

ARKMEGA INDUSTRIALS LIMITED

Certificate of incorporation Number:

140630926

BUSINESS PLAN

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ABBREVIATION

BRELA Business Registration and Licensing Agency

CEO Chief Executive Officer

HR Human Resources

KPI Key Performance Indicator

MD Managing Director

NEMC National Environment Management Council

NO Number

SWOT Strength, Weakness, Opportunity and

Threats

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EXECUTIVE SUMMARY

The recycling industry has become an integral part of modern society not only due to its social and economic impact but also because it plays a vital role for the future of our planet ARKMEGA INDUSTRIALS LIMITED intends to collect waste plastics in Tanzania, import plastic materials and then to recycle in order to have plastic granule/chips and plastic packing belt which will be exported and to sell packing belt within the country.

The aim of ARKMEGA INDUSTRIALS LIMITED is to be in the recycling industry to contribute in saving the earth and also to compete in the highly competitive recycling industry not only in Dar es Salaam, but also throughout Tanzania.

ARKMEGA INDUSTRIALS LIMITED will initially be involved in the recycling all waste plastic materials. We intend providing raw materials for companies that are in the manufacturing / production of plastics goods and exporting plastic chips to China.

Our business goal is to become one of the leading recycling company in Tanzania and we will make sure that we do all we can to compete favorably with leaders in the industry. We are going to operate on a topnotch level, and that is why our workers are going to be selected from a pool of certified and highly experienced recycling engineers and technicians in and around Dar es salaam and also from any part of Tanzania supported by foreign experts as the business grows.

One of the most attractive aspects is that, the business is projected to attain a strong cash position and achieve profitability in the first year of operation. Due to a large need for these products and services, and a lack of direct competition, our projection of quick profitability is attainable.

We will make sure that we take all the members of our workforce through the required training that will equip them to meet the expectation of the company and to compete with leading recycling plants in Tanzania and throughout the globe.

CHAPTER ONE COMPANY DETAILS

1.1 Company Name

The legal name of the company will be ARKMEGA INDUSTRIALS LIMITED and is formed as a Limited Liability Company in Tanzania.

1.2 Company Registration

The Company is duly registered and bears all the necessary registration documents and licensed from BRELA,TRA in order to engage into the intended activities in Tanzania.

1.3 Background of the Company

ARKMEGA INDUSTRIALS LIMITED is the factory owned by the Chinese nationals who will base on recycling of plastic materials and related products. The factory is a registered company in Tanzania under Companies Act, 2002. This company was registered on 18th December 2019 under Certificate of Incorporation No: 140630926. Raw materials will be obtained locally within the country and other imported from China.

The factory will obtain raw materials collected by individual people from residential areas, dump sites, collection point such as Supermarket, Workshop, Schools and other Institutions where by large percent of the raw materials will be imported from China. The factory will produce 150 tons of plastic chips per month and only 8 permanent laborers' will be employed. The company is motivated in recycling of plastic materials and re-use due to continuous increase in the use of plastics materials which in turn has led to increase in the amount of plastic waste in the environment. The proposed project will comprise of single building which is already available at the site previous used as timber warehouse. The building will be divided into several compartments for storage of plastic material and installation of two machines to run the production processes of recycling of plastic materials. Production process will involve weighing, sorting, washing, re-sizing of plastic materials and packaging.

1.4 Legality of the Company and Government Regulation

ARKMEGA INDUSTRIALS LIMITED will operate legally as a legal entity and will follow all the regulatory requirements and all compliance issues from directly and related authorities. Apart from that, the Company will obtain all required licenses and certificate as required by law in order to operate its facilities as per the regulations of the recycling sector.

Because ARKMEGA INDUSTRIALS LIMITED is directly involved in a plastic materials recycling, whose end products are incorporated into an environmental friendly materials, the company is under the potential jurisdiction of the Environmental Protection Agency. The recycling and sale of packing belt within the country, export plastic granule and plastic packing belt.

1.5 Company Locations

The proposed Plastic recycling project is located at plot No. 503/1, Block G, Off Kimweri Road, Msasani Ward in Kinondoni Municipal Council in Dar es Salaam City. ARKMEGA INDUSTRIALS LIMITED plastic recycling industry lies within latitude 6°53'11.24 south and longitude 39° 22'18.60 east.



Figure 1: Geographical location of ARKMEGA INDUSTRIALS LIMITED

CHAPTER TWO ACTIVITIES OF THE COMPANY

2.1 Products and Services offerings

Our products and services offer needed solutions to government and the market for plastic products enhancement. The Company will be the market leader as the first company in Tanzania to export plastic granules and plastic packing belt and to sell packing belt within the country.

ARKMEGA INDUSTRIALS LIMITED is established with the aim of maximizing profits in the plastics recycling industry. We intend to compete favorably with the other leading recycling plants in Tanzania which is why we have but in place competent quality assurance teams that will ensure that every recycled material or products that leaves our recycling plant meet our customers' expectations.

ARKMEGA INDUSTRIALS LIMITED realizes that consumers today are more conscious of recycling and of their environment. Because of this trend, there is a growing trend among consumers to move away from glass products. We will offer one major service and major product. Our major service will be to recycle a waste plastic in the country and to export plastic granules and plastic packing belt also to sell packing belt within the country.

