Sawnwood pine	2x4x12, kiln dried	-	-	-	-	-	450,000	
Sawnwood pine	2x4x12, treated	-	-	-	-	-	550,000	
Sawn wood (hardwood)	from Malawi, dimensions and quality unknown	-	-	-	-	-	-	
Natural forest sawnwood	2x6x8	-	1.507.000	-	-	-	-	-
Wood based panels		Dar	Mwanza	Arusha	Dodoma	Mbeya	Mill gate price South. Highlands	Import price 2015 (CIF)
Plywood low quality	9mmx4x8	-	-	-	578.000	-	950,000	1,500,000
Plywood	Marine board, 12mmx4x8	2.170.000	2.025.000	1.181,000	1,881,000	2,025,000	1,100,000 (most likely no Marine board)	
Blockboard	18mmx4x8	-	-	4,500,000	-	-	1,200,000	
MDF board	18mmx4x8	1,447,000	1,157,000	1,254,000	1,543,000	1,543,000	-	

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NOTE: Import prices are taken from UN Comtrade database, which provides price data per ton. The conversion of prices into m<sup>3</sup> inhere numerous conversion steps, which may cause inaccurate results of the price per m<sup>3</sup> stated in this table. The conversion factors used were taken from UNECE 2010.

Export markets in Tanzania is not an important exporter of primary and secondary wood products. The only exception is hardwood sawnwood (namely Teak and some indigenous hardwoods), which is mainly exported to South and East Asia

African export markets In summary, African countries show similar wood product import patterns. Import demand of African countries would match pretty well the short and medium term raw material availability forecasted in the supply analysis

## 5. Marketing and Selling Strategy/Plan

5.1 Marketing strategy

5.2 Methods of sales

5.3 Advertising and promotion

5.4 Management description

GTCL main Objectives shall be met through clear line of managerial approach; there shall be Board of Directors where the following key Result Areas are thought

5.4.1 Establishment of Vision, Mission and Values

5.5 Organization Structure

The structure of Global Trust Company Limited involves three levels of administration namely, the tactical level, the technical level and the operational level, the

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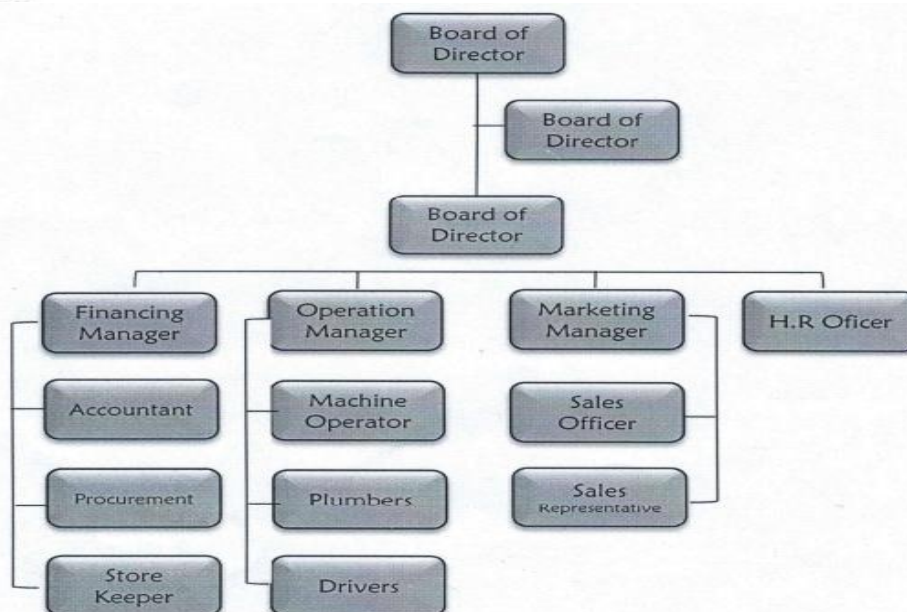
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## Management plan

- GTCL
- Product & development
- Manufacturing department
- Customer service department
- Accounting department
- Marketing department
- Shipping department
- Operation department
- Logistics department

## 5.6 Ownership

The Global Trust Company Limited is currently owned by Mohamed Ahmed Mohamed Ahmed Abdelrahman, Ahmed Mohamed Ahmed Mohamed Abdelrahman and Ibrahim Ahmed Mohamed Ahmed Abdelrahman through a total of 55% of Ordinary share capital. The company shall make decision on issue of shares at any time once resolution has been

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made to cover required amount of Tanzania shilling five hundred and fifty million through fifty five thousand Ordinary share (55,000/=).

## 5.7 Board of Directors

The Global Trust Company Limited has two Members of the Board of Director who are the think tank and propeller of the business in the future, management shall appoint in the near future the members of the BOD according to the tune of the agreement laid down in the six month to come.

In the meantime un-Fra structured decisions and directions are given by Ahmed Mohamed Ahmed Mohamed Abdelrahman of P.O. Box 51108 Iringa and Mohamed Ahmed Mohamed Ahmed Abdelrahman of P.O. Box 51108 Iringa.