2.2 Our Vision Statement

Our vision is to establish a standard and world plastic recycle plant whose products and brand will be not only be accepted in Tanzania but also in other countries of the world.

2.3 Our Mission Statement

Our mission is to establish a world plastic recycle plant in order to export plastic granules and plastic packing belt and to sell packing belt within the country.

2.4 Objectives of the Company

- i. Flush sales for the first twelve months of operations and growing each year thereafter.
- ii. Establish the plastic recycling facility in the County.
- iii. Open additional facilities in Year 2 and Year 3 to serve other areas of the country.

2.5 Keys to Success

- Overcome perception issues that may exist with using compost made from waste plastic
 - Establish and build relationships and trust with customers to help shield from future competition.
- Expand rapidly to control the market, to offer reasonable prices and to get investment.

2.6 Start-up Summary

Our start-up costs will be \$520,000 and this capital is from our various businesses conducted in China. After establishing our project in Tanzania if our capital will not be enough, the management of the Company can apply a loan to any financial institution in Tanzania or in China in order to continue to facilitate the plant. The funds will be primarily used for the following:

S/N	DESCRIPTION	AMOUNT (\$)
	Land & Building -Rent	60,000
	Plant	200,000
	Motor Vehicles	80,000
	Furniture's & Fittings	60,000
	Start-up Expenses/Pre expenses	30,000
	Others	20,000
	Working Capital	70,000
	Total	520,000

Table 1; Start up capital for investment

2.7 Sources of Income

ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant is established with the aim of maximizing profits in the recycling industry and we are going to go all the way to ensure that we do all it takes to meet the expectations of all our clients. ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant is in business to recycle waste plastic materials in Tanzania and other parts of the world. ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant will generate income by selling the Plastic granule and plastic packing belt in Tanzania and outside.

CHAPTER THREE BUSINESS STRUCTURE

Our intention of starting a plastic recycle plant is to build a standard plastic granule and plastic packing belt in Tanzania. Although our plant might not be as big as Nature Works, but hope to grow big and expand in order to compete favorably with leading recycling plants in the industry both in Tanzania and in other countries.

We are aware of the importance of building a solid business structure that can support the picture of the kind of world plastic recycle plant we want to own. This is why we are committed to only hire the best hands within our area of operations.

At ARKMEGA INDUSTRIALS LIMITED Plant, we will ensure that we employ people that are qualified, honest, customer concentric and are ready to work to help us build a prosperous business that will benefit all the stake holders. (the owners, workforce, and customers).As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more as agreed by the board of Directors of the company.

In view of the above, the organization framework for ARKMEGA INDUSTRIALS LIMITED plastics limited begins with company Chief Executive Officer (**CEO**) who is a supreme. Finance director, operation manager, Human Resource (HR) and Managing Director (MD) all report to CEO.We have decided to recruit the qualified and competent hands to occupy the following positions;

- Chief Executive Officers (1)
- Finance Manager (1)
- Operation Manager (1)
- Human Resources and Admin Manager (1)
- Managing Director (1)

Other staff

- Sales and Marketing officers(2)
- Accountants/Cashiers (1)

- Plant Engineers (2),Technicians and Operators (3)
- Receptionist (1),Drivers (2) Other staff 4 (i.e. loader ,cleaners,security etc)

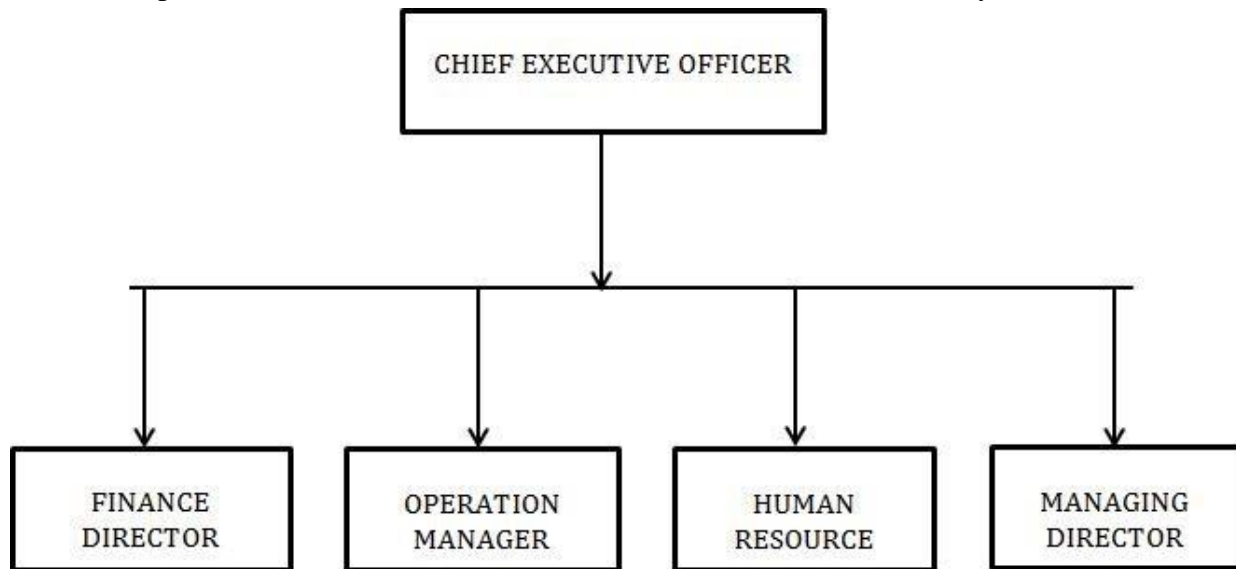


Figure 2.: Organization structure of the factory

3.1 Roles and Responsibilities of Staff

3.1.1 Chief Executive Officer – CEO

- i. Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning account abilities; planning, monitoring, appraising job results and developing incentives.
- ii. Creates, communicates, and implements the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall Company’s strategy.
- iii. Responsible for fixing prices and signing business deals
- iv. Responsible for providing direction for the business
- v. Responsible for signing checks and documents on behalf of the company
- vi. Evaluates the success of the Company

3.1.2 Finance Manager:

- i. Responsible for preparing financial reports, budgets, and financial statements for the organization
- ii. Provides managements with financial analyses, development budgets, and accounting reports
- iii. Responsible for financial forecasting and risks analysis.
- iv. Performs cash management, general ledger accounting, and financial reporting
- v. Responsible for developing and managing financial systems and policies
- vi. Responsible for administering payrolls and Ensures compliance with taxation legislation
- vii. all financial transactions for the organization and to Serves as internal auditor for the organization

3.1.3 Operation Manager:

- i. Responsible for managing the daily activities in the factory
- ii. that proper records of biodegradable plastic materials and bags are kept and warehouse does not run out of finished products
- iii. Ensures that the factory is in tip top shape and easy to locate
- iv. Supervises the workforce in the factory.

3.1.4 Human Resources and Admin Manager

- i. Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- ii. Designs job descriptions with KPI to drive performance management for clients
- iii. Regularly hold meetings with key stakeholders to review the effectiveness of HR Policies, Procedures and Processes
- iv. Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- v. Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- vi. Defines job positions for recruitment and managing interviewing process
- vii. Carrying out staff induction for new team members
- viii. Responsible for training, evaluation and assessment of employees

- ix. Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- x. Oversees the smooth running of the daily office activities.

3.1.5 Sales and Marketing officers

- i. Models demographic information and analyze the volumes of transactional data generated by customer purchases
- ii. Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- iii. Identifies development opportunities; follows up on development leads and contacts
- iv. Documents all customer contact and information
- v. Represents the company in strategic meetings
- vi. Helps increase sales and growth for the company

3.1.6 Recycling Plant Engineers and Technicians / Machine Operators

- i. Responsible for installing, maintaining and repairing of all the recycling machines in the plant
- ii. For operating recycling machines in the plant
- iii. Operates facilities for separating and sorting recyclable materials from nonhazardous waste streams
- iv. Operates facilities where commingled recyclable materials are sorted into distinct categories
- v. Handles any other job functions as it relates to recycling materials.

3.1.7 Receptionist

- i. Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- ii. Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- iii. Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner

- iv. Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make inquiries

3.1.8 Drivers

- i. Assists in loading and unloading waste materials and recycled materials.
- ii. Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- iii. Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment, such as hazardous material placards.
- iv. Assists the transport and logistics manager in planning their route according to a pick – up and delivery schedule.
- v. Inspect vehicles for mechanical items and safety issues and perform preventative maintenance
- vi. Complies with hazardous waste truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- vii. Collects and verify delivery instructions and Reports defects, accidents or violations.

CHAPTER FOUR SWOT ANALYSIS

ARKMEGA INDUSTRIALS LIMITED for recycling Plastic materials plans to become one of the leading plastic recycling companies in Tanzania and we are aware that it will take the right business concept, management and organizational structure to achieve our goal.

We know that there are several plastic recycling companies and plastic products manufacturing companies all over the Tanzania, which is why we are following the due process of establishing a business. We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be well equipped to confront our threats.

ARKMEGA INDUSTRIALS LIMITED is established for recycling waste plastic materials, exporting plastic granule, plastic packing belt and selling packing belt within the country. The Company engaged the services of a core professional in the area of business consulting and structuring to assist our Company in building a well – structured recycling business that can

favorably compete in the highly competitive plastics recycling industry in Tanzania and the world at large. Part of what the team of business consultant did was to work with the management of our Company in conducting a comprehensive SWOT analysis for ARKMEGA INDUSTRIALS LIMITED for recycling waste Plastic materials. Here is a summary of the SWOT analysis that was conducted for ARKMEGA INDUSTRIALS LIMITED for recycling waste Plastic materials

4.1 Strength:

Our core strength lies in the power of our team; our workforce. We have a team of certified and highly trained and experience recycling engineers and technicians / machine operators, a team with excellent qualifications and experience in various niche areas in the recycling industry.

Aside from the synergy that exists in our carefully selected workforce, our product will be guided by best practices in the industry and our recycling plant is built to fit into the design of a 21st century recycling plant. We know we will attract loads of clients from the first day we open our factory.