## 5.8 Supportive service

GTC needs supporting team from various angle of its operation, through the Corporate Strategically Plan, the following shall be consulted time to time for services

### 5.8.1 Tanzania Forest Service Agency (TFS)

Global Trust Company shall seek a support of registration of forest product business with number of supporting documents and on the marketing of products through Tanzania Forest Service within the country and outside as being one among its specific role and responsibility.

### 5.8.2 Business Registration and Licensing Agency (BRELA)

Where GTCL could be registered and handle the Certificate of Incorporation of a Company (by drafting the Memorandum and Article of Association of the Company) and Obtaining Business License through handing number of documents.

## 6- Management/Organization

6.1.2 Delegation of management done

6.1.3 Structure and Management strategy are borne

6.1.4 Corner stone of accountability to both shareholders and stakeholders.

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## 6.5B Financial Institution

When transactions of supplier and customers of outside involved, banking system will take care through acceptable and known standards of monetary service despite of their credit facility available at any time.

## 6.5.4 Tanzania Tree Seed Agency (TTSA)

For GTCL to meet standard and run smoothly in the future as going concern, the management should plan future benefit through cultivation of trees of various species, in order to win the TTSA shall be the guideline of the kind, place, whether and techniques of good harvesting.

## 6.5.5 Local Government Authority

The local authority shall be your working partners as nature of business environment exist. This is where you can plan a place to harvest raw materials, plan a plantation of trees of various species by consulting local leader, getting introduction of the owner of the trees in the villages and wards.

## 6.5.6 Other Private Sector including Supplier of Machine, Fuel and transporters

## 7. Financial Plan

### 7.1 financial risk

Risk faced by the business in term of handling its finances, this risk has number of kind but its causes has been taken care and due to strategically calculation and preparation has been set to minimal and others been nullified such cause include risk on loans, risk on debt load, with the remaining cause delay in delivery of timbers.

Managing Financial risk is a high-priority risk for business irrespective of the industry they operate in. it can be categorized into four categories i. Market risk

It arises due to movement in prices of financial instruments in the market. Subcategories of market risks are as follows

- a) Interest rate risk, a risk associated with the movement of interest rates. This can affect the price of interest bearing assets, such as bond or loans. For example, an increase in interest rates can lead to a loss of value of bonds issued by a



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company as the prices of the bonds decrease. To manage interest rate risk, various hedging instruments are available, such as interest rate swaps and forward rate agreements.

b) Equity price risk

This risk is associated with the change in prices of equity shares of a company. It can be differentiated into two categories systematic risk and unsystematic risk

1. Systematic risk

Refer to the risk caused by market factors which affect the entire industry. It cannot be diversified. When an entire industry is affected by some event, it becomes a systematic risk.

2. Unsystematic risk

Refer to risk that is specific to a company, such as management changes or fraud. This can affect the price of equity shares. Suppose a company launches a new product. The market will have uncertainty in terms of response to the product that can lead to fluctuations in its share price. This risk is borne by shareholders and is unsystematic risk.

The most effective method of managing equity price risk is to create a diversified portfolio, including securities that have low or negative correlation among themselves. In this way the losses from one security can be balanced with gain from the other. Derivative contracts to hedge the portfolio holdings are also a common way to manage this risk.

c) Foreign exchange risk

This risk is associated with the fluctuation in currency values. It happens when a financial transaction is denominated in a currency other than the base currency of the business. Let's assume a company that is based in Hong Kong has clients in the USA and earn the majority of revenue in USD. This company faces a currency exchange risk as the revenues need to be converted from USD to HKD, and is exposed to exchange rate fluctuations between the two currencies.

This risk is usually managed by hedging the exposure in one currency to another so that the fluctuations in the exchange rate do not impact the transaction.



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Various instruments such as future and forward contracts, forex swaps are available for managing exchange risk.

d) Commodity price risk

It relates to the change in the price of input raw materials (production inputs) needed by a business, which can impact the profit margins of the company. For a company that makes potato chips, potatoes are an important raw material. Any increase in the prices of potatoes will increase the cost of production for the company. So there's a commodity price risk.

Companies generally use long term supply contracts to manage commodity price risks. Other measures can include passing the increase in price to the customers looking for alternatives of the commodity or hedging with other financial exposures.

ii. Credit risk

A risk business incur by extending credit to customers. It can also refer to a company's own credit risk with suppliers.

iii. Liquid risk

iv. Operational risk

## 7.2 Description of Financial plan

### Capital Requirements

The capital requirements of GTCL

Land & building \$ 50.000

Working capital \$ 300.000

(Includes , timber product ,&Total 12 months' salary

Plant & vehicles \$ 210.000

Adhesives \$ 3000

Miscellaneous \$ 10.000

Units &office furniture \$ 10.000

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Total \$ 583.000

Loans and grants will be attained from the federal and/or provincial government and other private sources. Financing will be based on an interest rate of 4.0%. The company will be owned by four partners each of which has agreed and signed an opportunity agreement contract for ownership and equity requirements of the company

## 8. End Conclusion

**GTCL Ltd. is proud to introduce their product design for Inside-Out (ISO) beams for Marketing to Middle East. The product is ideal for the timber frame homes market, yet has many possibilities for expansion due to its unique functional and aesthetic features. GTCL will be considered the value added factor for the business community and investment in Tanzania because it will be an exclusive company for exporting TIMBER from Tanzania to Middle East especially Egypt .**

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