4.2 Weakness:

As a new plastic recycling Company in Tanzania, it might take some time for our Company to break into the market and gain acceptance especially from top profile clients (big time manufacturing / production companies that make use of plastics recycled materials) in the already saturated and highly competitive recycling industry; that is perhaps our major weakness.

Another weakness is that we may not have the required cash to pump into promoting our business the way we would want to.

4.3 Opportunities:

No doubt, the opportunities in the plastic recycling industry is massive(unlimited due to the rising environmental awareness) considering the number of individuals and manufacturing companies who are now switching over to alternative source of raw materials basically to save cost and energy. We have been able to conduct thorough feasibility studies and market survey and we know what our potential clients will be expecting from us; As a recycling company, we are ready to take advantage of any opportunity that is available in the plastic industry.

4.4 Threat

Just like any other business, one of the major threats that we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing / spending power.

There are other plastic recycling Companies already established and operating in the market. Another threat that may likely confront us is the arrival of a new plastic recycling plant in same location where our target market exists and who may want to adopt same business model like us. That will increase competition for recycling of waste plastics and will decrease the market/price of granule and plastic packing belt in the market. Lastly, government imposed policies and new rules in the plastic use may also pose a threat for businesses such as ours.

CHAPTER FIVE ENVIRONMENT IMPACT AND BUSINESS RISK

5.1 Environment Impact assessment

The environmental is one among things that any business should be accountable, For ARKMEGA INDUSTRIALS LIMITED takes care of the environment by making sure that no activities done by the company results to environmental destruction.

5.2 Possible Environmental Problems from Plastic recycling /Activities

The project operations and activities can result in several environmental problems as classified below;

5.2.1 Air pollution

Air pollution may result from dust due to collected raw materials, power usage and machine in operation process. The release of small particles together with dust due to operations process may be in lower quantity during operation process. Also emission from standby generator and movement of vehicles around the area.

5.2.2 Surface water contamination

This is mainly happens when fuel spill occurs during vehicle and machine maintenance and refueling which then could be washed away by storm water to the surface water source.

5.2.3 Ground water contamination

Potentially this is happening when the spill fuel and waste water from processing percolate through the ground which eventually reaches the ground water and contaminates it also ground water contamination can occur due to leakage in waste management system.

5.2.4 Land / Soil contamination

This occurs when the spills of hydrocarbon such as waste oil, grease, diesel and petrol enters directly into the soil surface. This hydrocarbon can also then be washed away by site runoff and directly enters the surrounding environment hence cause a serious contamination at local and remote area from the source.

5.2.5 Noise and vibration effects

The major source of noise and vibration at the site is when generator turned on

5.2.6 Solid waste generation

Common wastes which are produced at this project are solid waste such as packaging materials and boxes together with unwanted plastic materials

5.3 Environmental problems and mitigation measures at the site

ARKMEGA INDUSTRIALS LIMITED will ensure safety and environmental measures are observed during construction, operation and project decommission. Among measures that the Company will use and implement to prevent environmental destruction or contamination as follows.

5.3.1 Mitigation measure for Air Pollution

- The industry will ensure emission is minimized by using machine and equipment with less emission level.
- Planting trees around the industry area and conserve the available trees avoiding cutting them.
- Wider or large windows to allow air circulation to improve ventilation system in the industry.

5.3.2 Mitigation measure for Surface water contamination

- The factory will ensure proper handling of all kind of hazardous waste produced such as hydrocarbons constituent like used oils and other types of waste.
- The used of special bin for temporary storage of waste and frequently transporting to the disposal site will be maintained.

5.3.3 Mitigation measure for Ground water contamination

- Oil spillage will minimized by ensuring proper management of oils and proper management of waste water from sanitation system.

5.3.4 Mitigation measure for Land / Soil contamination

- Both liquid and solid wastes will be properly handled to avoid soil and water pollution

5.3.5 Mitigation measure for Noise and vibration effects

- The factory will ensure a wall built around the generator to reduce the level of noise pollution.

5.3.6 Mitigation measure for Workers health and safety

Regular training in occupational health, safety gears,safety and emergency response will be done and provided to all workers regardless of their gender and terms of work. Meaning of safety sign provided in each building and Training on how to use firefighting facilities.

5.4BUSINESS RISKS

The Company is considered to be subjected to controllable and uncontrollable risks uncertainties (risks). Some of the risks thoughts of by the owner are as follow

- **Cyclical fluctuations:**

There are seasonal or economic fluctuations like inflation that could become so extreme that reasonable planning could not prevent.

- **Unforeseen industry trends:**

These are like adverse changes in equipment and machine prices that can affect the Company' profitability.

➤ **Actions of competitors:**

There are possibilities of new competitors rise or growth of competition from the existing players in the market that may affect the planned sales and hence profits.

➤ **Political risks**

There are possibilities of the politician to interfere the plant operations that actions may affects the Company Operations.

➤ **Changes of Government Rules and regulation**

There are possibilities that the government rules and regulations can be changed, and these changes may affect our activities in the Country. For instance the government can ban or introduce strict rule of compliance before import and export of granule plastics and packing belt.

CHAPTER SIX MARKET ANALYSIS

There are customers at both ends of our supply chain that will benefit from our services and products. The Tanzanian Government will benefit from our service by having an alternative means of waste disposal and other taxes which will be paid to Tanzania Revenue Authority (TRA). Other potential customers who will benefit from our compost product include plastics manufacturing company. Therefore, we have two basic market segments; those plastics waste treatment facilities which will benefit from our services and consumers who will benefit from our product.

The National Environment Management Council (NEMC) reports that the environmental are overflowing with many waste plastics and the costs of disposing are rising. In the street there are many waste plastics from various items like plastic carrier bags, plastic buckets, gallons etc. We offer a service by which Community can dispose off their waste plastic without careless dumping and land filled anywhere. This is of great value to this customers and environmental protection.

6.1 Market Needs

Several companies compete in the plastics recycling market. Their major selling points are performance and price. However, health conscious consumers have created growing competition between chemical and organic products. ARKMEGA INDUSTRIALS LIMITED competition can be divided into two forms: direct and indirect.

Our direct competitors would include other Company who are recycling a waste plastic.

Our indirect competitors are plastics products manufacturers (who also are a part of our target market).

6.2 Market Trends

Current trends in the market greatly favor the start-up of our recycling business. One obvious trend in the recycling industry is that players in this industry leverage on saving the earth and balancing the ecosystem to promote their business. As a matter of fact, governments all over the world and even international Non – Government Organizations are in the forefront when it comes to campaigning in favor of recycling materials to generate raw materials for industries as against

tapping virgin raw materials. This is so because it will help save cost and energy and the earth that we live in will be the better for it.

Another trend is that is common in the recycling industry is that, with the advancement of technology, it is now easier the recycle and process almost any materials and liquid waste that exist in our world. This trend and the immerse support from government and NGOs is sure responsible for encouraging investors to venture into the recycling industry. The intensifying regulations associated to the disposal of traditional plastics in different developed and developing countries is a top factor drawing attention to the industry demand for these plastics granule and packing belts.

Lastly, more and more manufacturing industries are beginning to see the benefits of going for recycling materials as against going for virgin raw materials in the production of their products.

This is the reason why the industry is expanding and becoming more profitable and viable.

6.3 Our Target Market

Before starting our recycling business in Tanzania, we conducted a market survey and feasibility studies and we are certain that there is a wide range of manufacturing / production factories that cannot successfully run their businesses without sourcing for recycled raw materials from us.

In view of that, we have created strategies that will enable us reach out to various plastics manufacturing companies who we know can't afford to do without our products / recycled raw materials. Below is a list of the people and organizations that we have specifically market our products and services to;

(i) Food and drinks processing and packaging companies (ii) Roofing and construction companies (iii) Chemical manufacturing companies and Distributors (iv) Printing Press (Publishing Houses), Branding and Advertising agencies. (v) Groceries Stores, Pharmaceutical Stores and Shoe manufacturing companies

6.4 Market Growth

The possibility of growth in this market is realistically huge. Consider the following simple facts:

- Majority of the households items in Tanzania is made by plastics materials, therefore there are many plastic waste within the environmental.

- The government must have an alternative means for disposing of plastics waste; we offer a great alternative to meet that need.
- Market trends are skewing more and more toward plastics products enhancements and away from iron, steel and glass products in developing countries; we meet this need as well. All of this means that ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant is poised to see tremendous growth.

6.5 Our Competitive Advantage

Without a shadow of doubt, there are loads of big time investors that have a stake in the recycling industry; but one thing is certain, there is room big enough to accommodate all players. So, if you enter the industry today, you should brace up yourself for collaboration and prepare for serious competition in the nearest future as soon as the recycling industry enter it boom period, this period will definitely arrive especially in the developing world in little time when recycled product is seen in the same light as the new and “virgin” materials.

Competitive advantage lies in the power of our team; our workforce. We have a team of certified and highly trained and experience recycling engineers and technicians / machine operators, a team with excellent qualifications and experience in various niche areas in the recycling industry. Aside from the synergy that exists in our carefully selected workforce, our product will be guided by best practices in the industry and our recycling plant is built to fit into the design of a 21st century recycling plant.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (start ups recycling companies in Tanzania) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objective.

CHAPTER SEVEN SALES AND MARKETING STRATEGY

Before choosing a location for ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant we conducted a thorough market survey and feasibility studies in order for us to penetrate the available market and become one of the preferred choice for businesses not only in Dar es salaam, but also

throughout Tanzania. We have detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per time.

We are mindful of the fact that there is stiffer competition in the recycling industry; hence we have been able to hire some of the best marketing experts to handle our sales and marketing.

Our sales and marketing team will be recruited based on their vast experience in the recycling industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant.

As our corporate goal is to grow ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant to become one of the top 10 recycling brands in Tanzania which is why we have mapped out strategy that will help us take advantage of the available market and grow to become a major force to reckon with not only in Dar es salaam but also in other regions in Tanzania. EIA plastic Recycling plant is set to make use of the following marketing and sales strategies to attract clients;

- Introduce our recycling company by sending introductory letters alongside our brochure to manufacturing / production companies and other key stake holders in the manufacturing industry.
- Advertise our business in relevant business magazines, newspapers, TV stations, and radio station.
- List our business on yellow pages (local directories)
- Attend relevant international and local expos, seminars, and business fairs et al
- Create different packages for different category of clients in order to work with their budgets and still deliver good recycled raw materials
- Leverage on the internet to promote our business
- Engage direct marketing approach
- Encourage word of mouth marketing from loyal and satisfied clients

7.1 Publicity and Advertising Strategy

Even though our plastic Recycling plant is well positioned, we will still go ahead to intensify publicity for the business. Here are the platforms we intend leveraging on to promote and advertise EIA plastic Recycling plant Place adverts on community based newspapers, radio and TV stations.

- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms to promote our business.
- Ensure that our we position our banners and billboards in strategic positions all around the Country
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Advertise our products (plastic granule and plastic packing belt) in our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and trucks and ensure that all our staff members wear our branded shirt or cap at regular intervals.

7.2 Promotion Strategy

Our promotional strategy will be two-fold: first phase promotion will focus on before, during, and six months following our opening; the second phase of promotion will deal with the long term. The purpose of the first phase is to assist with rapid market entry to ensure early and sustained profitability. The purpose of the second phase is to ensure long-term growth and help propel us toward achieving our goal of expanding state wide and across the country.

7.3 Sales Literature

We will prepare a general brochure with information and maps about ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant products and services for dissemination to potential customers, including plastics products manufacturing company's. Sales personnel will visit each potential customer with pricing, maps, and reminders of the facility. Sales literature will be very important, with the need to establish a high-quality look and feel in order to create a trusting sense of professionalism.

7.4. Technology

In this company majority of tasks are manual work and few activities will involve machines; these machines will includes:Electrical weighing balance, Cutting machine,Washing tank, Drier machine, Track and light vehicle,Computers, water heaters and other small office machines

In order to ensure that our products meet the quality and specifications needs by our clients. The management decide to use the advanced machine which use the currently technology .This machines consume few electricity and can recycle many waste plastics within an hour. Below are sample of our machines we interested to put in our plant in Tanzania





Figure 3; Proposed machine to be used

7.5 Future Products and Services

In the future, ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant plans to expand by opening additional recycling facilities throughout Dar es salaam and beyond. We ultimately intend to become the method of choice for plastic disposal in Tanzania.

7.6 Our Pricing Strategy

Aside from quality, pricing is one of the key factors that gives leverage to plastic granule and plastic packing belt, it is normal for plastic products manufacturing companies to go to places where they can get these plastic granule and plastic packing belt at cheaper prices which is why big players in the industry will always attract loads of clients.

At ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant we will keep the prices of our recycled raw materials below the average market rate for all of our customers by keeping our overhead low and by collecting payment in advance from corporate organizations who would hire our services. In addition, we will also offer special discounted rates to all our customers at regular intervals. We are aware that there are some one – off jobs or government contracts that are always

lucrative, we will ensure that we abide by the pricing model that is expected from contractors or organizations that bid for such contracts.

7.7 Payment Options

ARKMEGA INDUSTRIALS LIMITED plastic Recycling plant our payment policy will be all inclusive because we are quite aware that different people prefer different payment options as it suits them. Here are the payment options that we will make available to our clients;

- Payment by or via bank transfer
- Payment via online bank transfer
- Payment via check
- Payment via bank draft
- Payment via mobile money
- Payment with cash

In view of the above, we have chosen banking platforms that will enable our client make payment for the purchase of our products without any stress on their part. Our bank account numbers will be made available in sales documents i.e proforma invoice, tax invoices and promotional materials

7.8 Project phase

7.8.1 Planning phase

At this phase various activities which will be implemented includes Engagement of Engineers for Structural engineering design, Environmental impact Assessment and acquisition of various permits.

7.8.2 Construction Phase

The following are the main activities to be executed on the site during construction phase

- Site clearance
- Construction of various facilities such storage area, waste water recycling center treatment plant
- installation of machine and required instrument

7.8.3 Operational phase

- Collection of materials plastic materials
- Washing and resizing of the plastic materials
- Cleanness activities
- Marketing

7.8.4 Decommissioning phase

At the end of the operation, the project will be decommissioned and thus bringing all the activity conducted during the operation phase to stop. The infrastructural facilities such as waste management facilities and other disturbed areas in the site will need to be demolished at the end of the operations so that the areas can be restored accordingly. The decommissioning and closure plan of the project will be prepared in line with the requirements of the national and regional environmental good practices

CHAPTER EIGHT ECONOMIC ASPECTS AND FINANCIAL PLAN

8.1 Project Priorities

The business is in line with the government policy of avoiding waste plastics around the environment also the business will be in line with the government policy of encouraging private sector in economic strengthening to achieve the long desired growth. The operations of the business will contribute to the National economy by boosting the industry which is vital for any economy.

8.2 Employment Effect

The Company will generate employment opportunities for many Tanzanian directly as indicated in the business structure above in this business plan as well as indirectly. Therefore the Company through its business will contribute to the Government's efforts to curb the problem of unemployment in the country.

8.3 Financial Plan

Our financial plan is based on receiving a big profit in this investment in Tanzania. We will achieve profitability early in the first year and due to the expected high growth rate, we will realize strong profits on sales by year three. We have been able to critically examine the recycling market and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some assumptions that are peculiar to similar start ups in Tanzania

8.4 Projected Profit and Loss

The following table summarizes our anticipated sales and cost of goods sold for the first five years. The forecast is based on reasonable sales projections within this very large market

PROJECTED STATEMENT OF COMPREHENSIVE INCOME FROM 2022 TO 2026

PROJECTED STATEMENT OF COMPREHENSIVE INCOME FROM 2022 TO 2026

PARTICULARS	2022	2023	2024	2025	2026
	\$	\$	\$	\$	
Revenue	240,000.00	350,000.00	480,000.00	630,000.00	770,000.00
Cost of sales	<u>130,000.00</u>	<u>185,000.00</u>	<u>250,000.00</u>	<u>320,000.00</u>	<u>360,000.00</u>
	130,000.00	185,000.00	250,000.00	320,000.00	360,000.00
Gross profit	110,000.00	165,000.00	230,000.00	310,000.00	410,000.00
<u>Less: Expenses</u>					
Administrative expenses	53,200	70,100.00	90,350.00	119,425.00	145,000.00
Marketing and Advertisement expenses	5,000	7,500.00	11,250.00	16,875.00	20,250.00
Financial expenses	<u>1,800</u>	<u>2,400.00</u>	<u>3,400.00</u>	3,700.00	4,200.00
	60,000	80,000.00	105,000.00	140,000.00	170,000.00
Profit / (Loss) before tax	50,000.00	85,000.00	125,000.00	170,000.00	240,000.00
Less : Tax for the year(30%)	15,000	25,500	37,500	51,000	72,000
Profit / (Loss) after tax	<u>35,000.00</u>	<u>59,500.00</u>	<u>87,500.00</u>	<u>119,000.00</u>	<u>168,000.00</u>
Other comprehensive income / (loss)					
Gain / (loss) on fair value adjustment of borrowings	-				
Deferred interest	-				
Gain / (loss) on fair valuation of property, plant and equipment					
Others					
Total comprehensive income / (loss)	<u>35,000</u>	<u>59,500</u>	<u>87,500</u>	<u>119,000</u>	<u>168,000</u>

The high growth is based on our plans to expand by increasing operations at our plant and placing the region offices to purchase the waste plastic materials for recycling process. We anticipate that in year three of our operation we will have such facilities, Thus our sales forecast will double from the third year of the operation

8.5 Assumptions on Sales Projections

- I. The political stability of the country will remain constant
- II. The Government regulations can change but the changes will not affect our business
- III. The number of our customers will increase year after year
- IV. The price of the products will be increase at a high rate while the rate of expenses will increase also but not to the extent to affect the annual profit.
- V. The inflation rate will increase but will be expected to remain in the single digit.
- VI. The exchange fluctuation for dollars (usd) will increase but it's effects will be low to our business
- VII. The quality of our products will be improved
- VIII. The business will continue to be in a going concern basis
- IX. There won't be any major economic meltdown and there won't be any major competitor within same location.

PROJECTED STATEMENT OF FIANANCIAL POSITION FROM 2020 TO 2024

	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$
Non-current assets					
Property, plant and equipment	336,250	329,569	316,275.47	270,709.84	232,482.96
	336,250	329,569	316,275	270,710	232,483
Current assets					
Inventories	277,750	307,894	346,673	280,799	328,226
Trade and other receivables	20,000	26,500.0	47,700.0	143,100.0	214,829.0
	12,500	21,250.00	44,850.00	62,790.00	125,580.00

Cash and cash equivalents	310,250	355,644	439,223	486,689	668,635
Total assets	646,500	685,213	755,498	757,399	901,117
Equity					
Share capital	520,000	520,000	520,000	520,000	520,000
Retained earnings	35,000	59,500	87,500	119,000	168,000
	555,000	579,500	607,500	639,000	688,000
Non-current liabilities					
Loan from Bank	-	-	-	-	-
	-	-	-	-	-
Current liabilities					
Trade and other payable	91,500.00	105,713.00	147,998.20	118,398.56	213,117.41
Provisions	-	-	-	-	-
Current tax	-	-	-	-	-
	91,500	105,713	147,998	118,399	213,117
Total equity and liabilities	646,500	685,213	755,498	757,399	901,117

PROJECTED STATEMENT OF CHANGE IN EQUITY FROM 2022 TO 2026

Particulars	Share capital	Retained earnings	Total
	\$	\$	\$
Year ended 31st December 2022			
Opening balance equity as at start of the year	450,000	-	450,000
	450,000	-	450,000
	-	35,000.00	35,000.00

Net profit / (loss)				
	450,000	35,000.00	485,000.00	
At the end of the year				
Year ended 31st December 2023				
As at start of the year	450,000	35,000.00	485,000.00	
Prior year adjustments	-	-	-	
	450,000	35,000.00	485,000.00	
Net profit / (loss)	-	59,500.00	59,500.00	
At the end of the year	450,000	544,500.00	544,500.00	
Year ended 31st December 2024				
As at start of the year	450,000	59,500.00	509,500.00	At the end of the year
Prior year adjustments	450,000	59,500.00	509,500.00	
Net profit/(Loss)	-	87,500.00	87,500.00	
Year ended 31st December 2025				
As at start of the year	450,000	87,500.00	537,500.00	
Prior year adjustments	-	-	-	
450,000	450,000	87,500.00	537,500.00	
147,000.00	597,000.00			
		119,000.00	119,000.00	
	450,000	206,500.00	656,500.00	

Net profit/(Loss)

At the end of the year

Year ended 31st December 2026

As at start of the year	450,000	119,000.00	569,000.00
Prior year adjustments	<u>450,000</u>	119,000.00	569,000.00
Net profit/(Loss)		<u>168,000.00</u>	<u>168,000.00</u>
At the end of the year	<u>450,000</u>	<u>287,000.00</u>	<u>737,000.00</u>

NOTE; This projection is done based on what is obtainable in the industry and the above projection might be lower and at the same time it might be higher.

Particulars	Buildings	Furniture and fixtures	Office equipment	Plant & Machinery	Computers	MV Class I
	\$	\$	\$	\$	\$	\$
Rate	5.0%	12.5%	12.5%	12.5%	37.5%	37.5%
Cost						
Balances as at January 2022	40,000	60,000	8,000	200,000	12,000	30,000
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluation increase / (decrease)	-	-	-	-	-	-
Balances as at 31st December 2022	40,000	60,000	8,000	200,000	12,000	30,000
Depreciation for the year	2,000	7,500	1,000	25,000	4,500	11,250
Balances as at 31st December 2022					38,000	52,500
Balances as at January 2023	38,000	52,500	7,000	175,000	7,500	18,750
Additions				50,000.00		
Disposals						
Revaluation increase / (decrease)						
Balances as at 31st December 2023	38,000	52,500	7,000	225,000	7,500	18,750
Depreciation for the year	1,900.0	6,562.5	875.0	28,125.0	2,812.5	7,031.3
Balances as at 31st December 2023					36,100.0	45,937.5
Balances as at January 2024	36,100.0	45,937.5	6,125.0	196,875.0	4,687.5	11,718.8
Additions						4,500.00
Disposals						
Revaluation increase / (decrease)						
Balances as at 31st December 2024	36,100.0	45,937.5	6,125.0	196,875.0	4,687.5	16,218.8
Depreciation for the year	1,805.00	5,742.19	765.63	24,609.38	1,757.81	6,082.03
Balances as at 31st December 2024					34,295.00	40,195.31

Balances as at 31st December 2025					32,580.25	36,220.90
Balances as at January 2025	32,580.25	36,220.90	4,689.45	150,732.42	1,831.05	6,335.45
Additions						
Disposals						
Revaluation increase / (decrease)						
Balances as at 31st December 2025	32,580.25	36,220.90	4,689.45	150,732.42	1,831.05	6,335.45
Depreciation for the year	1,629.01	4,527.61	586.18	18,841.55	686.65	2,375.79
Balances as at 31st December 2026					30,951.24	31,693.29
Balances as at January 2026	34,295.00	40,195.31	5,359.38	172,265.63	2,929.69	10,136.72
Additions		1,200.00				
Disposals						
Revaluation increase / (decrease)						
Balances as at 31st December 2026	34,295.00	41,395.31	5,359.38	172,265.63	2,929.69	10,136.72
Depreciation for the year	1,714.75	5,174.41	669.92	21,533.20	1,098.63	3,801.27

PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

As in the previous year the financial statement have been prepared under the historical cost convention. A summary of more important accounting policies is set out below.

Adaption of International Financial Reporting Standards (IFRS)

The company has not adopted the International Financial Reporting Standards for the preparation and presentation of its Financial Statements. In the circumstances, these Financial Statements have been prepared under the generally accepted accounting principles.

Turnover:

Turnover represents the invoiced value of goods/services rendered net of sales tax paid. The amount retained by the customers as retention money towards performance is accounted as income as and when received.

Fixed Assets

The fixed assets are stated in the Balance Sheet at cost less depreciation Continuing existence and usage of fixed assets is confirmed by the Management.

Depreciation

The depreciation is provided so as to write off the cost of fixed assets on reducing balance basis.

The principal annual rates used for this purpose which are consistent with those of last year are:-

M/Vehicle Class I	37.5 %
Office Equipments	12.5%
Furniture and fittings	12.5%
Buildings	5%
Plant &Machinery	12.5%

Regroupings

Previous years figures have been re-grouped/rearranged whenever necessary so as to make them comparable with current year figures.

Foreign Currency Transactions

Transactions in foreign currencies are converted into Tanzanian Shillings at the exchange rate ruling at the day of the transaction. Assets and Liabilities at the Balance Sheet date which are expressed in foreign currencies are translated into Tanzanian Shillings at the rate ruling at that date.

The resulting difference from conversions and translations are dealt in profit & loss account in the year in which they arise.

CONCLUSION

From the above business assessment, it can be concluded that our business activities are technically feasible and financially viable also it is economically acceptable. In this view it is true that the business will continue to grow since more expertise will be employed and the business will continue to provide enough opportunity to local people to sell the waste plastic materials for recycling process.